



Annual Activity Report 2022

DG ENVIRONMENT

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DG ENVIRONMENT IN BRIEF

The **Directorate-General for Environment** leads the European Commission's activities in the field of the environment. Its key mission is to help EU citizens to live well, within the planet's ecological limits, based on an innovative and circular economy where growth is decoupled from resource use, biodiversity and ecosystems are protected and restored and environment-related health risks are minimised. The activities of the Directorate-General (DG) are **framed by the EU Treaties** ⁽¹⁾, which establish the objectives to preserve and improve the quality of the environment, protect human health and promote a prudent and rational utilisation of natural resources. The EU Treaties also establish that priority objectives are set by general action programmes adopted by the European Parliament and Council. The **8th Environment Action Programme** was adopted in 2022. It sets out priority objectives for 2030 and the conditions needed to achieve these.

DG Environment's core activities are primarily legislative, implementation work with **Member States** and other stakeholders and, where necessary, **enforcement action**. Full implementation of the environmental *acquis* is a key challenge at all levels of EU governance. In line with **Better Regulation** principles, the DG evaluates existing legislation regularly and, when adequate, prepares new legislative proposals following input from citizens and stakeholders and rigorous impact assessments. The DG facilitates **interinstitutional negotiations** leading to the adoption of the proposed legislation by the co-legislators. Other means, such as voluntary instruments and **external communication**, are also used.

The EU Treaties require the **integration of environmental protection** across the Union's policies and activities, in particular to promote **sustainable development**, and establish that the EU shall promote international measures to address **regional or global environmental problems**. DG Environment works closely with other Commission services to mainstream the environmental objectives of the **European Green Deal** across EU policies and funding programmes and represents the EU in a wide range of international fora. In collaboration with DGs Energy and Climate Action, the DG is responsible for the current **LIFE** programme, while its implementation is delegated to the European Climate, Infrastructure and Environment Executive Agency (CINEA). Since 2021, the DG plays also a significant role in the implementation of **Horizon Europe**.

By the end of 2022, the DG had **511 staff members** organised in six directorates divided into units; a strategic unit is directly attached to the Director-General. In the context of Russia's war of aggression against Ukraine, the DG created an informal internal Task Force to step up its capacity to contribute to the Commission's response to the war and solidarity effort to support Ukraine.

⁽¹⁾ Articles 3 and 17 of the Treaty on the European Union and Articles 11, 49, 191-193, 208 and 209 of the Treaty on the Functioning of the European Union

EXECUTIVE SUMMARY

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

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

Russia's war of aggression against **Ukraine and its repercussion in the EU** – exacerbating inflation, energy and food prices and potential energy shortages – permeated DG Environment's activities throughout 2022. At the same time, the **crises of climate change, biodiversity loss and pollution** continue, with a heavy toll on human lives, economy and the environment. In line with the Commission's commitment to the systemic transformations launched at the start of the mandate, DG Environment continued pursuing its agenda to deliver the **European Green Deal**.

Exacerbated by the war, supply disruptions linked to the COVID-19 pandemic have strengthened the case for a more circular economic model. **Circularity will reduce the dependencies** on imports of critical raw materials that are essential for clean energy, electric mobility and digital technologies. In 2022, the DG delivered several initiatives to make products more sustainable and keep valuable materials longer in the EU economy. In



March, the flagship proposal on **Ecodesing for Sustainable Products** was presented, together with a strategy to address **textiles**. An innovative **EU Digital Product Passport** was part of the proposals to add data access requirements to physical requirements, and enable product identification, track and tracing. In November, the DG delivered new rules to tackle **packaging and packaging waste**, and a

Communication to bring clarity to industry and consumers on **biobased, compostable and biodegradable plastics**. In December, the European Parliament and the Council, closely supported by DG Environment, reached an important agreement on a new **Batteries Directive** that will make batteries more sustainable and safer, supporting the EU's energy transition and competitive industry.

⁽²⁾ Article 17(1) of the Treaty on European Union

Also in December, a historic agreement to halt destruction of the natural world was reached at the **15th Conference of the Parties to the United Nations Biodiversity Convention**. DG Environment played an instrumental role during negotiations, led by Commissioner Sinkevičius, and by reaching out to citizens and key countries ahead of the Conference. The agreement provides a global roadmap to protect and restore nature, setting concrete targets and indicators that will require further action, also at EU level.

Important progress was made under the EU Biodiversity Strategy. In June, the Commission presented a proposal for a **Nature Restoration Law**, developed by DG Environment to restore ecosystems, habitats and species across the EU's land and sea. The new global biodiversity framework reinforces the approach of this pioneer proposal, the first continent-wide comprehensive law of its kind. In December, the co-legislators reached a provisional agreement on the new EU law on **deforestation-free supply chains**, just 12 months after adoption of the proposal prepared by the DG.

Making progress towards the **Zero Pollution** ambition was a priority of the 2022 Commission Work Programme. In April, the DG presented two proposals to modernise legislation on **Industrial Emissions**, to help prevent and control pollution, steering large industry in the long-term green transition. Stronger rules for **cleaner air** and for **surface and groundwater pollutants** were adopted in October, based on proposals prepared by DG Environment. A proposal to revise the **urban wastewater** treatment Directive was adopted with the aim to reduce pollution and address water scarcity through a more circular approach. In December, to better protect people and the environment from **hazardous chemicals**, the DG delivered a proposal to revise **the Regulation on the classification, labelling and packaging of chemicals**, as well as a delegated act introducing new hazard classes for endocrine disruptors and other harmful substances.



Realising the benefits expected from legislation requires implementing it. In 2022, the **Environmental Implementation Review** highlighted the need to strengthen compliance



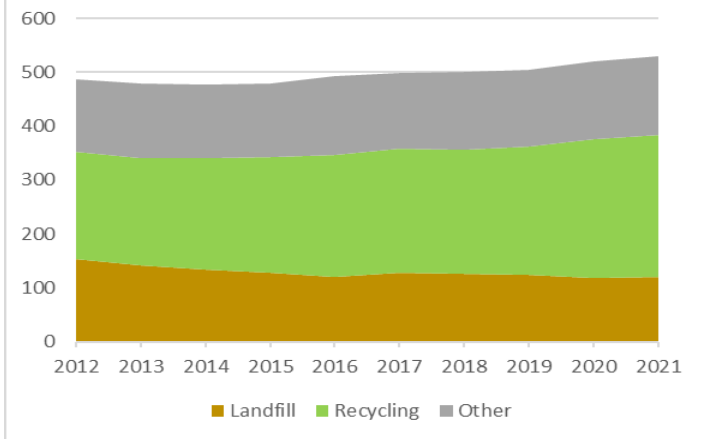
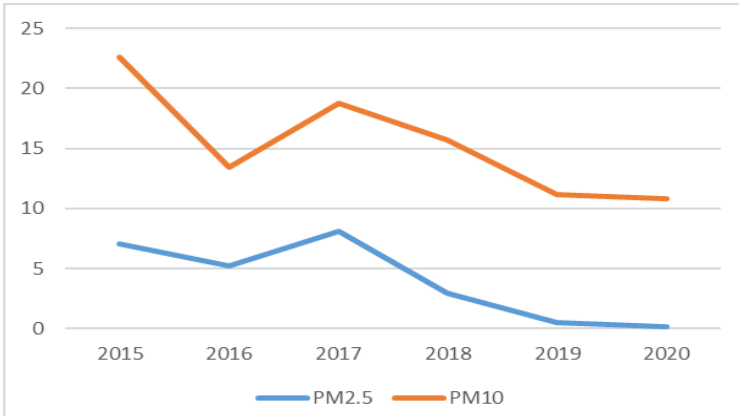
and support to Member States to actively apply legislation. Persisting financial investment gaps appeared as particularly critical in a context where forests fires, flooding and other environmental disasters occur more frequently. The DG continued to promote **green investments**, including through its contribution to the European Semester cycle. In May, the Commission approved an investment package of more than EUR 290 million for 132 **new LIFE projects**, which will mobilise a total investment of EUR 662 million across Member States. The implementation of the new international strand of the LIFE programme was accelerated and, before the end of the year, two association agreements had been signed with **Ukraine and Moldova**.

Tackling the interconnected crises of climate change, biodiversity loss and pollution requires an **ambitious global response**. DG Environment maintained its involvement in global Green Deal Diplomacy. Multilateral cooperation was intense with a number of substantive Conferences of the Parties of major Multilateral Environment Agreements. The DG contributed to prepare the positive Commission's opinions regarding EU membership of **Ukraine and Moldova**. Several high-level missions were organised to reinforce support and cooperation.



External communication activities supported corporate and environmental priorities, aiming to bring the EU closer to the citizens and promote their engagement. **GreenWeek 2022**, the DG's flagship communication event, was dedicated to the **European Green Deal**.

B. Key Performance Indicators (KPIs) ⁽³⁾

KPI 1 (Specific Objective 1) Municipal waste generation and treatment [Kg/person on Y] Target: Reduce waste generation and landfill, Increase recycling Data source: Eurostat	 <table><caption>Municipal waste generation and treatment (Kg/person on Y)</caption><tr><th>Year</th><th>Landfill</th><th>Recycling</th><th>Other</th></tr><tr><td>2012</td><td>150</td><td>200</td><td>150</td></tr><tr><td>2013</td><td>140</td><td>210</td><td>150</td></tr><tr><td>2014</td><td>130</td><td>220</td><td>150</td></tr><tr><td>2015</td><td>120</td><td>230</td><td>150</td></tr><tr><td>2016</td><td>110</td><td>240</td><td>150</td></tr><tr><td>2017</td><td>120</td><td>230</td><td>150</td></tr><tr><td>2018</td><td>120</td><td>240</td><td>140</td></tr><tr><td>2019</td><td>120</td><td>250</td><td>130</td></tr><tr><td>2020</td><td>120</td><td>260</td><td>120</td></tr><tr><td>2021</td><td>120</td><td>270</td><td>110</td></tr></table>	Year	Landfill	Recycling	Other	2012	150	200	150	2013	140	210	150	2014	130	220	150	2015	120	230	150	2016	110	240	150	2017	120	230	150	2018	120	240	140	2019	120	250	130	2020	120	260	120	2021	120	270	110
Year	Landfill	Recycling	Other																																										
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2021	120	270	110																																										
KPI 2 (Specific Objective 2) Terrestrial and marine areas protected under Natura2000 Data source: Eurostat (Data from 03/2022, downloaded 21/01/2023)	Target: Increase and contribute to the 30% increase of EU land, oceans and seas protected by 2030 <table><tr><th>Baseline (2019)</th><th>Latest results (2020):</th></tr><tr><td>Land: 763 986 Km2 Oceans and seas: 441 001 Km2</td><td>Land: 764 222 Km2 Oceans and seas: 450 752 Km2</td></tr></table>	Baseline (2019)	Latest results (2020):	Land: 763 986 Km2 Oceans and seas: 441 001 Km2	Land: 764 222 Km2 Oceans and seas: 450 752 Km2																																								
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Land: 763 986 Km2 Oceans and seas: 441 001 Km2	Land: 764 222 Km2 Oceans and seas: 450 752 Km2																																												
KPI 3 (Specific Objective 3) Percentage of EU urban population exposed to air pollution. Particulate Matter (PM) Target: 0% exposure to levels above EU limits Data source: EEA	 <table><caption>Percentage of EU urban population exposed to air pollution (PM)</caption><tr><th>Year</th><th>PM2.5</th><th>PM10</th></tr><tr><td>2015</td><td>7</td><td>22</td></tr><tr><td>2016</td><td>5</td><td>14</td></tr><tr><td>2017</td><td>8</td><td>19</td></tr><tr><td>2018</td><td>3</td><td>16</td></tr><tr><td>2019</td><td>1</td><td>11</td></tr><tr><td>2020</td><td>0</td><td>11</td></tr></table>	Year	PM2.5	PM10	2015	7	22	2016	5	14	2017	8	19	2018	3	16	2019	1	11	2020	0	11																							
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2020	0	11																																											

⁽³⁾ Further details for the first four KPIs are available in the performance tables in annex (result indicators 1.3, 2.1, 3.1 and 5.5 respectively). Further details on KPI 5 – error rate – are available in part 2 of the Management Plan as well as annex 5.

KPI 4 (Specific Objective 5) Compliance with the principles of environmental governance framework Data source: DG Environment	Target: Close open infringements	
	Baseline (2019)	Latest results (2022)
	a) Number of infringement cases relating to the breach of the EU environmental governance framework: 45 b) Number of infringement cases relating to the breach of access to justice rights in EU environmental rules: 15	a): 16 of the 45 baseline cases closed (new total number of 48 including new infringement cases). b) 7 of the 15 baseline cases closed (new total number of 25 including new infringement cases).

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

In 2022, the **risk at closure** was **0.4%** of the total relevant expenditure, well below the target of 2%.

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

In line with the Commission's Internal Control Framework DG Environment has assessed its internal control systems during the reporting year and has concluded that it is effective and that the components and principles are present and functioning well overall. Please refer to AAR section 2.1.3 for further details.

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

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

D. Provision of information to the Commissioner

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

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT

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

Several important deliverables of the new Circular Economy Action Plan (CEAP) were achieved or continued in 2022. A significant milestone was the adoption of a proposal for an Ecodesign for Sustainable Product Regulation (ESPR), which will extend the successful approach of the current Ecodesign Directive 2009/125/EC beyond energy-related products and to the broadest possible range of products. The Regulation will enable to set eco-design requirements on design, performance and information to promote sustainability and circularity improvements throughout the product lifecycle. The approach covers both product-specific requirements and horizontal aspects. Access to relevant information is key for enabling circular business opportunities and empowering consumers to make more sustainable product choices. The ESPR introduces an EU **Digital Product Passport** that will help unlock previously untapped opportunities to foster value retention and increase product value.

An initiative on Empowering Consumers for the green transition, developed by DG Justice, was adopted by the Commission as part of the 2022 CEAP initiatives. DG Environment aimed to complement this initiative with a proposal on substantiating **green claims**. Its delivery was postponed to 2023, to deepen the analysis and ensure coherence with other related initiatives.

Sectors with the highest environmental impacts remained in the focus. Textiles are the 4th biggest pressure category in terms of raw material consumption, and 5th in terms of GHG emissions. In early 2022, a new EU **Strategy for Sustainable and Circular Textiles** set out a comprehensive vision. Developed in collaboration with DG Internal Market, Industry, Entrepreneurship and SMEs, the Strategy also launched the co-creation process of the transition pathway to engage the textiles industry, public authorities and consumers in addressing the **environmental and social impacts** whilst ensuring the **recovery and resilience** of the sector.

Further progress was done to reduce **plastic pollution** and promote innovation in the sector. A new policy framework for **biobased, biodegradable and compostable plastics** was developed to clarify the role that these plastics can play. On **microplastics**, a public consultation was launched, and an impact assessment was under preparation on new measures to address unintentional release into the environment, and to restrict microplastics intentionally added in products under the Regulation on the Registration, Evaluation, Authorisation and restriction of chemicals (REACH).

In 2022, the DG facilitated the interinstitutional negotiations that concluded successfully with the adoption of the new **Batteries Regulation**, setting far-reaching product sustainability requirements for portable, electric vehicle and industrial batteries placed on the EU market. It will significantly increase the circularity of the sector, and the availability and uptake of secondary raw materials, by setting collection, recycling and material recovery targets for waste batteries. The preparatory work for the development of 62 acts of secondary legislation also commenced in 2022.

The DG was also involved in the negotiations of the **Shipment of Waste Regulation**. An ambitious agreement will facilitate shipments of waste for recycling in the EU, make sure that EU exports of waste do not generate environmental or public health challenges in third countries and better address better illegal shipments.

In 2022, work continued to evaluate and review the waste *acquis* in line with the circular economy principles and the waste hierarchy. In November, the Commission proposed a new **Regulation on Packaging and Packaging Waste**, a comprehensive instrument developed by DG Environment to address the full lifecycle of all packaging with rules directly applicable to economic operators. Underpinned by a thorough impact assessment, the proposal aims to reverse the trends of growing packaging waste, which is a source of concern for EU citizens, as expressed through the Conference on the Future of Europe and illustrated by more than 82 000 hits in social media and more than 23 000 visits to the related Commission webpages.

Work was ongoing to revise and possibly merge the **end-of-life vehicles** Directive with the Directive on the type of approval of motor vehicles, in collaboration with DG Internal Market, Industry, Entrepreneurship and SMEs. An impact assessment was in progress and broad stakeholder and public consultations launched to underpin a legislative proposal planned for delivery in 2023 to promote circularity in the automotive sector.

An evaluation of the **Waste Electrical and Electronic Equipment** Directive was launched and the ongoing evaluations of the **Sewage Sludge** Directive and of the Directive on the Restriction of the use of certain **Hazardous Substances** in electronics were advanced to allow for their finalisation in 2023. Implementation progressed through the adoption of several delegated acts on exemptions (see detail in annex).

The DG's **Key Performance Indicator 1** on the treatment of municipal waste has progressively improved over the past decade, but progress towards more recycling has slowed down and is not yet on a trajectory for compliance with EU targets. The general trend masks major differences between Member States. **Enforcement action** focused on ensuring the complete transposition of waste legislation. Ongoing infringement procedures were pursued against 11 Member States for failure to transpose the Single Use Plastics Directive. Action was also pursued against two Member States that had failed to close and rehabilitate their illegal and substandard landfills, and against two Member States that had failed to ensure appropriate treatment of waste before landfilling. In 2022, penalty payments of ca EUR 56 655 000 were collected from two Member States following second judgments of the Court of Justice of the EU.

Work continued also towards building the **global circular economy**, in line with the CEAP's international chapter and the European Green Deal. **GACERE**, the Global Alliance on Circular Economy and Resource Efficiency launched in 2021, was instrumental in promoting the Circular Economy agenda globally, including in bilateral relations with key countries and regions (see Specific Objective 6 for further detail). The United Nations Basel Convention decided to subject **global trade in e-waste** to the controls of the Convention, a measure supported by the EU on basis of a proposal developed by DG Environment. It also made considerable progress in the development of international guidelines on the management of plastic waste and decided to start working on similar guidelines for waste batteries. In November, negotiations started on a new **Global Plastics Agreement** (following a decision by the United Nations Environment Assembly, as also described in chapter 6). The work of the DG's Ukraine Task Force included ways to ensure that the **reconstruction in Ukraine** will be done to high standards of circularity and sustainability, particularly in relation to the use of recycled concrete and steel in rebuilding works.

The **European Circular Economy Stakeholder Platform** continued to be the one-stop shop for stakeholders' information, best practice, networking and mobilisation on the topic of circular economy. The Platform's #CircularTalks series brought stakeholders and public actors and citizens together to debate on 12 occasions. In March, the annual European Circular Economy Stakeholder Conference focused on sustainable products.

Also in March, the DG's **external communication** activities focused on the Textiles Strategy. Youth was put at the centre, in line with NextGenerationEU and the European Year of Youth, emphasizing the links between Circular Economy, Biodiversity and Zero Pollution. Workshops were organised to help Member States prepare for the implementation of impending requirements on separate collection of biowaste, and to inform capitals of the reasoning behind proposals for the Digital Product Passport. Further communication efforts accompanied the Circular Economy package adopted in November.

In the 30th anniversary year of the **EU Ecolabel**, special efforts were made to improve its uptake and visibility, including a showroom that was towed by an electric bike throughout Europe. The number of EU Ecolabel products on the EU market – almost 90 000, as monitored through result indicator 1.1 – reached a new high.

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

COP15, the 15th Conference of the parties to the United Nations Biodiversity Convention, held in Montreal in December, was a top priority for DG Environment in 2022 and a huge global success. World leaders adopted the **Kunming-Montreal Global Biodiversity Framework**, containing ambitious goals and targets to protect and restore nature as well as a financing mechanism. The deal will significantly increase finance for biodiversity from public and private sources. DG Environment played an important role, reaching out to other parties bilaterally and in various multilateral settings. There was also significant outreach

to stakeholders, including local-and subnational authorities, NGOs and business, and an extensive communication campaign.

At home, the implementation of the **EU Biodiversity Strategy for 2030** continued to guide DG Environment's work, notably with the delivery of the flagship legislative proposal on **Nature restoration** targets. By boosting ecosystem resilience and productivity, this law will increase our resilience to climate change, strengthen our food security in the medium to long run, and reduce dependence on imports of fertilisers and pesticides.

Work on the **new governance framework for biodiversity** progressed, with the launch of the **EU Biodiversity Platform** bringing together Member States and stakeholders to support the rollout of the Biodiversity Strategy. A new **Science Service for Biodiversity** was set up under the Knowledge Centre for Biodiversity (KCBD) and started delivering fast-track responses to science-policy requests. The KCBD also maintains two online tools to track progress under the Biodiversity Strategy and updates on progress were regularly provided to the European Parliament and Council. Work on indicators will continue to reflect the outcome of the Global Biodiversity Framework.

Efforts to boost financing for biodiversity included increased biodiversity mainstreaming in EU funds and the analysis of the prioritised action frameworks submitted by Member States under the Habitats Directive. A new **biodiversity tracking methodology** was published to ensure adequate monitoring (to be complemented in 2023 for the Common Agriculture Policy). A mechanism was put in place for Member States to submit pledges for the designation of new protected areas and for the targets to improve the conservation status. Pledges will be monitored and assessed to determine whether they are sufficient to achieve the EU Biodiversity Strategy targets on protection and restoration.

Work continued also with **business on biodiversity**, with another well attended European Business Nature Summit in October 2022 which facilitated a proactive contribution of business to the Kunming-Montreal framework, and the development of corporate natural capital accounting methods and methods to measure businesses' impacts on biodiversity through the Transparent and Align projects.

DG Environment also worked with other services (notably DG Health and Food Safety and DG Agriculture) on several measures at the intersection of the Biodiversity and Farm to Fork strategies. The planned revision of the **EU Pollinators Initiative** made important progress, *inter alia* responding to the European Court of Auditors' special report on wild pollinators. It will also help to respond to citizens calls for decisive action against pollinator loss, also through the 2022 European Citizens' Initiative 'Save Bees and Farmers'. To ensure a sustainable use of nutrients in the EU and reach the European Green Deal objective of reducing nutrient losses by at least 50% by 2030, DG Environment stepped up efforts to enforce the **Nitrates Directive** and to develop an **integrated nutrient management** approach. Action on nutrients is also relevant for the zero pollution ambition, in particular to address eutrophication in EU waters and protect the aquatic ecosystems and human health. Continued efforts have also been devoted to boost the implementation of the **Habitats**

and Birds Directives and improve the conservation status of **EU species and habitats**, in particular through an expansion of the **Natura 2000 network**.

The DG's **Key Performance Indicator 2** monitors the contribution of Natura 2000 to the EU target of having 30% terrestrial and marine areas protected by 2030 at EU level. On land, the indicator shows only marginal increases of an already substantial protected area. On oceans and seas, while the recent trend is to increase, the indicator is lagging behind. Increases reflect site designations by Member States to address insufficiencies identified through the established collaboration processes or following infringement cases, as well as compensation measures pursuant to the application of Article 6(4) of the Habitats Directive. The identification of marine sites hosting protected habitats and species to protect is more difficult than on land, which partially explains the slower pace rate of designation of sites.

Enforcement action was taken against five Member States to insist on completion of the Natura 2000 network and the adequate conservation of the Special Areas of Conservation and Special Protection Areas and was pursued against five Member States to address insufficient protection of species and habitats in decline due to fishing or agricultural practices, as well as illegal practices.

European seas and ocean continue to be under severe threat from human activities. The Marine Strategy Framework Directive requires Member States to achieve good environmental status by 2020. In 2022, Commission recommendations identified areas for improvements for each Member State. Work was under way to establish common thresholds for underwater noise pollution and on an **action plan to conserve fisheries resources and protect marine ecosystems**, together with DG Fisheries and maritime affairs. Efforts will mostly focus on protecting the seabed and sensitive species from the impacts of unsustainable fishing practices. The adoption of ambitious restoration targets for marine ecosystems under the proposed Nature Restoration Law will be crucial in this respect.

The 2021 **Soil Strategy** required substantial follow-up in 2022. DG Environment launched an impact assessment to underpin the new **Soil Health Law** proposal set for adoption in 2023. Extensive consultations were carried out, with Member States, stakeholders and the general public.

Work continued to implement the **EU Forest Strategy for 2030**. Forests are essential for human and planetary health; they are rich in biodiversity and are hugely important in the fight against climate change. Preparatory work was launched for a new legislative proposal **on forest observation, reporting and data collection**. This also involved wide consultations with Member States, stakeholders and the general public. A tool to monitor progress on the **3 Billion Tree Planting Pledge for 2030** was developed, and external communication efforts were made to mobilise citizens and stakeholders, reaching almost half a million Europeans.

DG Environment supported the co-legislators in their negotiations on deforestation, which resulted in the December 2022 agreement on a new **EU deforestation law** that promotes

sustainable supply chains. **International work on forests** was stepped up to engage partner countries in the fight against deforestation and forest degradation both bilaterally and multilaterally (see detail in annex). Deforestation was an important element in the DG outreach to third countries under Specific Objective 6.

The action plan against **Wildlife Trafficking** was revised to guide EU action in this area until 2027. The EU's objectives for the 19th Conference of the Parties of the **Convention on International Trade in Endangered Species (CITES)** in November were successfully met, including the adoption of all EU proposals to list selected species under the Convention. Representing the EU in the **Regional Sea Conventions**, DG Environment successfully contributed to an agreement for an **Emission control area in the Mediterranean Sea**, endorsed by the International Maritime Organisation in December 2022.

External communication efforts focused on #ForOurPlanet, a social media campaign involving several services to raise awareness about the biodiversity crisis. For a limited budget the campaign performed extremely well, reaching 70 million people. Dissemination of the [Pollinator Park](#) virtual reality experience continued, reaching new audiences including at Green Week, COP15 in Montreal and during events related to the European Year of Youth. [On The Green Track](#), a campaign with youth by youth about biodiversity and other environment issues, which also tied in with the European Year of Youth, was rolled out. Some 30 events were organised in 27 countries, with a total reach in all media of 21.2 million.

The strategic importance of Natura 2000 and recognition of the contribution of different stakeholders was promoted through the **Natura 2000 Day and Award**, and events to celebrate the 30th anniversary of the Habitats Directive and the LIFE programme.

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

Reinforcing the Zero Pollution ambition of the European Green Deal was a Commission priority for 2022. DG Environment delivered several legislative initiatives to reduce pollution from air, water and soil, in line with the **Zero Pollution Action Plan** adopted in 2021.

Two proposals on **industrial emissions** were delivered in April, to steer the green transformation of industry and contribute, in an integrated manner, to the zero pollution, decarbonisation and circular economy objectives of the European Green Deal and the Industrial Strategy. Once adopted by the co-legislators, the proposals will foster investment in cleaner technologies that take into account energy use, resource efficiency and water reuse. An Innovation Centre for Industrial Transformation and Emissions will be established, and a simplified permitting and reporting framework will cover additional **intensive livestock farming**, ensuring the reduction of emissions of pollutants and greenhouse gases from this sector while minimising administrative burden for farmers. Extending the

legislation to sectors that are key for the transformation of the EU economy, such as mining, can provide the environmental governance framework needed to increase public acceptability. Implementation of the existing rules also continued, and Best Available Techniques were set for several industrial processes (as detailed in annex). These will apply to about 4700 installations in the EU, leading to a substantial reduction of emissions of pollutants across soil, water and air.

As regards **ambient air pollution**, the EU regulatory framework has delivered important results – as shown for the last decade by the DG’s **Key Performance Indicator 3** on urban population exposed to air pollution. However, the number of premature deaths attributable to exposure to fine particulate matter in air remains high. This can be linked to the fact that some EU air quality standards are less stringent than the latest scientific advice, and to an only partially effective implementation of the Ambient Air Quality Directives. This is why, in October 2022, the Commission adopted a proposal developed under the lead of DG Environment to align the ambient **air quality directive** more closely with the recently updated World Health Organisation recommendations. The proposal also includes strengthened provisions on modelling and air quality plans to help monitoring by local authorities, while improving the overall enforceability of the regulatory framework.

In parallel, the DG contributed to the introduction of stricter requirements and tools to **tackle air pollution at source**, notably from agriculture, transport, buildings and energy, through a number of European Green Deal measures and strategies.

In the **area of water policy**, a proposal on **integrated water management** was delivered to address the problem of the pollution of surface and groundwaters in Europe with a more comprehensive list of pollutants, covering pharmaceuticals, pesticides and industrial chemicals, including per- and polyfluoroalkyl substances (PFAS). Concentrations of these substances that are too high will have to be reduced to a level where they no longer present a risk to the environment. The proposal will also simplify and rationalise some of the reporting procedures and will render data on pollution more accurate and up-to-date. The **Urban Waste Water Treatment Directive** was also revised to tackle pollution sources, in particular those of emerging concern such as pharmaceuticals or microplastics, and to introduce certain improvements identified by a recent evaluation, such as transparency, investment planning, access to sanitation and affordability. The revision also includes requirements to ensure surveillance for viruses and other pathogens present in waste waters, building on the successful experience of identifying COVID-19 variants through **waste water surveillance** during the pandemic. Finally, the revised legislation will simplify and automate monitoring and reporting, to reduce the burden on stakeholders.

In parallel, implementation work continued. Water legislation involves the construction of sanitation and drinking **water infrastructure** as well as of nature-based and other solutions to enhance the EU’s **water resilience** in the face of increasing floods and droughts. Through its integration activities the DG ensured that support to Member States was provided throughout EU funding programmes.

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

- the insufficient measures by one Member State to meet air quality standards for key pollutants and certain monitoring and planning obligations;
- instances of non-conform transposition of the environmental directives on industrial emissions and on the prevention of industrial accidents in one Member State;
- serious health risks resulting from non-compliance with the rules on drinking water in one Member State;
- the failure of five Member States to ensure collection and treatment of urban wastewater. In addition, in 2022, penalty payments of ca. EUR 45 890 000 were collected from three Member States following second judgments of the Court of Justice of the EU.
- the failure of thirteen Member States to fulfil their reporting obligations concerning the flood hazard maps and flood risk maps.

In December, the first **Zero Pollution Monitoring and Outlook** was presented, underpinned by evidence compiled by the European Environment Agency ⁽⁴⁾ and the Joint Research Centre. It assesses the progress and perspective of achieving the zero pollution targets by 2030, also providing a compass for future action.

The **Chemicals Strategy for Sustainability** is another cornerstone of the Commission's zero pollution ambition. Together with DG Internal Market, Industry, Entrepreneurship and SMEs, DG Environment delivered an impact assessment and a proposal to revise the rules on the **Classification, Labelling and Packaging** of substances that was adopted by the Commission in December 2022. Through a delegated act, new hazard classes were introduced in the annexes, in line with the political commitments announced in the above mentioned strategy.

Work to revise the **REACH Regulation** on the Registration, Evaluation, Authorisation and restriction of chemicals made important progress, building on the views of stakeholders gathered through public and stakeholder consultations. In November, the impact assessment underpinning the revision received a positive opinion from the Regulatory Scrutiny Board, allowing to start drafting a legislative proposal for adoption in 2023. Another proposal was under preparation to reallocate to EU agencies scientific and technical work that is currently spread across a variety of actors (scientific committees, consultants, Commission services), so as to reduce the burden on both stakeholders and the European institutions. Its delivery was however postponed to 2023, for adoption together with a revision of the founding act for the European Chemicals Agency (ECHA) that will enable it to better perform its tasks.

Additional measures were taken on **Mercury** under legislation on the restriction of hazardous substances. In view of the availability of safe alternatives, several exemptions

⁽⁴⁾ More information on the two decentralised agencies (European Environment Agency and European Chemicals Agency) and its relevance for DG Environment is available in annex 13.

allowing to use mercury in lamps were ended through the adoption of twelve delegated acts by the Commission. An ongoing revision of the **Mercury Regulation** was postponed to 2023 to deepen the analysis for better regulating the manufacturing, use and trade in mercury-added products, including dental amalgam.

At **international level**, multilateral activities continued in the frame of the Strategic Approach to International Chemicals Management (SAICM), and the relevant international conventions, notably the triple Conference of the Parties to the Basel Convention, the Rotterdam Convention and the Stockholm Convention of June 2022 with the theme of “Global Agreements for a Healthy Planet: Sound management of chemicals and waste”. On Mercury, the Minamata Convention held a successful 4th Conference of the Parties which adopted a range of Decisions in line with the EU positions. The 12th Conference of the Parties to the Convention on Transboundary Industrial Accidents (UNECE-Teia COP12) agreed on approaches to address risks to industrial sites within the context of climate change, natural hazards and the green energy transition. In the 30th year anniversary of the Convention’s signing, Ukraine was welcomed as its 42nd Party.

DG Environment continued to support the UNECE Water Convention and engaged in promoting EU priorities for major global events, such as the 2022 World Water Forum and. Together with other services, the EU **preparatory process for the UN 2023 Water Conference** was launched, inter alia through participation in a newly created Presidency-led Expert Group bringing together cross-sectoral expertise and aiming at agreed EU positions for the conference. This work included awareness raising for the significance of addressing water stress as a pre-condition for other policies, from health and food to energy. The fight against pollution was broadly mainstreamed into DG Environment’s relations with international partners (as outlined under Specific Objective 6).

External communication supported the implementation of the Zero Pollution agenda, including through an expansion of the Zero Pollution Stakeholder Platform, a special Eurobarometer on Air Quality, and support for the Zero Pollution Stakeholder Conference. One of the four plenary sessions at Green Week was dedicated to the “polluter pays” principle in the upcoming zero pollution legislation. The legislative proposals were accompanied by comprehensive press packages. Throughout the year zero pollution topics featured regularly on DG Environment communication channels, including the website, newsletter and social media channels.

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

Environmental integration means making sure that environmental concerns are fully considered in other policies, which is fundamental for the success of the green transition.

The **European Semester** has become a key instrument of environmental integration in Member States’ economic and employment policies, with the Recovery and Resilience Facility as the driver of the reform and investment agenda in many EU countries. In 2022,

DG Environment contributed to the European Semester cycle by identifying the remaining needs in green investments and reforms to unleash the socio-economic benefits of the transition to environmental sustainability, e.g., jobs, growth, competitiveness, innovation and resilience. This included promoting country specific recommendations that consider the European Green Deal priorities, and gradually increasing the focus on (1) the transition of key production and consumption systems towards environmental sustainability, (2) the economic enablers of these transitions, i.e., additional investments in environmental priorities, phasing out environmentally harmful subsidies and shifting taxes from labour to pollution and (3) environmental fairness.

Environmental integration is key to secure compliance with the **do no significant harm principle** across EU policies and funding instruments. Policy areas such as competition, taxation, employment and social policies were under focus, to highlight the close links between the economic, social and environmental dimension of sustainable development.

In 2022, a key task was to ensure that environmental objectives and the investments required to implement EU environmental legislation were included in the sectoral funding instruments, such as the partnership agreements and operational programmes for **Structural Funds** and **Just Transition Plans**. Particular attention was paid to the implementation the **Recovery and Resilience Plans**, for which DG Environment verifies that the Member States comply with the targets and milestones defined for reforms and investments. DG Environment also participated in intense negotiations with national authorities for the assessment of the national **Strategic Plans of Common Agricultural Policy (CAP)**. Indeed, while agriculture is one of the key drivers of environmental degradation and pollution of several sectors, the CAP is also the largest source of funding for the implementation of EU environment policy, notably for nature and biodiversity.

Horizon Europe is another crucial programme for environmental integration, to ensure that **research** expenditure support future environmental policy development and implementation, including through specific missions with environmental objectives (see also Specific Objective 5, which reflects the direct role that DG Environment plays in the implementation of this programme). **LIFE** strategic integrated projects continue to be an instrument to mainstream environmental goals into other EU and national funds. With a LIFE contribution of 72 million EUR, strategic integrated projects financed in 2022 are allowing for the coordinated implementation of EUR 3.4 billion of complementary funds for environmental and nature and biodiversity objectives ⁽⁵⁾.

The DG continued working in partnership with the European Investment Bank Group (EIB & EIF), the European Bank for Reconstruction and Development, and national promotional banks, including as regards the implementation of the **InvestEU** programme. Through the newly signed InvestEU Guarantee Agreements with EIB and with other implementing partners, and through the inclusion of financial products which have environment as eligible

⁽⁵⁾ Information on the implementation of these programmes is available at the LIFE Programme and Horizon Europe performance on Europa.

investment areas and/or are environmentally mainstreamed, the DG helped creating financing opportunities which will contribute to reduce the environmental investments gap.

On **sustainable finance**, DG Environment worked in close collaboration with DG Financial Stability, Financial Services and Capital Markets Union, DG Climate Action, Joint Research Centre and other core DGs and the European Environment Agency (EEA). An important part of this work was to complete the **Taxonomy**, in particular developing criteria for the identification of green economic activities based on environment objectives other than climate. Work was also ongoing to develop detailed sustainability reporting standards under the Corporate Sustainability Reporting Directive Promoting the EU approach to sustainable finance in all its environment aspects, notably through the International Platform on Sustainable Finance, will remain of strategic importance for the EU, as key global partners are developing their own sustainable finance initiatives, including taxonomy frameworks.

The application of the taxonomy criteria will have a wider purpose including through the Commission's proposal for an **EU green bond standard**, which is a key step to promote sustainable finance following the Commission's commitment to use green bonds to raise at least 30% of **NextGenerationEU** funding. DG Environment contributes to these processes notably by enhancing the coherence in the application of the 'do no significant harm' principle in the context of the **Recovery and Resilience Facility** ⁽⁶⁾.

The **Strategic Environmental Assessment** (SEA) and **Environmental Impact Assessment** (EIA) directives remain crucial instruments for the integration of environmental considerations into Member States programmes and projects. DG Environment helped other Commission services to determine the applicability of the SEA Directive, notably including modifications of the 2014-2020 operational programmes to reallocate funding in response to the **Cohesion's Action for Refugees in Europe**.

Work to achieve the full integration of environmental priorities in **EU external, enlargement, neighbourhood and development funding** continued in close collaboration with the European External Action Service, DG International Partnerships, DG Neighbourhood and Enlargement Negotiations and the Service for Foreign Policy Instruments. Through the successful prioritisation of Green Deal priorities across the programming exercise for the EU's external cooperation instruments, the DG contributed to manage and develop new projects under the Cooperation Agreements with the United Nations Environment Programme, and to support global environmental governance through the Global Europe instrument for the new budgeting period 2021-2027.

⁽⁶⁾ In line with the Commission technical guidance (OJ C 58, 18.2.2021, p. 1–30)

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

In 2022, the third **Environmental Implementation Review** (EIR) provided an overview of the implementation of EU environmental, including climate legislation. The EIR consists of 27 country reports and a Communication analysing the main themes and trends. It highlights Member States' achievements and the Commission's role in supporting them, for example through funding and technical support. It also outlines problems, their causes and corresponding investment needs, as well as policy recommendations. For the first time, it compares the available funding for environmental implementation with the investment needs by Member State. The EU-wide investment gap stands at EUR 110 billion per year. The EIR was accompanied by a video in all EU languages and an interactive map providing information on infringement cases, which contributed to the visibility of the Commission's enforcement effort and to raise public awareness of EU action to protect EU citizens.

Work to promote effective environmental compliance assurance in Member States continued also through the **Environmental Compliance and Governance Forum**, with a focus on enforcement activities in the context of the Zero Pollution ambition as well as on the future implementation of the upcoming revised Environmental Crime Directive, for which a Council General Approach was reached in December. The cooperation with **European networks of environmental enforcement practitioners** was further enhanced in order to improve effectiveness of compliance work on the ground.

Private enforcement by citizens and their organisations provides an indispensable complement to the public enforcement efforts. The revised EU rules on **access to justice in environmental matters at EU level**, adopted in November 2021 ⁽⁷⁾, started to apply to policy areas such as energy, agriculture, transport, health, internal market and environment, broadening the possibilities of public intervention. Several measures were under preparation in the DG to facilitate citizens' use of the new rights while clarifying the eligibility criteria applicable for all EU institutions. In line with the Communication on access to justice in environmental matters ⁽⁸⁾ specific provisions to strengthen access to justice in sectoral decision-making proposals were included in the proposals delivered by the DG on industrial emissions, nature restoration, air quality and urban waste water treatment ⁽⁹⁾. As a major outcome and first step, the co-legislators agreed on a new article on access to justice in the Regulation on deforestation and forest degradation.

Good functioning of the **Environmental Liability Directive** also contributes to good environmental governance and the delivery of the polluter pays principle. An evaluation of

⁽⁷⁾ Regulation (EU) 2021/1767 amending Regulation (EC) No 1367/2006 on the application of the provisions of the Aarhus Convention to Community institutions and bodies.

⁽⁸⁾ COM (2020)643

⁽⁹⁾ Respectively COM (2022) 156, COM (2022)304, COM (2022)542 and COM (2022) 541

the Directive was launched in 2022, as a first step in responding to calls from the European Court of Auditors to reinforce its application.

Access to **environmental information and data** is a precondition for good governance and citizens' rights. An evaluation of the EU rules related to environmental information was delivered to underpin the GreenData4All initiative, however work on the new initiative, originally planned for 2022, was postponed for future consistency with ongoing digital developments. Efforts continued to ensure a strong **knowledge base** for environmental policy, in close cooperation with the European Environment Agency (EEA), the Joint Research Centre and Eurostat. The **Science for Environment Policy news alerts** summarises and communicates the results of relevant environment-related research to internal and external stakeholders to facilitate research-to-policy uptake. The DG continued to apply a **foresight** approach to risks and opportunities for the environment through specific projects (FORENV). The 2022 report covered "Emerging environmental issues due to demographic changes in the EU". The DG contributed also to the yearly corporate foresight exercise and report (with the topic "Twinning the green and digital transitions in the new geopolitical context") and the Horizon Europe Foresight Network.

As co-chair of cluster 6 of **Horizon Europe** (Food, bioeconomy, natural resources, agriculture and environment), DG Environment shaped and co-created the work programmes of this cluster, ensuring together with the other co-chairs, that the research and innovation needs identified for the development and implementation of its policies were sufficiently covered in the work programmes of all relevant thematic clusters, partnerships and missions. Feedback from ongoing research projects was also collected to support the evaluation of EU environmental legislation and the preparation of new initiatives. This work ensures that research contributes to the European Green Deal, in particular in the fields of biodiversity, circular economy and zero pollution.

Environmental action is particularly important in **urban settings** where more than 70% of EU citizens live. Cities have an important role in tackling environmental challenges and in helping to improve implementation of EU rules on the ground. Many cities are also susceptible to changing weather conditions and extreme events such as flooding, water scarcity and heatwaves. By end 2022, the **Green City Accord**, launched in October 2020, had mobilised more than 100 cities to achieve greener, healthier and more resilient environments, with a focus on air, noise, water, nature and biodiversity, circular economy and waste. Strengthening outreach to large and capital cities will continue, including through the **European Green Capital and Leaf awards and network**. Horizon Europe provides additional support through the **Cities Mission**, which involves local authorities, citizens, businesses, investors as well as regional and national authorities to deliver 100 climate-neutral and smart cities by 2030.

To multiply the **external communication** of environmental priorities and support corporate communication, DG Environment developed tools to bring environmental policy closer to citizens and promote engagement, through an active information policy towards the general public via media including press, publications, website and social media, and to relevant stakeholders via specific conferences and events. The DG continued mobilising

networks such as “the Green Spiders Network” of national communication correspondents. It started a formal communication planning process with the European Environment Agency with the aim to improve the alignment between EEA’s publication plan and the EU political agenda and the DG management plan, so that reports and briefings can support political decisions and legislative developments.

DG Environment continued to engage citizens and youth in the ongoing dialogues and debates – including in the context of the Conference of the Future of Europe. The **EU Green Week** took place from 30 May to 5 June 2022, in a revamped format that blended a high-level conference (around 400 participants over 1.5 days) with interaction with youth (a youth dialogue was organised, with Commissioner Sinkevičius meeting young representatives from all EU countries) and stakeholders. Almost 280 Partner Events were organised across the EU to promote the Green Week main messages to the general public.

Strategic enforcement action continued to support the implementation of the horizontal instruments that underpin good environmental governance. Eleven infringement cases were successfully closed, as obstacles to access justice were removed, identified transposition problems were corrected and the good application of the Inspire directive was ensured. In eight cases, infringement action was taken mostly in order to ensure the correct transposition of the Environmental Impact Assessment and the Environmental Liability Directives. In addition, in 2022, penalty payments of over EUR 2 760 000 were collected from one Member State following the second judgment of the Court of Justice of the EU. Infringement actions were also appropriately communicated to the public and press.

The DG’s **Key Performance Indicator 4** shows clear progress in closing baseline infringement cases related to the breach of the EU environmental governance framework, including on access to justice rules, which reflects a positive trend in compliance by Member States. However, the DG has identified new breaches and initiated infringement procedures, notably to ensure the correct transposition of the Environmental Impact Assessment and the Environmental Liability Directives. To prevent new infringement cases, the DG will continue promoting dialogue with Member States, mainly through the Environmental Implementation Review, which outlines problems – as well as their causes and corresponding investment needs – and policy recommendations.

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

DG Environment’s international activities focused on active engagement with external partners to ensure that the progress made in implementing the European Green Deal in the EU is not offset by pressures on emanating from third countries. The main policy messages concentrated on addressing the triple planetary crisis of climate change, biodiversity loss and pollution in an integrated manner, highlighting in particular how climate change and biodiversity loss exacerbate each other and promoting policies with synergistic effects.

The **global promotion of the circular economy** remained a priority as the basis of a green global economic recovery effort after the COVID-19 pandemic. Work on **environmental security** was stepped up, with the European External Action Service, the DG International Partnerships and other services, to improve recognition of the root causes of conflict, disasters and displacement linked to environmental degradation as well as depletion of and illicit trade in key natural resources. With DG Trade, collaboration continued on further **strengthening the trade-environment interface** in support of the green transition and responsible, sustainable and transparent value chains at World Trade Organisation and in other multilateral fora.

2022 provided multiple occasions for direct DG engagement at multilateral level ⁽¹⁰⁾. The outcome of the second session of the **fifth United Nations Environment Assembly** (UNEA 5.2) reflected the EU's priorities supported by the DG, notably with resolutions to launch negotiations of a new binding **Global Plastics Agreement**, to establish a new **science-policy panel** on chemicals, waste and pollution and on a definition of **nature-based solutions**. External communication accompanied these important processes.

The green deal priorities were promoted at major international occasions such as the **50th anniversary of the first Conference on the Human Environment** of 1972 and of the **establishment of the United Nations Environment Programme** (UNEP), commemorated at a special session of the United Nations Environment Assembly. Steered by DG Environment, a consensus was reached around launching a global Sustainable Consumption and Production dialogue that is envisaged to take place for the first time 2023. Working with its partners, the DG also succeeded in strengthening the environmental profile of the **G7/G20** with the former issuing an ambitious set of commitments, *inter alia* on oceans and resource efficiency.

With regards to **bilateral and regional cooperation**, an enhanced presence in **Africa** continued to be pursued, in line with the political priorities of the Commission. This entailed establishing a more structured cooperation with the African Union and with Africa's major economies and launching a number of green initiatives (e.g., NaturAfrica) in cooperation with DG for International Partnerships and the European External Action Service. At continental level, a major achievement was the Commission's joining of the **African Circular Economy Alliance** while active engagement continued in the context of the African Ministerial Conference on the Environment (AMCEN) and the **EU-Africa Business Forum**. The DG was also an active participant in the first World Circular Economy Conference, held in Africa.

Engagement continued to be pursued with strategic partners through **Green Deal Diplomacy** initiatives and high-level dialogues on the broader environment agenda. Special focus was placed on outreach relating to the proposal for a Regulation on **deforestation-free supply chains** during the co-decision procedure (as mentioned under Specific

⁽¹⁰⁾ For information on Multilateral Environmental Agreements related to the Circular Economy, Biodiversity and Zero Pollution, please see Specific Objectives 1, 2 and 3, respectively, both in the text and performance tables in annex

Objective 2). Cooperation with the relevant external services continued to secure EU external funding support for the Green Deal priorities, especially in key countries and regions (this is also part of the DG's integration activities under Specific Objective 4).

Dialogue and technical cooperation with the **United States** received new impetus by Commissioner Sinkevičius' mission to the country in January 2022. Engagement with **Brazil** continued on deforestation and the protection of the **Amazon basin** as well as on circular economy issues and water. Commissioner Sinkevičius visited the country in May 2022 holding talks with a large number of government officials, academia and civil society on a range of bilateral cooperation issues.

DG Environment also followed-up on the **EU-India** Leaders' Meeting Joint Statement of May 2021 and the EU-India Strategic Partnership Review engaging with the country on priority areas such as circular economy, biodiversity and water protection. An in-person meeting of the **India-EU Water Forum** took place in October 2022 combined with a range of bilateral meetings focusing on circular economy, biodiversity and pollution. The DG continued to closely engage with **China** as host of the Convention on Biological Diversity's 15th Conference of the Parties and indispensable partner for greening supply chains and transitioning to a global circular economy. Finally, relations with **Japan** focused on implementing the EU-Japan Green Alliance and its workstreams on circular economy, plastics and biodiversity.

In the **enlargement** area, DG Environment supported ongoing enlargement negotiations and teamed up with DG Neighbourhood and Enlargement Negotiations and other concerned services to implement the Green Agenda for the **Western Balkans**.

In the context of Russia's war of aggression against **Ukraine**, enhanced support and assistance was provided in view of the environmental damage caused. The DG facilitated relations with international organisations such as UNEP and bilateral contacts were established with Ukraine and other services with a view of assessing environmental damage as well as future reconstruction and recovery. The main postulates of green and sustainable reconstruction and recovery in line with the European Green Deal were agreed with Ukraine and DG Environment engaged on modalities for its implementation. The DG contributed as well to prepare the Commission's Opinion on Ukraine's application for membership of the EU and work continued on the implementation of the EU – Ukraine Association Agreement together with the Ukrainian authorities. DG Environment also contributed to the opinions on the applications of Moldova and Georgia on environment leading to **Moldova** being granted candidate status and **Georgia** a clear European perspective. A number of high level **missions to Ukraine and Moldova** were organised to reinforce support and cooperation.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

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

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

- the annual reports and declarations by Authorising Officers in which all financial (trans)actions are verified;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the reports on control results from entrusted entities such as the European Investment Bank (EIB) as well as the result of the Commission supervisory controls on the activities of these bodies, and participation in the management board meetings of the European Climate Infrastructure and Environment Executive Agency (CINEA);
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level, and the contribution of the Risk Coordinator;
- the outcome of the DG ex-post audit plan 2022;
- the observations, recommendations and the conclusions on the state of internal control reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA);
- the annual review report of the DG Environment's Advisory Committee on procurement (ENVAC);
- Periodic reports and dashboards to management on resource issues.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG Environment.

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

2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO) ⁽¹¹⁾. The DG Environment's assurance building and materiality criteria are outlined in Annual Activity Report Annex 5. The annual activity report Annex 6 outlines the main risks, together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

OPERATIONAL STRUCTURE

DG Environment is structured around six directorates divided in units. By the end of 2022, the DG had 434 officials, 38 Seconded National Experts, 39 contract agents, 22 trainees and 22 service providers.

FINANCIAL OVERVIEW AND MANAGEMENT PARTNERS

DG Environment is responsible for the implementation of the environment part of the LIFE programme. Other expenditure includes the contributions to the budgets of the European Environment Agency (EEA) and the European Chemicals Agency (ECHA) and contributions to multilateral international environmental agreements, pilot projects and preparatory actions, as well as routine administrative expenditure. This represents in 2022 a total budget of EUR 567 million in commitment appropriations and EUR 470 million in payment appropriations.

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

The commitment and payment appropriations administered directly by DG Environment in 2022 amount to **EUR 131 million** and **EUR 146 million** respectively. The consumption of commitment and payment appropriations is very satisfactory **with implementation rates above 99%** at year-end ⁽¹²⁾. DG Environment implements its budget through direct or indirect management.

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

⁽¹²⁾ Appropriations carried over automatically to the next budgetary year (e.g., payment appropriations for administrative expenditure, assigned revenue from recoveries) can be

The table below gives an overview of the budget implementation in 2022. A short presentation of the bodies that collaborate with DG Environment for the implementation of the budget and/or as recipients of contributions from the budget are provided in Annex 7 “Specific annexes related to “Financial Management”, Annex 11 “Implementation through national or international public-sector bodies” and Annex 13 “Decentralised agencies”.

Financial overview DG Environment

Overview table (amounts in EUR million) of payments made in 2022						
Activities	Grants	Procurement	Contributions to agencies	Contribution agreements with International Organisations	Mandatory contributions to international agreements to which the EU is party	Total
Administrative expenditure		1,66				1,66
LIFE	12,65	36,76		0,38		49,78
Contributions to decentralised agencies (EEA and ECHA)			60,73			60,73
Multilateral Environment Agreements					3,55	3,55
Pilot Projects and Preparatory Actions	0,62	6,88				7,50
Co-delegations received from other DGs	2,79	1,75		14,56		19,10
Totals	16,06	47,04	60,73	14,94	3,55	142,32

CONTROL STRATEGY SUPPORTING MANAGEMENT'S ASSESSMENT

The vast majority of DG Environment's payments authorised in 2022 relate to grants/contribution agreements with international organisations, procurement and contributions to decentralised agencies. The control strategies for grants/contribution agreements and procurement are further explained in Annex 6 “Relevant Control System(s) for budget implementation”.

The assessment by management is based on the results of key controls performed in 2022, notably ex-ante controls, on-site monitoring of LIFE projects by the external monitoring team and ex-post audits. Management's factual conclusion on the control results, their completeness and reliability, is positive. Therefore, DG Environment reports reasonable assurance about the achievement of each of the relevant internal control objectives. No significant issue requiring a reservation has been identified.

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

implemented in 2023. Therefore, they are deducted for the calculation of the implementation rates.

SPECIFIC REPORTING STEMMING FROM THE FINANCIAL REGULATION

In line with the 2018 Financial Regulation ⁽¹³⁾, DG Environment's assessment for the new reporting requirement is as follows:

- **Cases of "confirmation of instructions" (new FR art 92.3):**

This procedure has been used to authorise two Heads of Unit to sign in blue ink all the procurement contracts, grant agreements and amendments at the outbreak of COVID-19, as well as amendments of those, on behalf of all the Authorising Officers of DG Environment. This practice has been progressively abandoned from September 2022 onwards, as the DG introduced the Qualified Electronic Signature (QES) for the signature of contracts and amendments.

- **Cases of financing not linked to costs (new FR art 125.3):**

No such cases for the DG.

- **Financial Framework Partnerships >4 years (new FR art 130.4):**

No such cases for the DG.

- **Cases of flat-rates >7% for indirect costs (new FR art 181.6):**

No such cases for the DG.

- **Cases of "Derogations from the principle of non-retroactivity of grants pursuant to Article 193 FR" (new Financial Regulation Article 193.2):**

A grant with the European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL) and the European Union Forum of Judges for the Environment (EUFJE) was concerned by this retroactivity. There were also two cases related to the contribution agreements in indirect management signed with the OECD (cf. sections 1 and 3 of Annex 11).

1. Effectiveness of controls

a) Legality and regularity of the transactions

DG Environment uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned. The control objective is to ensure that the final amount at risk related to payments authorised in 2022 does not exceed 2%.

Procurement

⁽¹³⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

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

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

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

Grants/Contribution agreements with International Organisations

For grants under the LIFE programme, the estimation of the amount at risk is based on ex-post audits performed in 2022. The ex-post audit team sampled 12 of the 46 LIFE grants for which a final payment was made throughout 2021. The audited grants represent an audit coverage of 26% of the number of projects closed in 2021 and 40% of the total value of those grants. The sample is based on a random selection through the MUS methodology (Monetary-Unit Sampling).

The European Court of Auditors, in its 2018 Annual Report and its review of the Commission's ex-post audits, observed that the methodology for calculating the error rate leads to an understatement of the error rate. As a result, DG Environment has adapted its methodology for the calculation of the LIFE program error rate in line to the Court's observations. Starting in 2019, the detected error rate (DER) has been calculated using the new method. The 2022 detected error rate of 0.16 % is calculated accordingly. The residual error rate (RER) for 2022 is 0.11%, well below the materiality threshold of 2% ⁽¹⁴⁾.

Contribution agreements are signed with 'pillar assessed' international organisations, i.e., entities that have undergone an ex-ante assessment that demonstrated a level of financial management and protection of the EU's financial interest equivalent to that of the Commission. In 2022, DG Environment signed such agreements with UNEP, OECD and WHO.

Contributions to decentralised agencies

⁽¹⁴⁾ Please see further details about the calculation of error rates in Annex 7

For the two EU decentralised agencies (European Environment Agency and European Chemicals Agency for its activities in the area of environmental directives) for which DG Environment was responsible in 2022, the Court of Auditors gave a positive declaration of assurance for the year 2021. The comments made by the Court do not call into question reasonable assurance on the operating budget managed by the EU agencies. From its own monitoring and supervision work as the responsible DG, DG Environment did not identify any issue that would indicate control weaknesses concerning legality and regularity.

CONCLUSION ON LEGALITY AND REGULARITY OF TRANSACTIONS

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

In addition, DG Environment has in place effective mechanism for correcting errors, through ex-ante and ex-post controls, resulting in preventive and corrective measures, respectively. Please see table below for details ⁽¹⁵⁾:

	Preventive Measures (m EUR)	Corrective measures (m EUR)
DG Environment total	0.473	0.111

Based on all the above, DG Environment presents in the following Table X an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year:

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

⁽¹⁵⁾ The reported amounts are based on the amounts reported in Table 8 of Annex 3. In addition, we have added to the amount of preventive measures the reductions of payments due to insufficient performance in contracts.

DG Environment	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
Administrative expenditure	1,66	1,66	0,01	0,50%			0,01	0,50%
LIFE - grants	12,65	44,82	0,07	0,16%			0,07	0,16%
LIFE - procurement	36,76	36,44	0,18	0,50%			0,18	0,50%
LIFE - contribution agreements with international organisations	0,38	0,36	0,00	0,50%			0,00	0,50%
EU subsidy to the EEA	55,88	51,43	0,26	0,50%			0,26	0,50%
EU subsidy to the ECHA	4,84	5,16	0,03	0,50%			0,03	0,50%
Multilateral environmental Agreements	3,55	3,55	0,02	0,50%			0,02	0,50%
Pilot Projects and Preparatory Actions	7,50	8,10	0,04	0,50%			0,04	0,50%
Co-delegation received from DG INTPA	14,71	0,24	0,00	0,50%			0,00	0,50%
Co-delegations received from other DGs	4,39	5,32	0,03	0,00			0,03	0,00
DG total	142,32	157,08	0,63	0,40%	0,00	%	0,63	0,40%

The estimated overall risk at payment and at closure ⁽¹⁶⁾ for 2022 expenditure is the AOD's best, conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

The estimated overall risk at closure is stable compared to 2021.

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

b) Fraud prevention, detection and correction

DG Environment has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. It is updated every three years. It was last updated in 2020. Its implementation is being monitored and reported to the management of the DG Environment and to the Commissioner on an annual basis. The strategy includes eight actions out of which six have been implemented (1. minutes of the annual risk management assessment, 2. meeting between DG Environment and CINEA, 3. guidelines on Conflict of Interest on the intranet, 4. analysis on the waivers of recovery orders within a timeframe of 2019-2021, 5. meeting of the DG with EPPO, training Zero tolerance to fraud, presentation to ca. 900 LIFE beneficiaries during the LIFE Info Days, short presentation to new staff in DG Environment, 6. report on waivers). The implementation of the remaining actions is in progress; their completion is expected by the end of 2023.

⁽¹⁶⁾ The risk at payment is the same as the risk at closure, as there are no estimated future recoveries and deductions. From 2023 on, ex-post audits will be carried out only by CINEA, which is managing the bulk of LIFE grants.

DG Environment also contributed to the Commission anti-fraud strategy by for example cooperating through the Fraud Prevention and Detection Network (FPDNet) and followed up 100% of OLAF's financial recommendations for the cases issued between 2010 and 2017, as the DG has accepted the six recommendations of recovery of funds in their entirety. Out of the six recommendations, two have been implemented in their totality (100% recovery of three debit notes resulting of two recommendations). The remaining four are at a different stage of implementation ⁽¹⁷⁾. In addition, DG Environment implemented a financial penalty under the recommendation of OLAF, which was fully cashed.

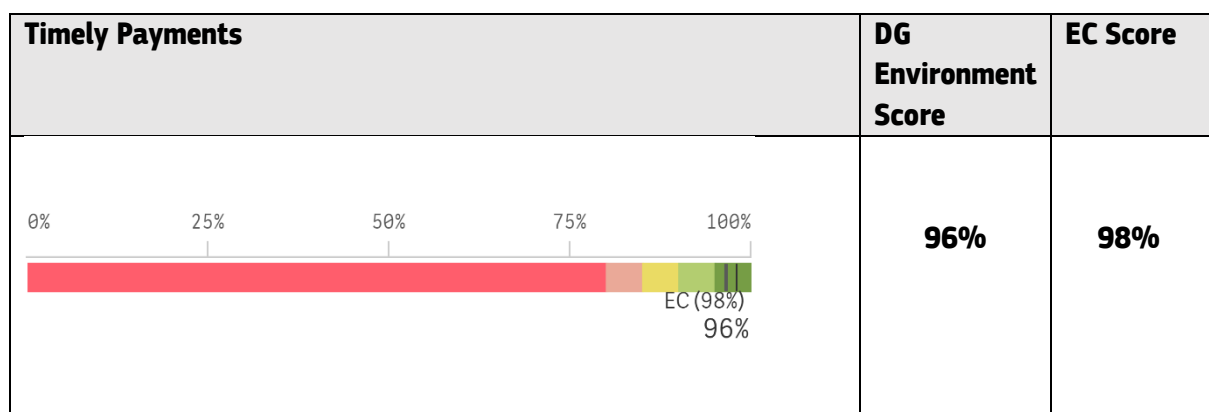
One of the results achieved during the year was the launched cooperation with CINEA focused on potential fraud patterns, fraud cases and exchange of good practice. In addition, a workshop entitled "zero tolerance against fraud" (action 7 of the DG Environment's Anti-Fraud Strategy) was organised at the beginning of 2022. Lastly, corrective measures in the form of recoveries of unduly paid amounts have been launched. A thorough analysis of the OLAF recommendations helped to better understand the root causes of fraud.

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

2. Efficiency of controls

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

Time to pay: DG Environment paid on time 96% of the total amount paid in 2022, which is slightly below the Commission global performance and DG Environment's score of last year. After analysis, it appears that payment delays occurred in various types of payments, and one specific problematic area could not be identified. Therefore, DG Environment will have to closely monitor the payment deadlines in all areas in 2023.



⁽¹⁷⁾ One is with the legal service for judicial recovery. One has been waived in view of the impossibility to enforce recovery in a third country. Another is also being partially waived at present, following a negotiation of the Legal Service in the national courts and the signature of a settlement agreement. The last one is at present at the end of the phase of pre-information of recovery order.

Time to grant: In 2022, DG Environment established a number of grants and agreements under direct and indirect management. The average time to grant was 2.7 months (from the final date of submission of the complete proposals to the signature of the grant or agreement). The calculated indicator concerns direct grants without a call for proposals (under Article 195 FR) and contribution agreements to international organisations under indirect management. It does not cover calls for proposals, as there was none during 2022.

Time to procure: In 2022, DG Environment procured contracts on average within 6.5 months for Open Calls, whereas for the few negotiated procedures of Low or Middle Value the average time was 2 months. Specific contracts under the various Framework Contracts of DG Environment or other DGs that DG Environment is using are procured normally within 2 months.

3. Economy of controls

Economy = the estimated cost of controls

The total cost of controls, for procurement and grants, stands at **EUR 1.8 million** ⁽¹⁸⁾.

4. Conclusion on the cost-effectiveness of controls

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

Benefits of Controls: The costs of the controls made are to be matched against benefits that are derived from:

- savings during the ex-ante phase (where, the full amount dedicated to a call not having been consumed, the balance becomes available for re-use), and
- the supervisory/ex-post checks performed during the running life of a procurement contract or a grant agreement on payments (resulting in a reduction of the amount finally paid as corrections of any detected errors).
- apart from these quantifiable benefits, the control of procurement procedures means that in 2022 DG Environment has avoided reputational costs and damages and has not faced any legal action and complaints to the European Court or the European Ombudsman.
- In addition, there is a number of non-quantifiable benefits resulting from the controls applicable during the programming phase, aimed to ensure that the financed projects contributed to the achievement of the policy objectives, and from the deterrent effect of ex-post controls.

⁽¹⁸⁾ Cf. annex 7

Furthermore, DG Environment considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk in case they were not in place. In conclusion, the control system in place is effective and efficient.

2.1.2. Audit observations and recommendations

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

Based on the Internal Audit Service (IAS) work undertaken in the period 2018-2022, the IAS concludes that the internal control systems in place for the audited processes in DG Environment are effective.

In its annual report, the European Court of Auditors (ECA) mentions that it audited four direct management transactions for the maritime, fisheries, the environment and climate action areas and found no error.

Conclusion

As explained in Annex 7 to the AAR, work to address the IAS recommendations recently made is already well under way. Both recommendations are rated “Important” and sufficient mitigation actions are already put in place and any possible damage should be avoidable.

2.1.3. Assessment of the effectiveness of internal control systems

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

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

Based on the internal control indicators set out for 2022 and other sources of information (e.g., the internal staff survey), the assessment of the state of internal control in DG Environment did not identify any major deficiencies, although some remarks were made on e.g., staff matters and open space working in the internal staff survey. Moreover, following the IAS audit on decentralised agencies, DG Environment has taken all appropriate measures to implement the recommendations made. DG Environment is confident of having the necessary procedures, staff skills and experience to identify and manage the

main operational, financial and legal/regulatory risks and successfully address any shortcomings during 2022. This conclusion is based on a thorough review of all available information (please see annex 8).

DG Environment has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning as intended.

2.1.4. Conclusions on the assurance

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

Assurance for the LIFE programme is notably based on the results of ex-post controls and the on-site monitoring of LIFE projects. Additional assurance is obtained from the mandatory controls of all procurement commitments and payments, but also from the annual declarations of the Authorising Officers by Sub-delegation, where they confirm the correctness of the transactions they authorised in 2022. Only one non-compliance event was recorded in 2022. The likely "amount at risk" in relation to transactions authorised in 2022 is below the materiality threshold of 2%.

The audit work performed by the IAS in 2022 concluded that the internal control systems audited are effective. Neither have the ECA audits on DG Environment transactions and accounts revealed any errors.

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

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

2.1.5. Declaration of Assurance

I, the undersigned,

Director-General of DG Environment

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁽¹⁹⁾.

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

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

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

e-Signed

Florika FINK-HOOIJER

⁽¹⁹⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

In 2022, DG Environment continued to deliver a high number of legal obligations and commitments under the European Green Deal. Delivering in time while maintaining and, if possible, increasing the skills and motivation of staff was very relevant throughout the year especially given that the staff numbers were not significantly increased.

At the end of 2021, DG Environment moved to a **new building** with open dynamic workspaces. 2022 was marked by the implementation of the new corporate building policies. The hierarchy and colleagues alike needed to adapt to this new way of working, which entails for example the need to organise frequent meeting events for routine work exchanges that used to take place in the individual offices.



In the post COVID-19 period, particular attention was given to measures to support staff engagement, which remained slightly over the Commission's average ⁽²⁰⁾ 2022 was also marked by the challenge of bringing staff **back to the office**. In the context of the new open and dynamic workspace, it was particularly challenging for the hierarchy to implement the guidelines on the return to the office and motivate staff to come back carrying their laptop and looking for a workspace within the vicinity of their Unit and team. DG Environment applied the recommended 2-days in the office policy, giving management and staff a lot of flexibility to strike the right balance between work duties and private life, to ensure a good **work-life balance**.

Taking advantage of the fact that events were allowed again, the DG organised an **All Staff Day** in the autumn of 2022 with the motto "New ways of working together". It was an interactive event with speeches, discussions, and different workshops with the aim of bringing colleagues together again in a playful environment. The event was extremely well received by staff. The aim to bring staff together again was also behind the organisation of monthly "Breakfast with policy" events, where teams had the occasion to present policy achievements to other colleagues, while sharing a cup of coffee in an informal setting and a friendly atmosphere. **Internal communication** continued in parallel throughout the year, with the DG hierarchy sharing policy information and relevant social and administrative information by email and on the DG's intranet.

An internal **Middle Management Mobility** exercise was launched autumn 2022, to maximize the benefits of cross-cutting knowledge and experience of managers in the house. It was an exercise done on a voluntary basis, considering the background and the wishes for assignments of those concerned. It resulted in five managers taking up new duties within the DG and was considered by all a real success. As regards gender balance,

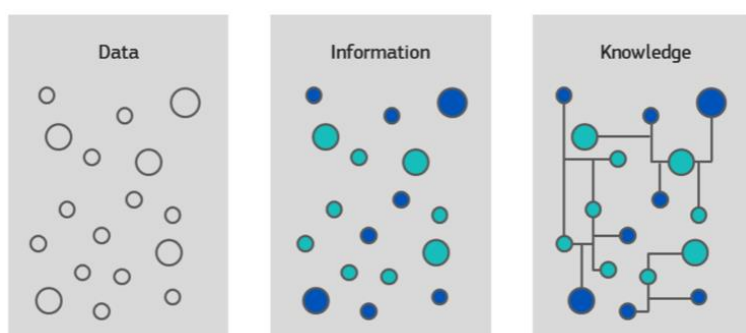
⁽²⁰⁾ See indicator 2 under the human resource management objective, annex 10

in 2022 the DG maintained the 50% share of women and men in middle management positions ⁽²¹⁾.

2.2.2. Digital transformation and information management

The twin green and digital transition is at the centre of the Commission's political guidelines. The Commission is determined to lead by example and evolve into a digitally transformed, user-focused and data-driven administration.

In 2022, DG Environment continued implementing the relevant Commission strategies and corporate guidelines and renewed an internal Task Force to accompany this process. The focus was on taking stock of all existing activities and processes relevant to the **data, information and knowledge governance** and to continue the alignment with corporate



requirements. The first meeting of the Task Force was dedicated to strategic aspects and discussed solutions for information that is currently ungoverned, and ways to handle new data flows.

Work was launched to ensure a complete overview over the

current state of play of data, information and knowledge management guided by the strategic objectives set out in the corporate **2022 Data Strategy** and in order to prepare the ground for strategic decisions on measurable, short-term operational objectives, i. e., on the improvement of data literacy, document management taking into account the role of the new collaborative tools and digital policy making.

The DG continued the effort to **streamline the information systems** landscape to ensure harmonisation and efficiency in delivering maintenance. Platforms for data management, integration and communication have been enhanced as part of the Commission modernisation plan, with additional infrastructure for data dashboards and data pipelines. These allow easier and more secure handling of new requests on data sets or data exchanges, as part of an in-house provided service; some new data flows or dashboards were implemented under existing local and corporate platforms: examples include the environmental infringement map, workflows related to Natura 2000 and to the Aarhus Regulation requests for internal review.

In parallel to the ongoing interinstitutional negotiations of the **Waste Shipment Regulation** proposal, the DG started work on future implementing acts and technical specifications for the future EU-wide system for **electronic data interchange (EDI)**. The aim is to provide, by 2024, technical guidance to design and deliver domestic interoperable digital solutions for authorities and the private sector in the Member States, and for trans-

⁽²¹⁾ As reflected by the first indicator under the human resource management objective in annex 10

EU border shipments for non-EU States. The implementing acts will also describe how to achieve interoperability between the WSR EDI and other networks such as Electronic Freight Transport Information (eFTI) platforms and the EU Customs Single Window. During 2022 the Member States extensively used a prototype already developed in 2021. A more advanced version, which is a first draft of a full-fledged system, was under development.

As regards **records management**, the objectives defined in the DG strategic plan have continued to be pursued, in line with user needs and taking account of the corporate eDomec, personal data protection and information security rules. Furthermore, the DG raised awareness about the need to protect **Sensitive-Non-Classified information** by the use of appropriate markings and flagging the sensitive personal data in order to reinforce restrictions on sensitive documents and improve security.

Further steps have been taken to raise awareness and ensured full compliance with the **Data Protection** Regulation (EU) 2018/1725. In 2022, existing procedures have further been analysed and implemented to ensure that the DG Data Protection Coordinator is consulted on procurement and other relevant activities, to check that they comply with the applicable rules.

Local **training and coaching** sessions on records management, personal data protection and information security were organised. The DG also encouraged staff participation in Commission's centrally organised in-depth trainings. IT security featured prominently in the operation of all existing information systems, ensuring follow-up on the risk assessments and their security plans.

2.2.3. Sound environmental management

DG Environment continued implementing the **local EMAS** (Environmental Management and Audit Scheme) action plan adopted in 2019. Raising awareness and providing staff with adequate equipment to reduce their **footprint at work** are at the core of this plan. In 2022, the DG reached almost all of the proposed objectives for energy savings, paper consumption, CO₂ caused by missions travel and staff commuting.



The move to a dynamic collaborative space allowed the DG and its staff to step up their efforts on energy savings, lowering the CO₂ footprint also thanks to continued teleworking of three days /week and reduced commuting. Based on the corporate decision to cut the mission budget by 20%, DG Environment aimed at a greater reduction of travelling by 30%, which was accomplished. Meetings were organised in hybrid or full videoconference formats as often as possible.

The corporate initiative to implement the **electronic signature** for middle and senior management allowed the DG to keep the savings on printing paper, as most of the files and notes continued to be signed electronically, also after the gradual return of staff and managers to the premises.

In 2022, recognising the growing **environmental impact of the digital sector**, and as part of its efforts to reduce carbon footprint, DG Environment reduced even more the number of documents exchanged by e-mail within the DG by promoting document sharing on collaborative platforms.

The DG contributed to the corporate work on **greening the Commission's procurement** and updated its own procurement guidelines (which had been already updated in 2021 to integrate green award criteria in the procurement calls for studies and services). Finally, during its Away day the DG organised an awareness workshop on "Greening the European Commission", following the adoption of the [Commission Communication](#) in April.

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

In December 2021, DG Environment underwent a **targeted structural reorganisation** aimed at increasing **synergies**, facilitating the collaboration between horizontal support teams and, based on that collaboration, increase their capacity to provide support to the operational units.

Two elements of this reorganisation were, in particular, designed for the above mentioned purposes.

- A new **briefing cell** was established to support operational units by reducing the number of briefings allocated to them and facilitating content reuse. To this purpose, the briefing cell created a database of "master briefings" that were systematically reused to generate basic and repetitive briefing content. Additional information targeted to specific activities or audiences was requested from technical units if and when needed. In 2022, the briefing cell, with the help of the inter-institutional colleagues of the DG, prepared about 25% of all briefings delivered by the DG (mostly multi-topics).
- Staff providing horizontal support for the different stages of the Commission **decision-making** process was regrouped in a horizontal unit directly attached to the Director-General. This put a single team in charge of the procedural aspects of DG Environment files along the whole decision-making process, from planning, through public consultation, interservices consultation and adoption. The team was able to function as a **central helpdesk** for the Decide IT system, either sharing expertise or redirecting incoming questions to the adequate team members to deal with them. Short 'procedures checklists' were prepared and circulated to technical units. Preparatory meetings were organised with staff working on key DG files. Relevant information was published on the intranet, including updated guidance and templates. Further work was launched to revamp and reduce the amount of information on the DG intranet, replacing internal pages by links to useful corporate sites, thereby reducing the workload linked to updates at DG level.