

31 March 2011



ANNUAL ACTIVITY REPORT 2010

Table of Contents

Table of Contents	2
PART A. BODY OF THE REPORT	3
INTRODUCTION	4
Part 1. Implementation of the Annual Work Programme 2010	5
1.1. Achievement of the specific objectives	5
<i>Specific Objective N°1: To support the completion of TEN-T infrastructure by the effective and efficient technical and financial management of the TEN-T Programme and projects, putting in evidence the added value and expertise of the Agency</i>	6
<i>Specific Objective N°2: To support in particular the deployment of Intelligent Transport infrastructure throughout the TEN-T</i>	9
<i>Specific Objective N° 3: Support to DG MOVE in the context of the TEN-T policy revision and mid-term Programme review, in particular by carrying out an evaluation of the project implementation</i>	10
<i>Specific Objective N° 4: Increased awareness about the TEN-T Programme, the Agency and its achievements, and improved support to its partners</i>	11
1.2 Achievement of the specific objectives for horizontal activities	12
<i>Specific Horizontal Objective N° 1: An increased efficiency of the Agency's operations by streamlining its working methods, internal organisation, structure and staff management, and developing new IT and reporting tools</i>	12
<i>Specific Horizontal Objective N° 2: Further increase the efficiency of the internal control system</i>	15
1.3. Budgetary and Operational Execution	16
1.3.1 Budgetary execution	16
1.3.2 Operational execution.....	17
Part 2 Management and internal control systems	25
2.1. Introduction to the Agency	25
2.1.1. Organisational structure	25
2.1.2. Organisation of control activities and supervision	28
2.1.3. Major events of the reporting year having an impact on reputation.....	30
2.2 The functioning of the entire internal control system	30
2.2.1. Compliance with the requirements of the control standards	30
2.2.2. Effectiveness of the implementation of the prioritised control standards	30
2.2.3. Risk management	30
2.2.4. Conclusion	31
2.3 Information to the Commissioner.....	31
Part 3 Building blocks towards the Declaration of Assurance (and possible reservations to it)	32
3.1. Building blocks towards reasonable assurance	32
3.1.1. Building block 1: Assessment by management	32
3.1.2. Building block 2: Results from audits during the reporting year	35
3.1.3. Building block 3: Follow-up of previous years' reservations and action plans for audits from previous years	37
3.1.4. Building block 4: Assurance received from other Authorising Officers in cases of crossed sub-delegation: Not applicable. 37	
3.1.5. Completeness and reliability of the information reported in the building blocks	37
3.2. Reservations	37
3.3. Overall conclusions on the combined impact of the reservations on the declaration as a whole.....	37
Part 4. Declaration of assurance	38
Annex A1	39
Summary of Implementation of the Specific Objectives – Work Programme 2010.....	39
Annex A2	47
Implementation of the prioritised Internal Control Standards	47
PART B. ANNEXES	51
Annex 1 to the AAR - Statement of the Internal Control Coordinator.....	52
Annex 2 to the AAR - Human and Financial resources by ABB activity	53
Annex 3 to the AAR - Draft annual accounts and financial reports	55
Annex 4 to the AAR – Materiality criteria.....	73
Annex 5 to the AAR – Internal Control Template(s) for Budget Implementation.....	74

PART A. BODY OF THE REPORT.

INTRODUCTION

The European Commission's *Trans-European Transport Network* (TEN-T) Programme is one of the most important Union financing means for European transport infrastructure projects. It was created to establish a single, multimodal network that integrates land, sea and air transport networks throughout the Union, allowing goods and people to circulate quickly and easily between Member States and assuring international connections. It is essential to build the missing links and remove the bottlenecks in our transport infrastructure if Europe is to fulfill its economic and social potential, and ensure the sustainable development of our transport networks in the future, whilst integrating environmental protection requirements.

In view of the growth in traffic between Member States, expected to double by 2020; the scale of investment required to complete and modernise a trans-European network in the enlarged EU; the necessity to prioritise projects in close collaboration with national governments; and the need to ensure effective European coordination amongst the several Union financial instruments and loans supporting TEN-T Implementation, including the European Investment Bank; the TEN-T Executive Agency (TEN-T EA) was created in 2006¹. TEN-T EA's mission is to support the European Commission and TEN-T project managers and promoters, by ensuring the technical and financial management of the projects and the successful implementation of the TEN-T Programme.

TEN-T EA is currently responsible for the follow-up and closure of all open TEN-T projects under the TEN-T Programme 2001-2006, for the budget linked to the 2007–2013 Financial Perspective² (EUR 8.013 million), and for the follow-up of all the TEN-T projects under the TEN-T Annual and Multi-Annual Programmes, and according to the TEN Financial Regulation.³

The Agency's tasks, and the regulations and procedures with which it has to comply, are defined in a delegation act which also formalises the relationship between the Agency and the Commission: the Commission defines the policy, strategy, objectives and priorities for the TEN-T Programme; selects the projects for co-financing; adopts the financing Decisions; and is responsible for monitoring the Agency's activities. TEN-T EA's responsibility is to manage the entire lifecycle of TEN-T projects; to execute the TEN-T budget; to provide administrative support to the beneficiaries of TEN-T financing; to coordinate with other Commission services, programmes, Institutions and financial instruments; and to give support to the Commission.

The objective is that TEN-T EA will improve the effectiveness, simplification and flexibility of TEN-T implementation at a lower cost; strengthen the links with its stakeholders; mobilise a high level of expertise by recruiting specialised staff; ensure a better coordination of funds with other Union instruments; raise the profile of Union action in the field of TEN-T; and in general add value to the management of the Programme, leaving the Commission free to concentrate more on policy issues.

TEN-T projects are either preparatory/feasibility studies, or construction works for transport infrastructure, for all modes: road, rail, maritime, inland waterways, air transport, logistics, co-modality and innovation (Intelligent Transport Systems; Decarbonisation.) 30 priority projects and a number of horizontal priorities have been established, mainly funded under a Multi-Annual Programme, which suits the longer-term nature of TEN-T projects and address the highest TEN-T priorities. Other projects of common interest addressing key issues are funded under an Annual Programme that gives specific focus to new TEN-T priorities and is more flexible due to its annual nature.

This report presents the activities of TEN-T EA for 2010 and is intended to give a clear idea of the execution of its activities. It will be annexed to the Annual Activity Report of the Agency's parent DG, DG Mobility and Transport.

¹ Commission Decision 2007/60/EC of 26 October 2006 establishing the Trans-European Transport Network Executive Agency (TEN-T EA), pursuant to Council Regulation (EC) N° 58/2003. OJ L 32, 06.02.2007, p. 88.

² Commission Decision 2008/593/EC of 11 July 2008, OJ L 190, 18.07.2008, p. 35.

³ Regulation (EC) N° 680/2007 of 20 June 2007, OJ L162 of 22.06.2007, p.1, laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks

Part 1. Implementation of the Annual Work Programme 2010

1.1. Achievement of the specific objectives

In 2010 TEN-T EA worked on the basis of its draft Work Programme agreed with its Steering Committee on 9 December 2009. It serves as the reference point for this report. The Commission and the TEN-T EA Steering Committee adopted the Work Programme on 7 June 2010⁴.

The Agency is responsible in particular for the following Union budget lines:

- **06 03 01** (*completion of financial support for projects of common interest in the TEN-T) – Projects linked to the Financial Perspective 2000-2006.*
- **06 03 03** (*financial support for projects of common interest in the TEN-T) – Projects linked to the Financial Perspective 2007-2013*

The specific objectives of TEN-T EA for 2010 should be directly linked to the priorities established by DG MOVE, in the context of its delegated tasks for the management of TEN-T infrastructure projects. For 2010 DG MOVE established the following policy priorities for the TEN-T Programme:

- § To ensure the mobility of people and goods, by the creation of transport infrastructure;
- § To increase the flow, quality and safety of transport services as well as the efficient use of infrastructure, by the development and deployment of intelligent transport infrastructure via the Trans-European Transport Network;

While keeping in mind the overall general objectives for TEN-T EA, which are linked to fulfilling its mandate, the Agency identified four specific objectives for operational activities for 2010 which were linked to the priorities established by DG MOVE.

The first was to support the completion of TEN-T infrastructure by the effective and efficient technical and financial management of the TEN-T Programme and projects, putting in evidence the added value and expertise of the Agency. The second was to support in particular the deployment of Intelligent Transport infrastructure throughout the TEN-T. The third was to support DG MOVE in the context of the TEN-T policy revision and mid-term programme review, in particular by carrying out an evaluation of the implementation of the projects. The fourth was an increased awareness about the TEN-T Programme, the Agency and its achievements, and improved support to its partners, notably on issues related to project financing and Public Private Partnerships (PPPs).

The Agency also set two specific objectives for its horizontal activities: one was an increased efficiency of the Agency's operations by streamlining its working methods, internal organisation, structure and staff management, and developing new tools (IT and reporting tools) for improving the management of the project life cycle and for statistical analysis, reporting and monitoring purposes. The other was to further increase the efficiency of the internal control system so that reasonable assurance can be given that resources assigned to the activities are used according to 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.

2010 was the second complete year of operation of TEN-T EA. The main challenges for the year were to actively contribute to the priority areas of action identified by the Agency's parent DG, to continue to improve the technical and financial management of the TEN-T projects for all transport modes, and to fully demonstrate the added value of the executive agency in contributing to the effective implementation of the Programme. A complete summary of the implementation of the 2010 Work Programme can be found in Annex A1.

⁴ Commission Decision C(2010) 3277

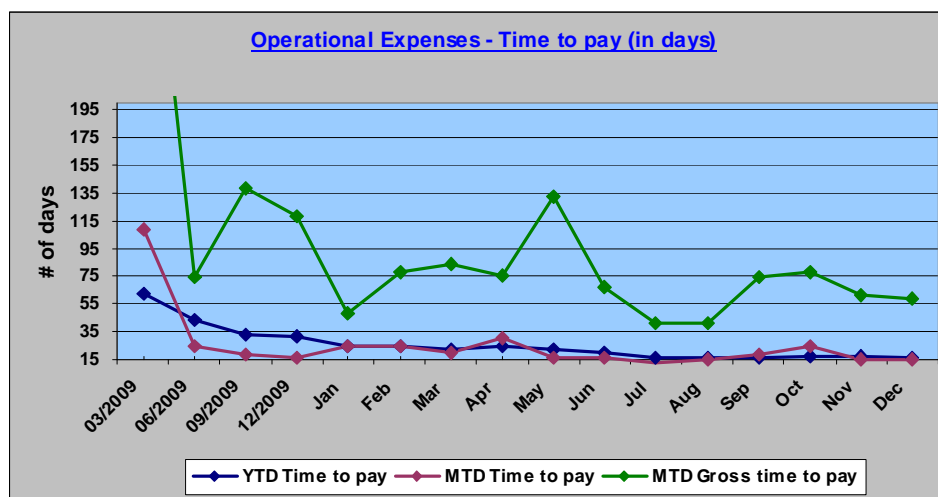
Specific Objective N°1: To support the completion of TEN-T infrastructure by the effective and efficient technical and financial management of the TEN-T Programme and projects, putting in evidence the added value and expertise of the Agency

The Agency continued to ensure the effective and efficient follow-up of project implementation throughout the year, including an improvement in the time taken to examine and approve the Strategic Action Plans (SAPs) for new projects and Action Status Reports (ASRs). The average time taken to comment on a technical report or a request for an Amendment to a Financing Decision was 28 days, and 88% of both were approved within the (60 days) applicable deadline.

In an effort to carry out other ad-hoc operational monitoring activities and further develop good relationships with Beneficiaries and stakeholders, a total of 179 meetings/missions and additional meetings in the framework of the Multi-Annual Programme (MAP) Project Portfolio Review took place in 2010. In addition good working relationships continued to be strengthened via for example specific portfolio reviews in France, Denmark, Germany, Greece, and Spain and for ERTMS corridor D in France.

An effective and efficient follow-up of project financing also remained a priority in 2010, including the timely examination and execution of payments, and follow-up of commitments and decommitments. The increased efficiency of financial issues is highlighted with a payment performance that continued to improve in 2010, (see graph below), with an average time to pay of 16 days and only 1% of late payments. Compared to 2009, the average time to pay was halved (from 32 to 16 days) and the percentage of late payments decreased from 18% to 1% of payments being made late.

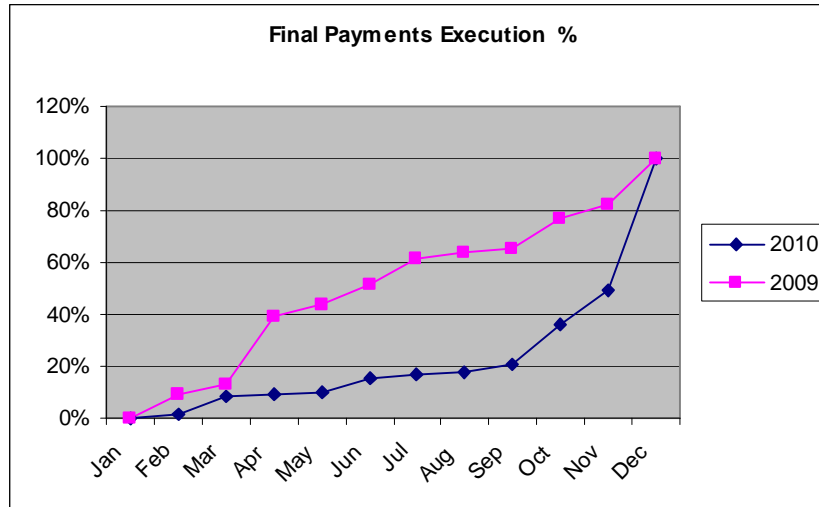
Table 1: Time taken to pay



Regarding final and intermediary payments, (which require a more detailed analysis of the cost claim and an ex-ante verification of a sample of transactions, budgetary execution was concentrated at the end of the year. This is due mostly to the MAP Review exercise which demanded significant resources from the Member States and postponed the submission of cost claims for the MAP projects. This required from the Agency a reinforced communication and follow-up exercise during the second half of the year towards the Beneficiaries in order to ensure the full execution of the available budget for the programme. This supervision was highly appreciated by the beneficiaries who received ad-hoc support to present the requested supporting documents on time.

The reminder policy developed and put in place by the Agency supported this exercise and served as an efficient tool for the Agency as well as for the Beneficiaries, who were alerted of the most efficient moment to introduce requests for interim and final payments.

Table 2: Payment Execution



A better cooperation between the Agency and the Beneficiaries was established concerning the ex-post audit function of the Agency in order to apply as far as possible the single audit principle. Internal and external communication on findings and recommendations was enhanced.

The Agency continued to enhance its co-operation with DG MOVE, where it contributed to briefings for Vice-President Kallas, answers to questions from the European Parliament and the press, and replies to Commission inter-service consultations. The Agency has been actively involved in the 'iReport'⁵, the drafting of the report on the implementation of the Priority Projects presented at DG MOVE's 'TEN-T Days' Conference in Saragossa in June. In particular the Agency participated in the various Expert Working Groups established by DG MOVE in the context of the TEN-T Policy Review, and the definition of the comprehensive network in the context of the revision of the TEN-T guidelines.

The Agency has also actively co-operated with the European Coordinators, with two more visits to the Agency during the year. Joint co-operation included for example a meeting with the Coordinator for Priority Project (PP) 3⁶, the Portuguese State Secretary and all the representatives for the implementation of High Speed rail in Portugal and Motorways of the Sea (MoS).

Collaboration continued with other Commission services and Institutions, with technical meetings or missions with DG BUDG and DG REGIO for specific projects, and other ad hoc or country based meetings organised at TEN-T EA's initiative, or with strong TEN-T EA involvement. Relations with the European Rail Agency (ERA) have been further developed, and it has been systematically consulted on all European Rail Traffic Management System (ERTMS) related requests for Amendments containing technical aspects. ERA experts also acted as evaluators during the MAP Review.

The Agency staff focused on the preparation and transmission of the new Annual and Multi-Annual Programme 2009 Decisions to DG MOVE for adoption. This included Decisions for ERTMS, Motorways of the Sea and Intelligent Transport Systems, all of which were adopted during the year.

⁵ The iReport is designed to provide information for the 'TEN-T Implementation Report', and is generated from the TENtec Information System (TEN-T Technical Database) where a questionnaire is completed by the Member States. TENtec implements the framework for the Open Method of Coordination (OMC) to establish a common working framework for the Commission, TEN-T EA and the Member States, as well as provide a common knowledge base for the TEN-T network.

⁶ High speed railway axis of southwest Europe that ensures the continuity of the rail network between Portugal, Spain and the rest of Europe.

A major task during 2010 was the management of the entire cycle of the 2010 TEN-T Calls for Proposals, which were established under the following two work programmes for the Multi-Annual and Annual Programmes. The Agency was responsible for the organisation and administration of the Calls and the external evaluation exercises.

- The 2010 **Multi-Annual Work Programme**⁷ (Air Traffic Management / Functional Airspace Blocks (FAB/ATM): €20 million, River Information Services (RIS): €10 Million; Motorways of the Sea (MoS): €85 million)
- The 2010 **Annual Work Programme**⁸ (€210 million, of which €77 million was allocated to the Calls, and which includes: a contribution of up to €3 million to the European Investment Bank (EIB) to assist the European Public-Private Partnership Expertise Centre (EPEC)⁹; €80 million for the 2020 European Fund for Energy, Climate Change and Infrastructure (the Marguerite Fund); and €50 million for the Loan Guarantee Instrument (LGTT)¹⁰, representing the Commission's annual contribution to this instrument which is managed by the EIB.

Table 3: 2010 Calls: Eligible proposals submitted/selected and TEN-T support requested/awarded by Call and transport mode:

Call	Mode	Number of submitted eligible proposals	TEN-T support requested (€ Million)	Number of selected projects	% selected/ submitted	TEN-T support awarded (€ Million)	% awarded/ requested
Annual	Airport	1	0,4		0,0%		0,0%
	ATM	2	5,4		0,0%		0,0%
	Decarbonisation	6	10,4	1	16,7%	5,0	47,8%
	IWW	4	6,8	2	50,0%	4,0	58,2%
	Multimodal	34	66,1	13	38,2%	28,2	42,7%
	Port	3	3,9	1	33,3%	1,7	45,3%
	Rail	36	111,8	14	38,9%	34,0	30,4%
	Road	13	60,1	3	23,1%	5,3	8,8%
Annual total		99	264,8	34	34,3%	78,2	29,5%
MAP	ATM/FABs	6	35,5	4	66,7%	20,5	57,7%
	MoS	14	185,3	8	57,1%	84,9	45,8%
	RIS	5	8,9	5	100,0%	7,1	79,0%
MAP total		25	229,7	17	68,0%	112,4	48,9%
Grand total		124	494,5	51	41,1%	190,6	38,5%

The Agency's tasks were to prepare the work programmes and Call texts for publication; to provide support to potential applicants; to receive the proposals; to organise the external evaluation exercise; and to assist in preparing the final recommendations to DG MOVE's Evaluation Panel and the TEN Financial Assistance Committee (FAC). The Agency also provided support to potential applicants with 'Info Days' on 23 February 2010 (FAB/ATM) and from 31 May to 1 June 2010 (Annual/RIS/MoS); and specific e-mail helpdesks for each Call. (Please see section 1.3.2 for more details on the calls.)

⁷ Multi-Annual Work Programme 2010 for grants in the field of the Trans-European Transport Network (TEN-T) for 2007-2013 (Commission Decision C(2010)607 of 5 February 2010) as amended by Commission Decision C(2010)2664 of 3 May 2010)

⁸ Annual Work Programme for grants in the field of the Trans-European Transport Network (TEN-T) for 2010 (Commission Decision C(2010) 796 of 9 February 2010 as amended by Commission Decision C(2010) 2681 of 3 May 2010)

⁹ EPEC is a joint venture of the European Investment Bank (EIB) and the European Commission

¹⁰ LGTT is an innovative financial instrument set up and developed jointly by the Commission and the European Investment Bank which aims at facilitating a larger participation of the private sector involvement in the financing of the TEN-T network

Specific Objective N°2: To support in particular the deployment of Intelligent Transport infrastructure throughout the TEN-T

The Agency supported the Commission in its high priority to enhance efficiency in the use of existing infrastructure by the development and deployment of Intelligent Transport (ITS) and Traffic Management Systems. This was demonstrated by the ITS Action Plan, and the ITS Directive, which were adopted in July 2010. In particular the Agency aimed to ensure the selection of projects under the 2010 Calls for Proposals, which supported the priorities, technical, organisational and legal issues and results expected in the MAP 2007-2013 and specifically outlined in the work programme for 2010.

In 2010 there were Calls focused on the deployment of River Information Services (RIS), and the development of Functional Airspace Blocks (FABs) and Air Traffic Management (ATM.) The objectives are to achieve fully-integrated river traffic and transport management services, and to make further improvements in the safety and efficiency of ATM, contributing to sustainable development of the air transport system in the EU. (See section 1.3.2.2 2010 Calls for Proposals.)

The Call for RIS will result in 5 new projects, increasing the number of Member States involved in implementing ITS to 11, and adding approximately a further 2500 equipped vessels to the network.

The Agency provided technical support to DG MOVE for the monitoring of the SESAR project to develop the future European Air Traffic Management System. TEN-T EA support on this issue will be formalised by the joint signature of a 'modus operandi' early in 2011.

The Agency also continued to support the Commission in its priority to eliminate technical barriers to rail interoperability, through the deployment of ERTMS. During 2010, project management in the ERTMS area has strictly taken into consideration the requirements of the European Deployment Plan (EDP.)¹¹ No amendment request has been accepted that derogates from the deadlines set by the EDP. Following the adoption of the 2009 Financing Decisions, 4 new countries (Hungary, Poland, Portugal and Slovakia) joined the ERTMS deployment efforts benefitting from TEN-T funds. These developments are encouraging given the relatively low amount of TEN-T funding given to the EU12 for ERTMS. The amount is however, proportional to the number/size of project applications submitted.

The Agency has worked actively with the Beneficiaries and DG MOVE throughout 2010, to ensure that the EasyWay 2¹² project for ITS on the TEN-T Road Network is adopted and contributes actively to the Commission ITS policy objectives.

The Agency's Director addressed the delegates of the first ITS Conference organised by DG MOVE to highlight the importance of robust management of complex projects.

¹¹ Commission Decision C(2009) 5607 of 22 July 2009

¹² EasyWay is a complex project for Europe-wide ITS deployment on the main TEN-T road corridors. The Action is led by national road authorities and operators in co-operation with other stakeholders including the automotive industry, telecom operators and public transport stakeholders. It identifies the set of necessary ITS European services to deploy (Traveller Information, Traffic Management and Freight and Logistic Services) and is an efficient platform that allows the European stakeholders in the domain of road transport to achieve a coordinated deployment of these pan-European services. This Action is intended to underpin the accelerated deployment of ITS across Europe in the coming years.

Specific Objective N° 3: Support to DG MOVE in the context of the TEN-T policy revision and mid-term Programme review, in particular by carrying out an evaluation of the project implementation.

TEN-T Policy Revision and review of the Programme

The Agency actively participated in the expert groups launched by DG MOVE in the exercise to revise Union Policy, and the TEN-T Guidelines, and assess the effectiveness of the Programme in meeting TEN-T objectives. In particular the Agency contributed a concept paper 'Promoting Increased Private Sector participation in Financing TEN-T Projects' to the Expert Group on financing. In the last quarter of the year, the Agency's Financial Engineering sector actively contributed to the policy reflections on new financial instruments for the next financial perspective. In this framework the Agency carried out an assessment of unit costs for transport infrastructure, a mutually beneficial area for DG MOVE and DG REGIO. The development of the EU Project Bond initiative has also involved close collaboration with DG ECFIN through DG MOVE. A list of candidate pilot projects for this initiative was compiled by the Agency. In conjunction with this work, the sound use of the LGTT instrument has been monitored.

- Multi-Annual Programme - Project Portfolio Review (MAP Review)¹³.

In May 2010 the Agency organised a review of the technical and financial progress and updated implementation plans of TEN-T projects selected under the 2007 Multi-Annual Calls for Proposals.

The main objective of the mid-term review exercise¹⁴ was to assess the progress made in the implementation of the projects selected under the MAP as well as their future implementation plans; to prepare a statistical analysis at project portfolio level and a qualitative analysis of the review findings; to define different scenarios together with DG MOVE so that decisions could be taken on the ongoing management of the MAP to optimise its implementation; the evaluation of the Programme and the preparation of the next financial perspective. In this context, 92 projects selected under the 2007 MAP Calls were assessed. A report was prepared by the Agency on the results that also drew overall conclusions and recommendations on TEN-T policy and implementation of the current Programme. It was presented to the TEN-T Financial Assistance Committee (FAC) and to the European Parliament in October 2010. DG MOVE was actively involved at all stages of the review.

The MAP review demonstrates that the Programme is being properly managed and should help to optimise the efficiency of EU support being offered under the current financial perspective. In situations where projects have not performed as anticipated, funds will return to the TEN-T budget to support new projects to be selected through future calls for proposals in 2011, 2012 and 2013.

The exercise was also an important opportunity for the Agency to deepen its knowledge of the projects selected under the 2007 MAP call, further improve its already sound financial management, develop a significant amount of expertise in terms of working methods and tools, gather valuable information to be used as input to the ongoing TEN-T policy revision and strengthen further its contacts with the concerned Beneficiaries. (See section 1.3.2 for more details.)

- Assessment of TEN-T Programme Implementation for the period 2007-2013

At the request of DG MOVE, the Agency conducted an assessment of TEN-T Programme implementation for the period 2007-2013 during the last quarter of 2010. With the help of an external expert, to draft a report under its guidance, and in close cooperation with DG MOVE, the Agency delivered the report on 22 December. The key conclusions will be utilised to improve the implementation of the current TEN-T Programme, preparing the future Programme and supporting the ongoing discussions on the TEN-T policy review.

¹³ http://ec.europa.eu/transport/infrastructure/midterm_review/midterm_review_en.htm

¹⁴ A mid-term review of the MAP is a requirement of the TEN Regulation (EC) N° 680/2007, Article 8(5).

Specific Objective N° 4: Increased awareness about the TEN-T Programme, the Agency and its achievements, and improved support to its partners.

The Agency carried out initiatives based on its multi-annual communication strategy and annual work plan for 2010. Almost 90% of actions were completed or are ongoing, and the remaining 10% were getting underway at the close of 2010 or are rescheduled for 2011.

The Agency's external website continued as its key dissemination point and was enhanced throughout 2010. Visits doubled, as it attracted 130,000 unique visitors. The site includes updated project-specific information (fiches), a map and statistics section and comprehensive details on the Calls process, including an automatic update service for new information. A Motorways of the Sea (MoS) Helpdesk website was launched and is managed under the Agency site structure as a one-stop info point for funding possibilities which attracted around 1000 unique visitors. Regular communications were sent to beneficiaries throughout 2010 (21 in total) including 5 e-Newsletters, informing them on key news.

In collaboration with DG MOVE the Agency issued two press releases in 2010. The first announced the launch of the 2010 Calls, and the second the results of the MAP Project Portfolio Review. Press contacts increased as a result. The Agency was the main exhibitor on the Priority Projects at the 'TEN-T Days' Conference in Zaragoza in June and also had individual project information supplied by the beneficiaries. This also enhanced its visibility.

The second TEN-T Project Management Workshop was held in January 2010. A successful turnout of over 300 participants gave positive feedback that the event is useful for stakeholders (over 94% found the presentations positive and 85% gave the value of attending as positive.) The organisation of the 2011 event also got underway in late 2010.

For the 2010 Calls, the Agency organised a small Info Day for FAB/ATM on 23 February, and a larger one for the rest of the Calls on 31 May, with over 300 participants, and 91% in positive marks for the presentations and value of attending. As a follow-up event, a Seminar on Project Finance and PPP (Public-Private Partnerships) was held on 1 June as a forum for discussion on TEN-T project finance, and PPP's in particular. Feedback also found this event constructive and beneficial (almost 80% of respondents were positive.)

In order to improve contacts with other DGs and Institutions the Agency undertook several initiatives in 2010. The 2010 Call involved considerable consultation with DG Budget and DG Environment while other EU institutions including EMSA, EACI, ERA and EPEC provided external experts to assist in the evaluation of proposals. Increased dialogue and cooperation was further developed with DG REGIO through their participation in the seminar on Project Finance and PPPs as well as through a joint commitment to the work of EPEC. In the area of ERTMS the Agency reinforced its participation in the different activities of ERTMS Corridors, participating in 2 meetings of the Corridors Committee and 3 meetings of the ERTMS Steering Committee, thereby establishing itself as a main actor and interlocutor. The Financial Engineering sector participated in several public and private sector events in order to develop stakeholder contacts, to clarify the necessary conditions to increase the participation of the private sector in TEN-T financing, and to explain the initiatives currently in place.

On 14 October, Vice-President Siim Kallas and members of his Cabinet visited the Agency in order to receive an overview of its activities. The Agency also continued to receive visits from the European Coordinators in 2010, hosting two Coordinators (PP21, 22) to discuss project implementation in these areas.

The Agency continued its cooperation with DG MOVE by managing the layout and production of important TEN-T publications, namely the TEN-T Priority Progress Report, MAP Project Portfolio Review and Priority Projects 'Long Report, which all give information on the progress and achievements of TEN-T project implementation in Europe.

1.2 Achievement of the specific objectives for horizontal activities

Specific Horizontal Objective N° 1: An increased efficiency of the Agency's operations by streamlining its working methods, internal organisation, structure and staff management, and developing new IT and reporting tools.

In 2010 the Agency continued to streamline its working methods to increase efficiency. The main challenge was to achieve payments within the new ambitious target that the Commission has fixed for itself as part of the remedy to the financial crisis, i.e. pre-financing payments within 20 days and interim/final payments within 30 days. This was achieved for the operational as well as the administrative expenses.

Another priority was to improve mutual understanding and expectations with the Beneficiaries. The January 2010 Project Management Workshop included working groups in parallel sessions to discuss processes in view of continuing mutually beneficial simplifications. Beneficiaries' concerns and proposals have been duly taken into account together with the recommendations from the Internal Audit Service, the Agency's Internal Audit Capability and ex-post audit team. One important follow-up to the workshops was the establishment of a Good Practice Working Group on Financial and Technical Management, with 12 representatives of Beneficiaries / Member States. The first meeting was in May and the Group aims to identify existing good practices and propose improvements to others. The Group met on three occasions and will present 12 'good practice fiches' to the Agency's 2011 Project Management Workshop for Beneficiaries that will cover issues on the financial and technical monitoring of the projects by all the stakeholders.

External financial audit

The Agency ensured 100% implementation of the 2010 external financial audit programme through the planning, managing and reporting of audits on the use of Union funding by Beneficiaries of TEN-T Decisions. The External Audit function has contributed to the development of practices in relation to specific control objectives and to the implementation of effective control systems, and to improving the Agency's financial management tools and practices by sharing expertise and building on experience from past audits. In May it held an internal training session for staff on lessons learnt and fraud prevention techniques. Lessons learned from the past were debated and some new areas of concern were identified, mostly related to public procurement procedures.

The transparent discussion on findings and recommendations will allow a better understanding by the Beneficiaries on the Commission and the Programme requirements and will lead to an improved project monitoring.

IT Governance and IT Development

The IT Strategic Plan and the IT Security Plan were both provisionally adopted by the Agency's IT Steering Committee in November 2010 and are pending discussion and agreement from the Agency's parent DG MOVE. The 'Schema Directeur' covering the period 2010-2011 was adopted in February 2010 by the IT Steering Committee.

The IT development priorities in 2010 were split between tools that support the operational and the administrative activities of the Agency. For operational activities one of the priorities was to establish additional databases in order to support reporting. A TENtec follow-up module was developed to support operational units in project management and the evaluation module was also improved. Additional tools that will improve the follow up of project implementation i.e. SAP and ASR are currently under analysis. In support of administrative activities, an 'action follow-up' application was developed to track specific actions and deadlines related to the Agency's operations e.g. ICS action plan, Audit

recommendations or Management decisions. In collaboration with other Executive Agencies the IT development team has developed and introduced a Business Objects reporting solution for Sysper2 that supports the analysis of staffing figures and demography. In the absence of a fully integrated project management system, specific tables were developed by the Agency's services in order to ensure an appropriate financial and administrative management.

A draft GIS Manual of Procedures was developed in 2010 and a comprehensive GIS user needs assessment exercise is planned for 2011. An efficient cartographic service for various purposes was maintained throughout 2010, including high quality map requests and updates for enhanced visibility of the Agency at events such as TEN-T Days, the visit of Vice President Kallas to the Agency, the Agency's website and various publications.

Statistical Reporting

The Agency has considerably enhanced its ability to provide improved statistical information on the TEN-T Programme to DG MOVE, the public, and for its own reporting purposes. In particular the deployment of the TENtec follow-up module has facilitated the production of detailed information on specific projects and the project portfolio as well as the overall Programme. In 2010, the main requirement for statistical support was the coordination of data collection and interpretation of the quantitative results of the MAP review. Statistical reports have been also produced in the framework of the 2010 TEN-T Calls. A significant amount of reporting was provided for the Priority Projects Implementation Report 2010 and the TEN-T budget review, both prepared under the direction of DG MOVE.

A regular reporting on the main indicators for financial and administrative management has been available throughout the year and oriented the efforts and work of the Agency's management. The Agency's statistics and reporting were presented and debated with its Steering Committee.

Human Resources

Recruitment and training of new staff continued throughout the year with 94% of all staff being recruited by the end of 2010. The Agency recruited 14 new staff in 2010, bringing the number of represented nationalities to 20. The average recruitment time, from publication of a vacancy notice to the sending of an offer letter is 2 months.

With recruitment nearly complete, the Human Resources department has been able to establish a clearer picture of the global training needs. As planned, training offered in 2010 concentrated on specific technical areas related to the different work domains. For example several 'Financial Workshops' were organised and a specific training on protecting the dignity of the person and preventing psychological harassment and sexual harassment was organised for confidential counsellors of the 6 Executive Agencies. In addition, specific training was provided by the Communications Department, in order that staff knew how to promote a positive image of the Agency in their interactions with stakeholders, and ensure the transmission of the Agency's key messages. Training that followed the Commission's priorities, such as ethics and integrity and fraud prevention, also continued to be promoted.

Open debates between the Director, the Human Resources Department and the Agency's Staff Committee concerning Human Resource issues have contributed to a positive atmosphere inside the Agency.

Legal services

The Legal Team coordinated the 2010 revision of the Manual of Procedures to ensure that it provides precise and up-to-date information. In particular chapters on public procurement, financial procedures and the process of granting TEN-T financial aid have been substantially revised. The Team has been the contact point for data protection issues in view of the Agency's priority to ensure compliance with data protection rules and provide timely responses to enquires from the European Data Protection Supervisor. The Legal Team has also contributed actively to the establishment of a joint anti-harassment policy between all of the Commission's executive agencies. The Team was associated in the drafting, negotiating and successful concluding of the lease contract for the permanent premises of the Agency.

Logistics and Document Management

The Agency had to face 2 major challenges in terms of logistical organisation in 2010: the move to its new premises, and the implementation of the new Commission document management tool - ARES. The Agency, as the pilot executive agency, migrated to ARES at the same time as its parent DG MOVE on 29 June 2010, thereby simplifying the processes, improving communication between the Agency and the Commission services, and increasing the possibility to apply the e-Domec rules in line with Commission standards.

The move to the new building took place at the end of November. The removal was a challenge for both logistic and IT staff, in order to fully equip the new premises and move all staff with their IT equipment, with the necessity to have a minimum downtime for the Agency's activities. The exercise went extremely well and the final results are appreciated by staff and visitors, giving the Agency a more efficient and pleasant working environment, but most importantly improving the quality of the Agency's infrastructure and logistical capacities.

Specific Horizontal Objective N° 2: Further increase the efficiency of the internal control system.

The Agency further strengthened its internal control system in 2010 so that reasonable assurance can be given that resources assigned to the activities are used according to 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.

The Agency performed a risk management exercise regarding its 2010 objectives and identified 4 risks, none of which were critical. Appropriate mitigating actions were planned and none of the risks materialised during the year. (See section 2.2.2)

The Agency implements the Commission's 16 Internal Control Standards and each year prioritises certain Standards. For 2010 it identified 5:

- ICS 4 Staff Evaluation and Development;
- ICS 7 Operational Structure;
- ICS 11 Document Management;
- ICS 12 Information and Communication
- ICS 14 Evaluation of Activities – support to parent DG for Mid-term Review.

The TEN-T EA Internal Control Coordinator (ICC) monitored on a regular basis the implementation of the 2010 ICS Action Plan and reported on a monthly basis to the management on the progress of achievement of the planned actions. (See section 2.2.)

The ICC performed an annual desk review on compliance with the Internal Control Standards baseline requirements in November 2010. The exercise was carried out on the basis of the following information available to management: daily supervision, monitoring and reporting activities, annual risk assessment exercise, 2010 staff survey (annual self-assessment on the effectiveness of the Agency's internal control system, known as the 'ICAT exercise'), results from ex-post controls, internal audits by the IAC and the IAS, as well as audits of the Court of Auditors.

Measures were also taken to increase staff awareness with regard to internal control and ethics, with both training and dissemination of information via the Agency's internal newsletter.

A risk based strategic Internal Audit Plan was developed by the Agency's Internal Audit Capability (IAC) covering the period 2010-2012 which also included a risk based Audit Plan for 2010. This plan was elaborated in close cooperation with the IAC of DG MOVE and with the IAS in order to ensure the efficient use of resources and to apply a common audit methodology. Furthermore, the implementation of the Quality Assurance and Improvement Programme in 2010 aimed to provide the various stakeholders with reasonable assurance on the performance and the added value of the IAC. (See section 3.1.2.)

The Agency's working methods have also benefitted from recommendations made by the Internal Audit Service (IAS) and the Agency's Internal Audit Capability on the Agency's operational expenditure. The related audit Action Plan was closely followed up. (See section 3.1.3.)

1.3. Budgetary and Operational Execution

1.3.1 Budgetary execution

1.3.1.1 Operational Budget

The part of the project cycle delegated to TEN-T EA concerning the Trans-European Transport Network was successfully implemented. The commitment and payment appropriations for the year were fully executed as shown in the table below, both for the old TEN-T programme 2000-2006 (budget line 06 03 01) and for the current one covering the period 2007-2013 (budget line 06 03 03)

Table 4: 2010 Operational Budget – execution:

OPERATIONAL BUDGET 2010						
	Budget in CA (C1)	Commitment Execution	% of exec.	Budget in PA	Payment Execution	% of exec.
06 03 01	0	0	na	66.748.787	66.748.787	100%
06 03 03	918.846.000	918.846.000	100,0%	738.251.213	738.251.213	100%
TOTAL	918.846.000	918.846.000	100,0%	805. 000. 000	805.000.000	100%

Recovery Orders

In 2010 28 recovery orders were established as compared to 24 in 2009. The total amount amounted to 16,4 million € of which 11,4 million € was cashed during the year.

1.3.1.2. Administrative Budget

Regarding the administrative budget, the commitment appropriations were nearly fully executed as shown in the table below.

Table 5: 2010 Administrative Budget – execution:

ADMINISTRATIVE BUDGET 2010 (only C1)						
		Budget - 3 rd Amendment	Commitment Execution (*)	% of exec.	Payment Execution	% of exec.
Title 1	Staff expenditure	6.244.500	6.225.772	100%	6.018.425	97%
Title 2	Infrastructure and Operating expenditures	2.860.300	2.859.100	100%	1.889.133	66%
Title 3	Technical and Administrative support expenditures	689.200	689.200	100%	445.287	65%
TOTAL	C1	9.794.000	9.774.072	100%	8.352.844	85%
TOTAL	Including C8 and C9 as shown in annex 3				9.168.503	83%

The full execution of the budget was achieved thanks to an improved internal monitoring of expenses, adapting the budget to the actual needs and the use of savings made in several budget chapters to accelerate the repayment of the costs for works in the new premises, reducing as such the payment of interest to be charged in future years.

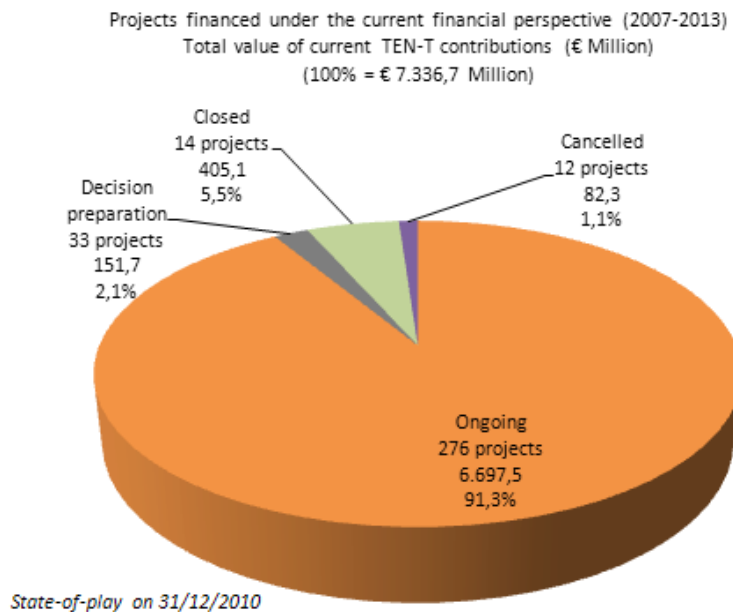
A total of 748 payments were made with an average time to pay of 19 days, of which 89% were on time.

1.3.2 Operational execution

At the beginning of 2010 there were 401 open projects from both the 2000-2006 and 2007-2013 Financial Perspectives. During the reporting period 98 projects were closed and 59 new Decisions were adopted from the 2009 Calls, making a total number of 362 open projects at the end of 2010.

The following pie chart shows the total TEN-T funding awarded up to December 2010, dividing the projects by status under both the Annual and Multi-Annual Programmes. It is important to note that these figures include 51 projects that have been selected but for whom Decisions are only expected to be adopted in the coming months (Annual – 34; FAB – 4; MOS – 8; RIS -5).

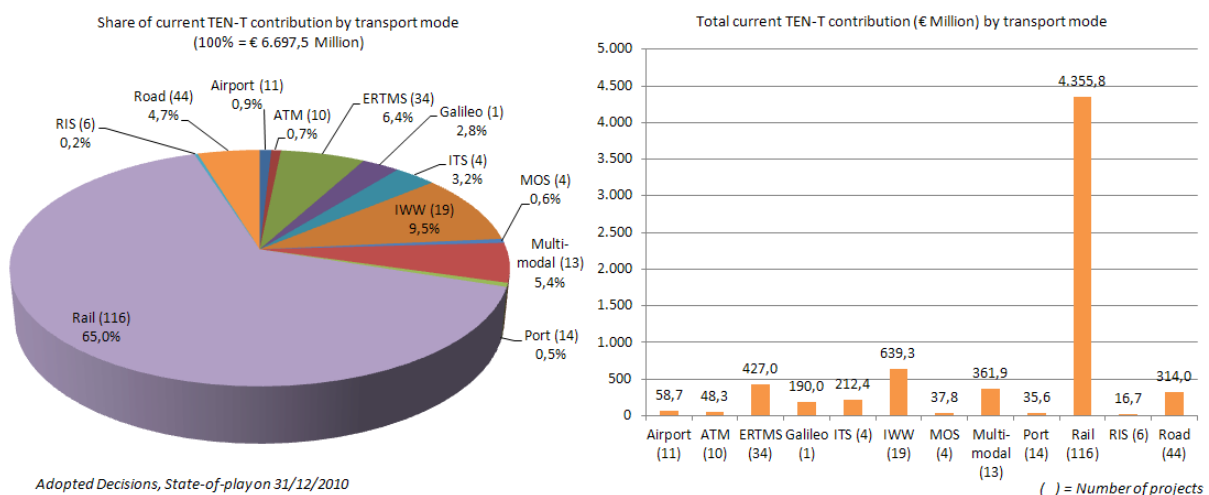
Chart 1: TEN-T EA project portfolio



The charts below illustrate the number of projects financed under the current financial perspective (2007-2013) (adopted Decisions, state-of-play on 31 December 2010) as well as the corresponding TEN-T funding by types of project, transport mode, TEN-T co-financing rate and planned duration and size. The current TEN-T contribution to priority projects is also illustrated.

All 99 2009 Decisions were finally adopted before 31/12/2010.

Chart 2: Projects supported by transport mode – state of play 31/12/2010



Since projects funded under the TEN-T programme often experience difficulties in their implementation, requests for amendments (mostly for extensions in time) continue to be significant.

At the start of 2010, 41 requests were under assessment and during 2010, 81 new requests were received. Of these 122 requests, 72 were approved and 13 were refused. At the end of the period 37 requests for amendments were open. It is expected that the number of these requests will continue at a similar level for the foreseeable future.

The annual review of project performance took place during the reporting period, based on the Action Status Reports (ASR) that should be submitted by 31st March each year. 251 projects were due to provide an ASR in 2010, of which 245 were received by the deadline, which is a significant improvement compared with previous years. All ASRs were examined with all but 1 approved. The improved response from the Beneficiaries can be attributed to both closer monitoring of the projects and also clearer expectations following the ASR 2009 exercise. Additionally, the review of the ASR's in 2010 was linked with the Mid-Term Review, in which the MAP projects from 2007 were subject to a more detailed assessment and for which complementary information to the ASR was requested.

The core of the operational management is the continuous monitoring of ongoing projects. The Agency has developed stable and reliable procedures based on its experience, so that the projects are closely monitored by the responsible Project Manager under the supervision of Senior Project Managers. The table below provides statistics regarding these project monitoring tasks.

Table 6: Key Operational Statistics

ASRs approved	251
SAPs approved	70 (out of 93 received)
Amendments approved	72 (+ 13 refused)
Number of meetings/missions with projects	179 (45%) of 401 open projects met
Number of on-site visits	115

During the reporting period a 'Reminders Policy' was formalised in the Agency whereby the Beneficiaries are informed in advance of various approaching deadlines, e.g. end of the project and reporting requirements. This and the overall closer follow-up of the projects help to speed up the processing of final reports, including payments and also Decision amendments.

Meetings with some Member States (MS) have also taken place during the period often in collaboration with desk officers from DG MOVE. These meetings have proven very useful to discuss the state of play and improvements to the collaboration and implementation of projects. They also provided the MS with valuable appreciation of the policy context within which TEN-T projects are implemented.

1.3.2.1 Preparation and adoption of the 2009 Decisions

The Agency has continued to prepare the funding Decisions for the projects which were selected for support in the three 2009 Calls for Proposals - (EERP, Annual (AP) and Multi-Annual Programmes (MAP - ITS, ERTMS, MoS). Both global funding decisions for AP and MAP proposals were only adopted in March 2010¹⁵ which delayed the adoption process for individual Decisions.

Of the 39 projects selected for funding under the EERP, 33 were adopted before the reporting period, 3 were adopted in the period, and 3 projects have been cancelled. One of the conditions of the **EERP** call was that the projects should spend the 'bulk' (50%) of the budget by the end of 2010. It is anticipated that compliance with this criteria will be assessed in the 2011 ASR exercise.

For the **Annual** Call, 32 projects were selected, and 24 under the **Multi-Annual** Calls. By the end of the reporting period, all projects have been adopted.

¹⁵ Annual: Commission Decision C(2010) 1108 of 5 March 2010, MAP: Commission Decision C(2010) 1363 of 15 March 2010

1.3.2.2. 2010 Calls for Proposals

The Agency was responsible for the preparation, organisation and administration of the 2010 Calls under two separate work programmes, the **Multi-Annual Work Programme**¹⁶ and the **Annual Work Programme**¹⁷, and the related external evaluation exercises, and provision of support to DG MOVE in the final selection process (internal evaluation).

The Agency improved the efficiency and transparency of the Call process by streamlining the Call texts to avoid repetition from the work programmes. The Guide for Applicants and application forms were rationalised and clarified as to the requirements. Information to be provided to demonstrate compliance with EU environmental legislation was clarified in coordination with DG Environment. An internal training course took place in September 2010 on how to moderate a consensus meeting with external experts.

During the week 17-21 May 2010, for FAB/ATM Call the technical appraisal of each proposal against four award criteria (relevance, maturity, impact and quality) was made individually by three external experts and after the internal evaluation the funding recommendations for 4 proposals was approved by the FAC in July 2010. With respect to the Annual and RIS/MoS Calls, a very tight timeline was adhered to for completing the full evaluation life cycle from the launch of the Calls to selection and adoption by the FAC. From 27 September to 8 October 2010 the Agency managed the external evaluation exercise with 33 individual experts from both the public and private sectors, including EPEC, the European Railway Agency (ERA), the Executive Agency for Competitiveness and Innovation (EACI), and the European Maritime Safety Agency (EMSA). Around 50 TEN-T EA staff members were directly involved in the exercise. Following the external and internal evaluation a total of 51 proposals were recommended for funding. For the Annual and Multi-Annual calls, 34 and 17 (respectively) funding recommendations were approved by the FAC on 1 December 2010. The global funding Decision is expected in February 2011 with the individual funding Decisions to follow. TEN-T EA appointed an external observer to provide an independent report on the call and evaluation process with recommendations for future calls that was presented to DG MOVE and the FAC.

Calls for Motorways of the Sea (MoS) projects have not been successful in attracting the expected proposals. The Agency has participated in: the assessment of possible measures to be taken; the redefinition of the MoS work programme and call texts to improve the number and quality of proposals to be received in the 2010 Call; and the establishment of a MoS One Stop Help Desk jointly with EACI¹⁸ to support Beneficiaries in relation to EU support/funding possibilities for MoS, in particular for applications to the TEN-T and Marco Polo Programmes.

Annual Call

Under the 2010 Annual Call, 99 eligible proposals were received, requesting €265 million of EU support. Of these, 34 proposals were retained totalling €78 million of funding. For the first time, the Annual Call contained three specific priorities, including priorities addressing the climate change challenge, acceleration and facilitation of the implementation of TEN-T projects and support for public-private partnerships. More explicitly, the priorities can be summarised as follows:

- **Priority 1: Promote the development of an integrated and environmentally friendly transport system.** The priority focussed on studies or works for intermodal platforms and

¹⁶ Multi-Annual Work Programme 2010 for grants in the field of the Trans-European Transport Network (TEN-T) for 2007-2013 (Commission Decision C(2010)607 of 5 February 2010) as amended by Commission Decision C(2010)2664 of 3 May 2010)

¹⁷ Annual Work Programme for grants in the field of the Trans-European Transport Network (TEN-T) for 2010 (Commission Decision C(2010) 796 of 9 February 2010 as amended by Commission Decision C(2010) 2681 of 3 May 2010)

¹⁸ Executive Agency for Competitiveness and Innovation

the interconnection nodes of different modes of transport as well as studies for the preparation of deployment projects contributing to the addressing of climate change.

- **Priority 2: Accelerate/facilitate the implementation of TEN-T** with a priority given to sufficiently mature projects that address key TEN-T priorities such as those supporting the establishment and development of the key links and interconnections needed to eliminate bottlenecks, fill in missing sections and complete the main routes, especially their cross-border sections and projects giving leverage to SES network benefits at European level.
- **Priority 3: Support Public Private Partnerships (PPPs)** through support for feasibility studies related to projects with a profile that could be adapted to a PPP. For those projects in which a PPP was already identified as the preferred option, a proposal for a technical or financial study to complement existing studies was also given consideration.

One project was retained for funding addressing the decarbonisation of transport and three proposals were retained for funding under the PPP priority. The objective of setting these priorities was to make better use of limited EU funds by supporting mature projects and/or studies that accelerate the maturity of works and thus maximise the impact of the expected results in specific areas of TEN-T policy.

Multi-Annual Calls

A total of 25 eligible proposals were submitted under the Calls, requesting €230 million in funds. Out of these proposals, 17 were retained totaling €112 million of funding.

Chart 3: Key figures on 2010 Annual Call

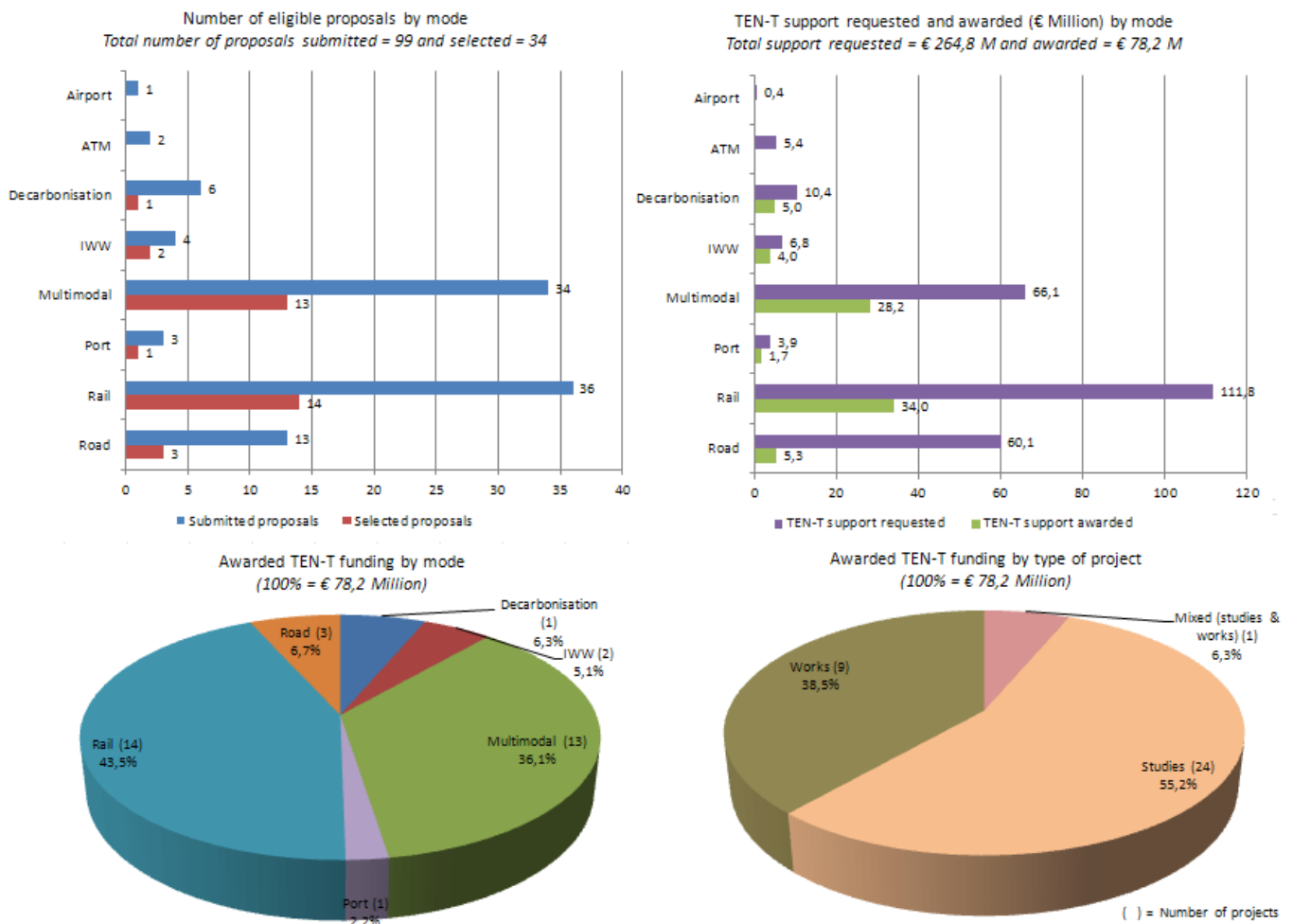
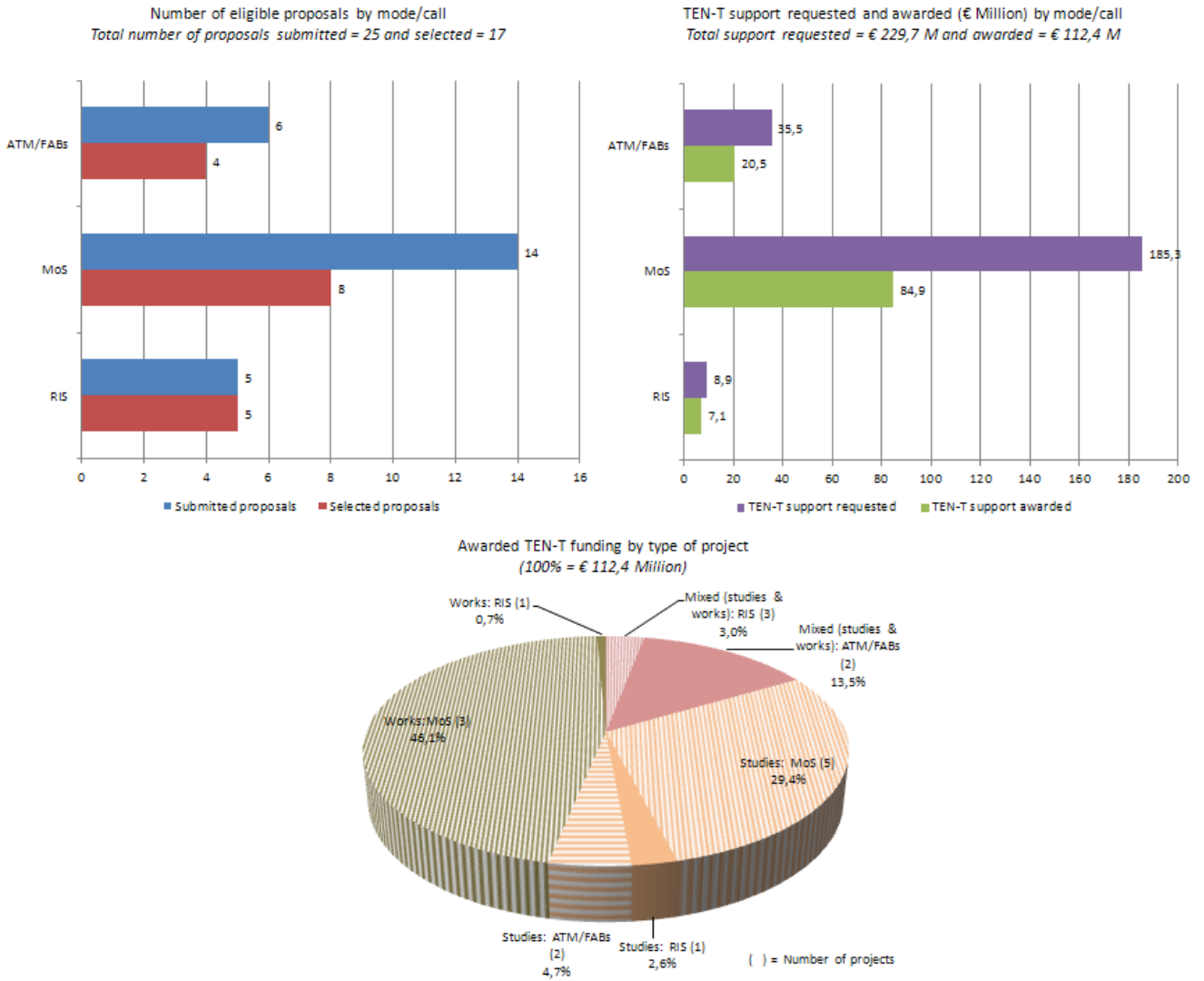


Chart 4: Key figures on 2010 Multi-Annual Calls



Oversubscription

The review of the applications received following the 2010 Calls for Proposals shows that under the Annual call 58 out of 99 proposals, requesting €160 million of funding, were recommended for funding by the external evaluation. Out of these proposals, a selection took place on the basis of the relevance to the pre-defined criteria and policy priorities. 24 (41%) could not be retained due to insufficient budget, corresponding to one third of the requested funding by the recommended projects. Under the MAP calls all of the recommended proposals could be retained but only with the financial support amounting to two thirds of the funding requested.

Overview of Decisions and Amendments

Table 7: TEN-T Financing Decisions - 01/01/2010 to 31/12/2010			
	T2	T3	Total
1. On-going Decisions			
Total number of open Decisions at start of reporting period	287	114	401
Decisions closed during the period (RAL = 0)	72	26	98
New Decisions approved during the period	44	15	59
Total number of open Decisions at end of reporting period	259	103	362
2. Amendments			
Open amendments at start of reporting period	33	8	41
New requests received during the period	54	27	81
Approved during the period	54	18	72
Refused	9	4	13
Open amendments at the end of the reporting period	23	14	37
· Of which: under assessment	18	12	30
· Of which: in approval circuit	5	2	7
3. New Decisions (2009)			
In the pipeline during the reporting period	68	31	99
Cancelled	4	3	7
Already adopted before the reporting period	20	13	33
Adopted during the reporting period	44	15	59
Still to be adopted at the end of the period	0	0	0
New Decision Adoption procedures 2010 (ATM/FAB Call only)			
Stages of decision			
Imported to TENtec	0	4	4
Under preparation	0	4	4
Final draft ready	0	0	0
Sent to DG MOVE	0	0	0
Total	0	4	4

Significant progress is being made in closing the older Decisions, and in 2010 more were closed than new ones adopted, with the result that the total number of open Decisions dropped from 401 to 362. It is anticipated that this trend will continue in 2011.

The number of requests for amendments continues to be substantial, due to delays with the implementation of projects, with more requests received in 2010 than in 2009. The Agency has increased its efforts to ensure that this problem is kept under control. However, the measures taken to improve the maturity, planning and monitoring of projects, and hence to reduce the number of amendment requests, have yet to have their effect on reducing delays.

In 2009, 99 projects were selected for support. 33 (from the EERP) were adopted before the reporting period, with all the remaining EERP, Annual and MAP projects being adopted by the end of the reporting period.

In 2010, 55 new projects were selected for funding, but only the ATM/FAB projects from the Call that closed at the end of April have reached the 'negotiation' phase. The remaining 51 projects were selected only at the beginning of 2011 and Decision preparation and adoption is planned to be largely complete by the end of March 2011.

1.3.2.3. The Multi-Annual Programme (MAP) Project Portfolio Review

The mid-term review of the 2007-2013 multi-annual work programme (MAP) was undertaken to assess the extent to which the MAP is achieving its objectives, based on a review of the progress of individual projects. Consequently, the main aim of the mid-term MAP review exercise was to assess the progress made in the implementation of the projects selected under the MAP as well as their future implementation plans. On this basis, the Commission was able to analyse to what extent and under what conditions the MAP is expected to achieve its stated objectives and to propose possible improvements.

The Agency was requested to define the methodology; to collect the data, including identifying new data requirements and designing the necessary forms and analytical tools; to organise the evaluation process with external evaluators and to present the key outcomes and prepare the final report.

In close cooperation with DG MOVE, the Agency carried out the review of 92 individual MAP projects selected under the 2007 MAP Call. These 92 projects, with a total budgeted cost of €32.647 billion, account for approximately two-thirds of the total TEN-T budget and represent 78% of the total MAP for 2007-2013. Of the 92 projects, 78 projects were still ongoing, while 14 projects were completed or scheduled for completion by year-end 2010.

Table 8: MAP review projects by mode and completion status

Transport mode	Ongoing projects		Completed projects		All reviewed projects	
	Number of projects	TEN-T contribution (€ million)	Number of projects	TEN-T contribution (€ million)	Number of projects	TEN-T contribution (€ million)
ERTMS	9	219	8	41	17	260
IWW	6	587	2	24	8	610
RAIL	59	4.194	4	97	63	4.291
ROAD	4	140		0	4	140
Total	78	5.140	14	161	92	5.301

The following charts provide information on the characteristics of the portfolio such as transport mode, cross-border, studies and/or works projects.

An independent expert was appointed to act as observer in monitoring the external assessment process. The observer's role was to give an independent opinion on the conduct and fairness of the external review.

As a follow-up to the external assessment, an internal review panel was set up to analyse the findings of the external review and to recommend a course of action to achieve MAP objectives in the context of good budget management. This constituted the final step in the analysis of the project portfolio.

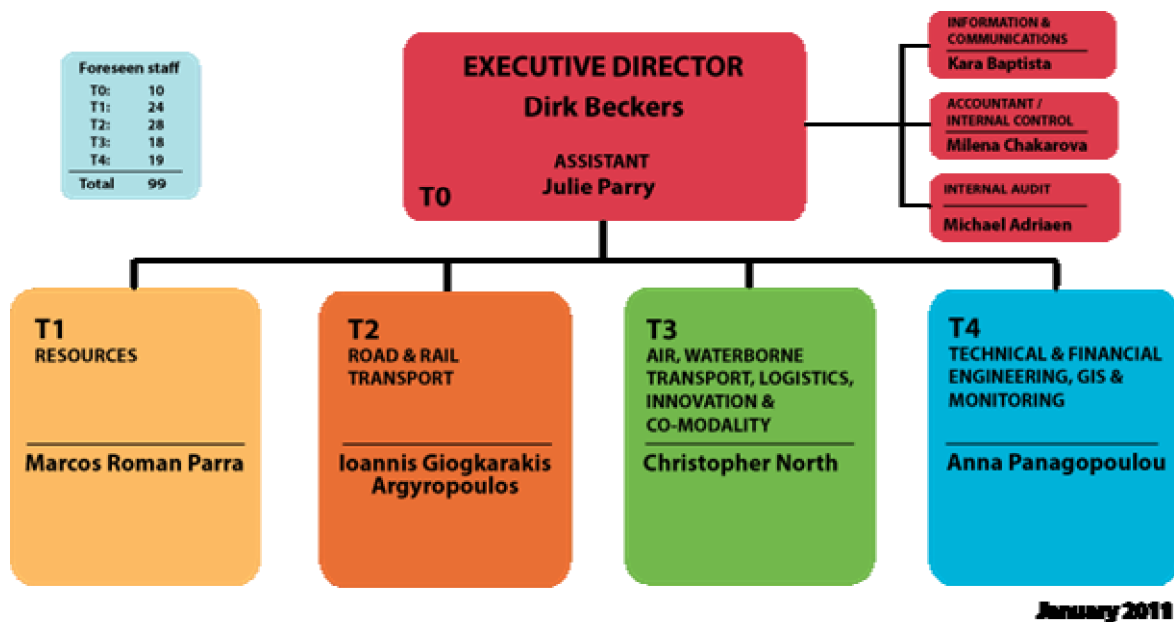
A final report was prepared and accepted by the Commission in October 2010. The recommendations and conclusions of the report were supported by a thorough statistical analysis at project portfolio level as well as by a qualitative analysis of the review findings. The conclusion was to continue to support the implementation of projects up to the end of 2015 subject to certain conditions, and to cancel projects that have not started within two years of the adoption of the funding Decision. To optimise implementation of the Programme it was proposed to re-inject the funding corresponding to the cancelled projects (approximately €311 million).

At the end of 2010 a decision was made on the implementation of the recommendations. The Agency will be responsible for the amendment of the funding Decisions for all individual projects in the first half of 2011 and thereafter for the close monitoring of the conditions under which funding can be extended to certain projects. In addition, the Agency will have responsibility for the implementation of any future calls that result from the funds released through the amended Decisions.

Part 2 Management and internal control systems

2.1. Introduction to the Agency

2.1.1. Organisational structure



By the 31st December 2010, the Agency had 93 staff members actually in post. Of these, 7 are seconded officials, 24 are temporary agents and 62 are contract agents.

The Agency's organisational structure follows the operational and horizontal objectives of the Agency in managing the TEN-T Programme. It is structured in four units lead by an Executive Director. There are two operational units responsible for project management (T2 and T3) one horizontal unit (T1) and one technical assistance unit (T4). T4's tasks are closely related to the operational project management tasks. The Director's team – T0 - is directly responsible for a number of horizontal activities: Information and Communication; Accounting; Internal Control; Internal Audit. The small size and the simple organisational structure of the Agency allow quick and direct lines of communication. Decision-making procedures follow the hierarchical structure and management meetings and unit meetings take place every week. The Agency has its own internal website for the diffusion of information, decisions and internal rules and procedures.

Resources Unit

Financial Management

In 2009, the first full year of operation, the Agency already had fully fledged financial control in place. In 2010, further improvements were achieved enabling the improvement of the net and gross time to pay as shown in the introduction to the Annual Activity Report, while preserving the level of assurance provided to Sub-delegated Authorising Officers.

The main actions taken to increase the efficiency of the financial transactions are the following:

- A revision of the sampling methodology;
- A new internal guideline on ex-ante controls was published helping Project Managers and Financial Officers to work together more efficiently and effectively. The guideline explains the role of the actors step by step, from the reception of a cost claim up until the payment;
- A guideline on staff costs was prepared for Beneficiaries, responding to a need to clarify the Agency's position and to bring more legal security to this delicate topic. This guideline helps Member States in exercising their control responsibilities;

-
- A simplified methodology was defined for determining the annual instalment for Multi-Annual projects. It was applied in 2010 for the first time and will be refined in 2011;
 - A paperless circuit for the approval of mission requests was introduced as a pilot project to test whether it will actually speed up the approval process;

In addition to these simplifications, probably the most fundamental step was to invite Beneficiaries to take part in a Good Practice Working Group on Financial and Technical Management. The group was launched in May, with 12 representatives of Beneficiaries / Member States aiming at describing existing good practices and proposing improvements. The group met twice in 2010, in view of preparing good practice guidelines to be presented at the 2011 Project Management Workshop. Half a day will be spent on an in-depth discussion with all of the TEN-T representatives. It is expected to lead to major simplifications and to position the Agency as an actor that wants to cut through the red-tape and disseminate good practices.

Human Resources

Work on the Agency's legal framework was completed with the adoption of the last implementing rules on personnel management foreseen for an executive agency, and in particular the rule for prevention of harassment. In relation to this rule, the Agency proceeded with the selection of its confidential counsellors, who then underwent the necessary rigorous training. The counsellors are now ready to take up their new functions as of 1st January 2011.

In an effort to provide as much flexibility for the staff as possible and in accordance with Internal Control Standard 3 on staff allocation and mobility, the rules on internal mobility were also adopted and put into practice in 2010, resulting in 2 positions being filled through internal mobility.

The Agency was confronted with a higher turnover of personal than foreseen due to relatively high number of staff who were successful in EU competitions, and difficulties to cover some specific functions.

Logistics & Document management

TEN-T EA was the first Executive Agency (EA) to migrate to ARES and is therefore also part of the Secretary-General's *ARES Change Management Board*. ARES allows for a better compliance with the e-Domec rules as the results of the self-assessment exercise on the implementation of e-Domec rules shows: TENTEA obtained a compliance rate of 91% (the average compliance rate in the Commission and other EA's was 85%).

The successful move of the Agency took place in November 2010. Agency Staff was immediately fully operational and can rely on the Logistics team for all related issues.

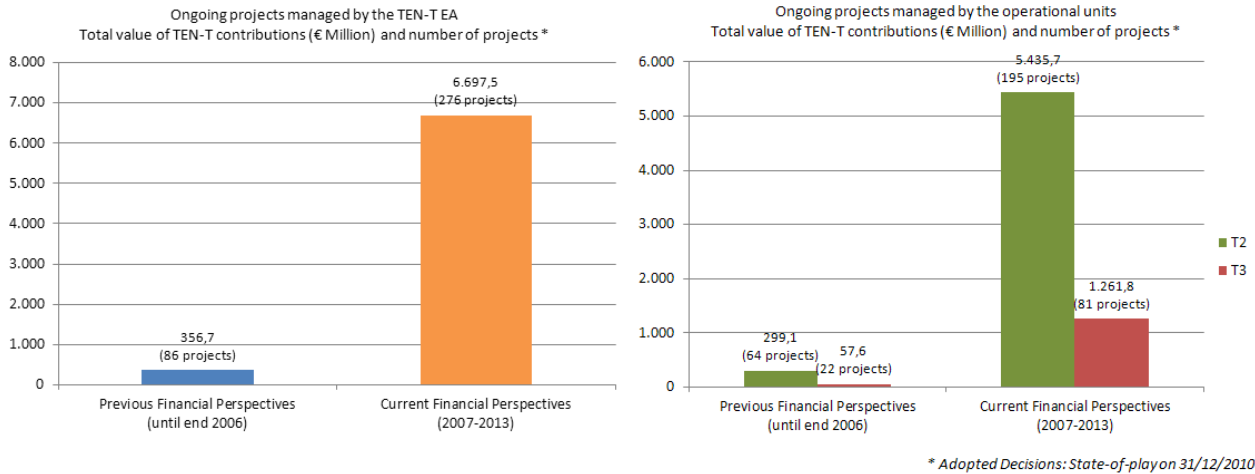
Ex-post audit management

The audits undertaken by the Agency audit staff were completed by additional audits made by subcontractors which permitted to cover 38% of final cost claims, duplicating as such the target fixed in the Agency work programme.

Operational units

The mission of the two operational units T2, T3 *with the assistance of T4* is to provide added value in the management of the TEN-T projects, in cooperation with all stakeholders, thereby contributing to the development and promotion of the European Transport Network. The units are in charge of the management of individual TEN-T projects, whereas T4 is responsible for the more technical assistance tasks and support. The portfolio is divided between T2 and T3 by mode of transport.

Chart 5: Ongoing Projects



T2 is responsible for the operational follow up and project management of all road and rail projects (high speed and conventional lines for freight and/or passenger, including the European Rail Traffic Management System (ERTMS)). The projects can be either studies (such as feasibility, design, geotechnical investigations, environmental impact assessment), or works (such as tunnelling, bridges, highways, railway lines and electrification, train stations, signalling, etc.).

T3 is responsible for the operational follow up and project management of all air and waterborne transport, logistics, Innovation and Co-modality projects.

Technical assistance unit

Monitoring and Evaluation

This sector is responsible for managing the evaluation of proposals, projects and programmes and reporting on the implementation of the Programme using detailed statistics. This involves preparing work programmes and related calls for proposals, organising the external evaluations, preparing the proposal selection by DG MOVE.

IT Sector

The IT sector is responsible for the IT strategy, and developments, the ICT infrastructure, and the Geographical Information System (GIS). The IT sector develops specialised applications for project management, such as TENtec, general applications that support the day-to-day operations of the Agency like the Action follow up and customised reporting like Sysper2. It also provides maps for internal and external dissemination.

Financial Engineering Sector

The Financial Engineering sector provides support, advice and expertise in the area of project finance, including the promotion of PPPs and improved coordination at project level of the other EU institutions involved in financing and monitoring TEN-T projects. It facilitates the implementation of projects with financial engineering through 'non TEN-T' sources (EIB, banks or other financing mechanisms) and monitors the effectiveness of public-private partnerships (PPPs) in Member States in order to assist in the establishment of best practice.

Legal Team

The legal sectors of the Horizontal Unit and the Technical Assistance Unit were merged into one legal service under the responsibility of the Technical Assistance Unit in 2010, for the sake of business continuity and to ensure synergy between the two sectors. The Legal Team has two main areas of activity in relation to the work of the Agency. One relates to the projects and programme managed by the Agency and the other to the administrative functions of the Agency.

The team provides advice for the drafting, interpretation, application and evaluation of the annual and multi-annual work programmes for the TEN-T Calls for Proposals, and Guide for Applicants as well as queries during the evaluation exercise. It is also fully involved in providing support to the operational Units on questions related directly to projects managed within the Agency and questions arising in relation to their implementation, in particular in relation to environmental assessment regulations, financial regulations, corporate law and procurement.

For activities related to the administrative functions of the Agency, the team supervises all contracts, purchase orders and Service Level Agreements related to the Agency's operations. The sector provides support for questions related to human resources, and coordinates the annual revision of the Agency's Manual of Procedures.

The Legal Team is the Agency's main interlocutor with DG MARKT, OLAF, the Commission's Legal Service, the European Data Protection Supervisor and the Ombudsman, and it is also responsible for Data Protection and coordination of requests for public access to documents.

Director's Office (T0)

The Director is supported by an Assistant who is responsible for assisting in organisational matters and the overall management of the Agency; providing analysis and advice on emerging activities and strategies; developing, implementing and monitoring internal administrative procedures; and facilitating coordination and communication with external stakeholders, including in particular the Steering Committee and parent DG MOVE.

In addition an Accountant/Internal Control Coordinator, an Internal Audit Capability, and a Head of Information and Communication report directly to the Agency's Director.

The Accountant, supported by an Accounting Assistant, defines and manages the Agency's accounting processes and reports on the general accounts. The Accountant is also responsible for the coordination of Internal Control, and is the "liaison officer" for the European Court of Auditors.

The mission of the Agency's Internal Audit Capability (IAC) is to provide management with independent, objective assurance and consulting services designed to add value and improve the operations of the Agency. The main objective is to give assurance to the Director as to the effectiveness and efficiency of risk management, control and internal governance processes.

The Agency's external and internal communication activities are handled by its Information & Communications department, which consists of two staff members. The department is responsible for developing, managing and implementing external and internal information and communication strategies and actions in order to promote the programme and activities managed by the Agency. The department also co-ordinates relations with the media in collaboration with the spokespersons office, and the parent DG.

2.1.2. Organisation of control activities and supervision

Financial Control

The Agency's financial circuit and segregation of duties are based on the Commission's model 2: the partially de-centralised circuit. It was established along with the management and accounting systems, procedures, internal controls, reporting structures and control functions in line with the requirements of the Financial Regulations and the internal Manual of Procedures of DG MOVE. TEN-T EA has also established its own manual of contractual and financial procedures that is revised annually.

The Agency Director acts as authorising officer by delegation and has delegated powers to the Heads of Unit who act as authorising officers by sub-delegation for payments, and as such have all signed the respective Commission charter. In accordance with the Financial Regulation, the Agency uses the *four-eyes principle* meaning that before an operation is authorised, all aspects (both operational and financial) of this operation have to be verified by a staff member other than the one who initiated the operation. This verification is used to ensure compliance with the rules

and good financial management and is assured at Head of Unit level, or delegated to the Deputy Heads of Units/Team Leader.

The Agency's Internal Audit Capability does the internal auditing of the procedures, and the Agency's Accountant and DG BUDG validate and review the financial system.

Ex-Post Control

The Authorising Officer by Delegation of the Agency has put in place an ex-post control function and allocated to this function three auditors from the Agency staff and an annual budget for the outsourcing of audits. The auditors' tasks are the performance of on-the-spot financial audits and system checks of Beneficiaries/ Implementing Bodies as well as the coordination and follow-up of audits subcontracted to external audit firms (through the framework contract of DG BUDG). The population out of which the annual programme is established are all final and interim (for multi-annual projects) payments made during the previous year. The selection is partly random and partly risk-based.

Internal Control

The Agency applies the 16 Internal Controls Standards for Effective Management. A comprehensive description of the Agency's internal control system can be seen in section 2.2 of the report.

Fraud Prevention

In May 2010 a training session was organised by the ex-post control function to the attention of the operational ex-ante verifying agents on lessons learnt and fraud preventing techniques. Two cases identified by the ex-post control function were transmitted to the OLAF for further investigation.

Supervision

The Agency maintains close working relations with its parent DG, who is responsible for all policy-making and institutional tasks related to TEN-T. A Memorandum of Understanding was signed on 23 September 2009 to clearly define this working relationship and the first revision was proposed to DG MOVE in September of 2010, based on the experience of the first year's joint co-operation.

TEN-T EA's activities are supervised by a Steering Committee that is currently comprised of five members and one observer¹⁹, and meets in principle four times a year. In 2010 the Committee met on 24 February, 29 June, 22 September and 8 December. A Chairperson and Deputy Chairperson have been nominated from amongst its members. Certain measures or decisions need the Committee's approval e.g. the administrative budget, the establishment plan, the Work Programme, the Annual Activity Report, the provisional accounts of all revenue and expenditure, the external evaluation report and the adoption of several special rules and measures etc. On a number of other actions, the committee are kept informed. In urgent cases, decisions are made by written procedure.

Reporting

The Agency has developed a detailed and systematic procedure for its own internal reporting on its activities that is revised annually. The last revision took place at the beginning of 2010. This reporting monitors key indicators and includes reports in the following areas: Work Programme; Budget and Finance; Operational, Accounts, Human Resources, Internal Control Standards; Risk Assessment; Internal and External Audit, Information and Communication.

TEN-T EA submits a formal bi-annual report on the performance of its delegated tasks to the Steering Committee and the Director-General of DG MOVE, at the end of June, and at the end of the year in the framework of the Annual Activity Report. A report on budget execution and key performance indicators is presented to the Steering Committee once a quarter at its meetings.

¹⁹ Commission Decision C (2007) 3874 of 17 August 2007 last amended by C (2010) 2959 of 10 May 2010.

Public Access to Documents

TEN- T EA has registered three applications for access to documents during 2010. One had a positive reply; one requested the agreement to disclose documents (partial access-opinions for internal use as part of deliberations and preliminary consultations) and the third one was related to an issue outside the responsibilities of the Agency.

2.1.3. Major events of the reporting year having an impact on reputation

Not applicable.

2.2. The functioning of the entire internal control system

With a view to maintaining an effective and efficient system of internal control, the Agency implements the Commission's 16 Internal Control Standards (ICS). A specific action plan has been established in order to further increase staff awareness of the ICS, improve their implementation and reduce the number of topics for the Agency's risk register. The Agency focused on several ICS during 2010 related to the development and improvement of the performance of the Agency and ensuring business continuity.

2.2.1. Compliance with the requirements of the control standards

Much progress has been made in the implementation of the requirements of the Internal Control Standards in 2010 and in particular those prioritised for 2010. There is still some work to be done to achieve full compliance with standards 7, 10 and 12 which will be carried over to the ICS Action Plan for 2011: ICS 7 Operational structure: the IT governance policy of the Commission is not yet fully applied in the Agency; ICS 10 Business continuity: due to the removal to new office premises in November 2010, the Agency has to update its Business Continuity Plan and perform a full testing exercise; ICS 12 Information and communication: the Agency will revise its internal communication policy, establish scoreboards for the main activities and apply the IT Security Plan in the environment of the new office premises.

With reference to mandatory staff mobility: as 2010 was only the 3rd year of the Agency's autonomy, mandatory staff mobility in relation to sensitive functions will not become relevant for the Agency before 2012.

2.2.2. Effectiveness of the implementation of the prioritised control standards

Internal Control Standards

In its 2010 Annual Work Programme, the Agency has identified 5 priority internal control standards:

- ICS 4 Staff Evaluation and Development;
- ICS 7 Operational Structure;
- ICS 11 Document Management;
- ICS 12 Information and Communication
- ICS 14 Evaluation of Activities – (support to parent DG for the MAP Review.)

The results achieved for the reporting year are summarised in the table in Annex A2. The effectiveness of the prioritised standards was improved throughout the year and a few remaining actions have been carried over to 2011 for finalising. In 2011 The Agency will maintain ICS 12 as one of its priorities.

2.2.3. Risk management

The Agency performed a risk management exercise regarding the 2010 objectives and identified the areas with potentially high risks. Four risks were identified; none was assessed as critical for the achievement of the objectives.

Appropriate actions were planned in order to mitigate the risks and none of them materialised during the year. 2 out of the 12 actions planned for implementation in 2010 will be finalised in 2011:

The management does not consider that the delay of the implementation of these two actions prevented the achievement of the 2010 objectives.

2.2.4. Conclusion

On the basis of the information provided in points 2.2.1, 2.2.2 and 2.2.3 regarding the functioning and effectiveness of the Agency's control system, its management believes that a high level of control in general is demonstrated and compliance with the main requirements obtained. The identified needs for improvement of the prioritised standards did not affect sound financial management or the legality and regularity of the Agency's actions in 2010. Therefore, it is deemed adequate that the identified need for improvement does not translate into a reservation in the Director's Declaration to the 2010 AAR.

2.3 Information to the Commissioner

The main elements of this report and assurance declaration have been brought to the attention of the Agency's Steering Committee and to the parent DG MOVE's Director-General, Matthias Ruete, who has taken these into consideration in his reporting to Vice President Kallas.

Part 3 Building blocks towards the Declaration of Assurance (and possible reservations to it)

3.1. Building blocks towards reasonable assurance

3.1.1. Building block 1: Assessment by management

2010 has been the second complete year since the Agency's creation where it has been responsible for the budgetary execution of the whole TEN-T Programme for both the 2000-2006 and 2007-2013 financial perspectives.

In 2010, the Agency has continued to consolidate the thorough and effective management of its administrative and operational expenditure. This includes a robust control environment that relies on experience and audit results. On the operational side, the sampling methodology used in 2009 was developed into a more complete internal guideline on ex-ante controls, detailing the examination of the requests for payments received. On the administrative side, the monitoring system was improved through the introduction of quarterly meetings involving all staff responsible for budgetary execution, and training on own procurement delivered at the occasion of their second meeting.

Administrative budget

The Administrative budget for 2010 amounted to 9,794,000. The Agency presented three amended budget in 2010 to its Steering Committee for approval.

At 31 December 2010, 748 payments had been made for a total of 8,3 million € with an average payment delay of 19 days, of which 11% were late payments. The percentage of late payments is stable compared to 2009 (please note that figures above show only C1 whereas the figures in annex 3 to the AAR, include appropriations in C1, C8 and C9).

Operational budget

In terms of commitments, the operational budget on line 06.03.03 of 918.8 million € (C1 appropriations) allocated to the Agency for 2010 was committed up to 100% by means of an individual commitment of 40 million € for the Loan Guarantee Instrument, by a global commitment covering the 2010 Calls for Proposals and additional instalments for the 2007, 2008 and 2009 Multi-Annual Decisions. The evaluation of the Action Status Reports was performed and 315 million € used for the 2010 instalments for the 2007-2009 decisions.

The 2010 payment appropriations of 795 million € (C1 Appropriations) were fully executed. An additional 10 million € transferred from DG Move were equally executed totally

Time to pay has been halved compared to 2009, with an average of 16 days at the end of December 2010 and only 1% of late payments.

Exceptions

In line with Internal Control Standard 8, the Agency has a method in place to ensure that all cases of control overrides or where there are deviations from established processes and procedures are documented in exception reports. These exceptions are justified and approved in advance, and registered centrally. The register identifies the policy, procedure or control not complied with, the exceptional circumstances justifying the transaction and the measures taken to prevent it from happening again in the future. During 2010 six exceptions from the procedures were registered and filed. The total amount of the approved exceptions is 96 999.05 EUR. The exceptions concern mainly the creation of 'a posteriori' legal or budgetary commitments.

These exceptions are considered to be of minor importance and consequently not harmful to the building of assurance.

Ex-Post Financial Controls

Ex-post controls are a key element of the financial control strategy. The objectives of the ex-post control function are (1) to increase the AO(S)D level of assurance on the sound financial management and on the legality and regularity of operational expenditures as well as (2) to contribute to the improvement of the financial control systems on operational expenditures.

The programme for 2010 consisted of 21 audits (coverage of 38% of final and interim payments made in 2009 in monetary value). 14 audits were performed by the ex-post control function of the Agency and 7 audits were subcontracted to an external audit firm.

Synthesis

Table 9: Audits 2008 - 2010

	Audits as per work programme	Audits with finished field missions	Audits in contradictory procedure	Audits with final reports	Audits with sent follow-up sheets	Follow-up pending to be accepted	Follow-up pending to be implemented
Year 2008	14	14	0	14	14	0	1
Year 2009	14	14	0	14	14	0	2
Year 2010	21	21	3	16	16	8	4
TOTAL	49	49	3	44	44	8	7

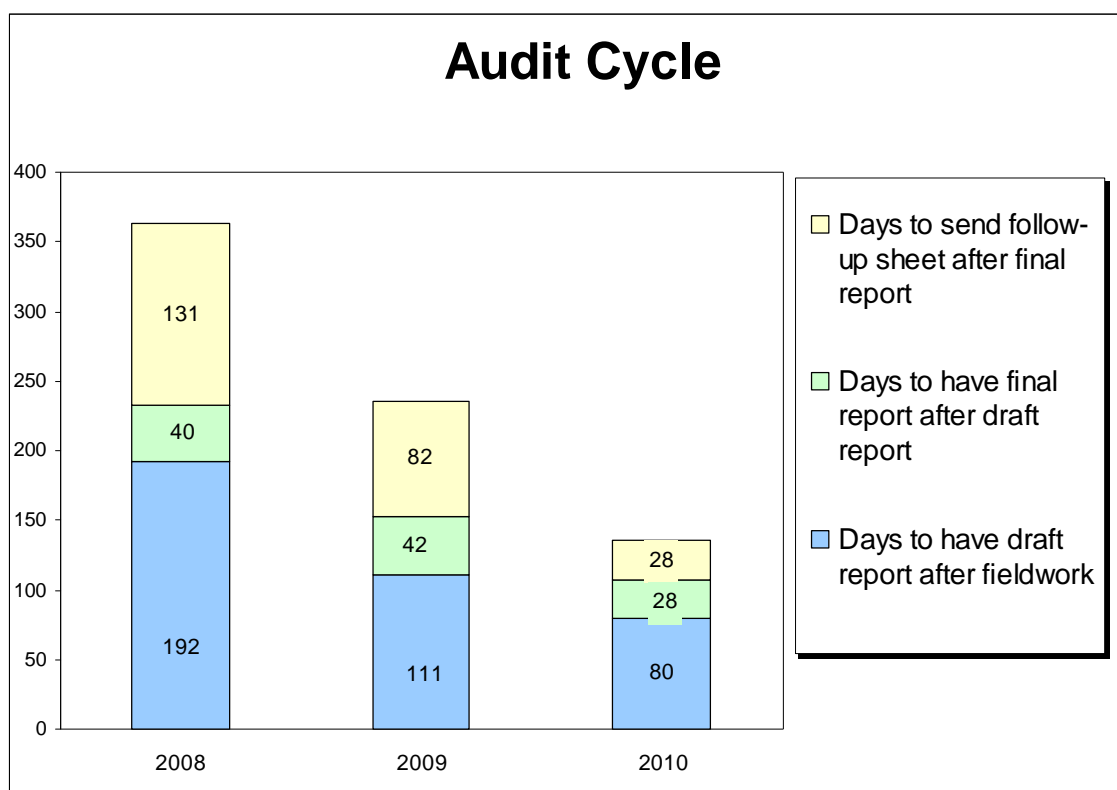
(1) The implementation of the follow-up for the audit carried out in 2008 is pending until receipt of the opinion requested from OLAF.

(2) The implementation of the follow-up for one of the two audits carried out in 2009 is pending (the recovery order is suspended) until closure of the related 2004 project file by DG Move and for the other audit – the recovery order is to be launched in January 2011.

Audit Cycle

In 2010 the external audit function managed to reduce the number of days necessary to finalise the audit (from field work to sending of follow-up sheets to the operational units) without sacrificing the quality due to more efficient time management.

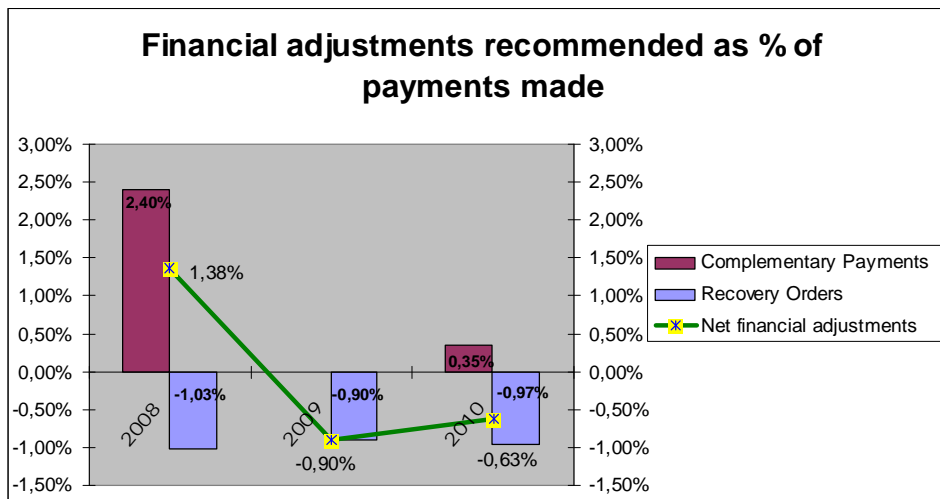
Table 10: Audit Cycle



Error rates (Financial adjustments recommended by ex-post control vs. payments approved by ex-ante control)

The detected error rates (financial adjustments recommended as % of the payments made) are within acceptable limits: below 1% in 2009 and 2010 (see Annex 4 for the materiality criteria). On the one hand, this can to some extent be attributed to the sharing of expertise with the ex-ante financial circuit (via the session on lessons learned from 2008 and 2009 audits and fraud prevention techniques). On the other hand, the revised sampling methodology reduces the level of the errors detected too. In any case, recovery orders are issued which correct these errors. Due to the limited size and the combined random/risk-based audit sample, the error rates can not be extrapolated to all projects the Agency manages. However, with a detected error rate from a partly risk-based audit sample already below the materiality level of 2%, no reservation to the Director's declaration to the Annual Activity Report appears warranted.

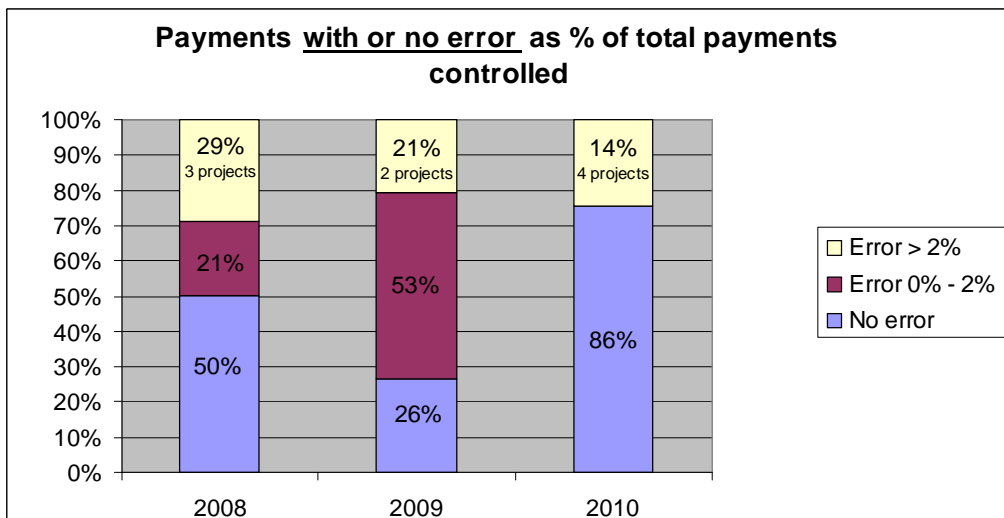
Table 11: Financial Adjustments



(1) Complementary payments and recovery orders are measured on the left scale of the chart and the net financial adjustments - on the right scale.

The above-mentioned adjustments can be further split in three categories – no errors, errors between 0% and 2% and errors > 2%. The tendency is to have increased number of payments for which the findings of the ex-post control coincide with the analyses performed by the ex-ante control.

Table 12: Error rate for payments



The percentage of projects for which the error rate exceeds 2% is relatively constant. However, the nature of the issues identified is changing – In 2008 and 2009 the issues identified are of financial (quantifiable) nature, whereas the problems identified in 2010 mainly concern the compliance with the EU procurement directives.

Table 13: Audit lessons learned

Main lessons learned and recommendations

Issue	Basis	Recommendations and corrective actions
Eligibility of expenditures declared	<p>Based on analysis of the 44 final reports (2008-2010), for 75% of the total costs controlled (on average), there is no or little deviation (<2%) between the amounts eligible according to the ex-ante verification and according to the ex-post audits.</p> <p>Recurrent issues are:</p> <ul style="list-style-type: none"> (1) Costs incurred outside the eligibility period; (2) Insufficient audit trail for costs declared; (3) Overstatement of internal (personnel) costs. 	<p>In our opinion the sampling methodology as well as the revised approach for ex-ante verification (external and internal costs) both contribute to improved reliability and efficiency of the ex-ante financial controls.</p> <p>The financial impact of all ineligible expenditure is systematically calculated (by the external auditors) and, if necessary, leads to the recommendation of a financial adjustment.</p>
Control of the legality and regularity of transactions	<p>Recurrent issues are:</p> <ul style="list-style-type: none"> (1) Non-compliance with the applicable public procurement legislation; (2) Various internal control deficiencies. 	<p>In our opinion the revised approach for ex-ante verification should contribute to addressing most of these issues and providing a certain assurance that all the relevant legal provisions were complied with.</p> <p>Public procurement issues fall fully under the responsibility of the Member States/Beneficiaries. Checks are performed by the Agency when examining cost statements in order to verify that the public procurement rules have been respected. The Agency has increased its control on this issue, and contact has been taken with DG MARKT in order to organise internal training/sharing of expertise. This should strengthen the Agency's knowledge and expertise on procurement when checks are performed on cost statements.</p>

3.1.2. Building block 2: Results from audits during the reporting year

Internal Audit Service (IAS)

The Internal Audit Service of the European Commission issued an overview report on the Executive Agencies of the Commission with no new recommendations as a consolidation of all audits performed within these Agencies. The TEN-T EA was included in the scope with the following audits: audit on the administrative budget, audit on the management of the operational

budget, audit on local IT systems supporting financial management, and the follow up audit on the administrative budget.

There is only one very important recommendation outstanding from audits finalised prior to 2010; from the Audit of the Management of the Operational Budget: *'Management should accelerate its efforts to acquire or develop a comprehensive management information system.'*

In this respect the Agency has undertaken a number of actions, for example the establishment of its IT Strategic Plan. The implementation of the plan is awaiting a meeting with DG MOVE to agree on the approach for IT, for TEN-T in general, from both sides.

Internal Audit Capability (IAC)

The IAC of the Agency conducted an audit on procurement with a satisfactory opinion except for a very important recommendation linked to the different follow up processes of the procurement procedure.

The mission procedures and their expenses were audited with a satisfactory opinion and no critical or very important recommendations.

Furthermore, an audit on the technical assessment process was conducted in the second semester of 2010. It concluded that the internal control system in place for this process provides reasonable assurance except for the ASR 2010 instalment methodology, the TENTec data and the harmonisation of the technical assessment methodology.

The annual opinion of the IAC on the internal control environment of the Agency is as follows: based on the results of the audits as described in the objectives and scope of the engagements carried out by the IAC of the TEN-T EA during 2010, the IAC believes that the internal control system in place in TEN-T EA provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited.

Court of Auditors

In the scope of the annual Declaration of Assurance audit of the Court (**DAS 2009**) four transactions were selected for review in 2010; two preliminary findings were issued and commented on by the Agency. The two errors identified by the Court concern the tendering procedures organised by the beneficiaries of the projects.

In the scope of the annual Declaration of Assurance audit of the Court (**DAS 2010**) three transactions were selected for review in the course of 2010, one preliminary finding about the nature of the project funded was issued. A second preliminary finding concerning the tendering procedures organised by the beneficiary was received for comments in January 2011.

The audit on the **annual accounts of 2009** concluded that the accounts are prepared according to the established rules and procedures and the transactions are legal and regular. The Court issued a positive opinion with no reservations on them.

An intermediary audit on the **annual accounts 2010** took place in October 2010; five preliminary findings on recruitment and procurement procedures were received and commented by the Agency.

The Agency provided comments and actively participated in the meetings related to the **Audit on the cost-effectiveness of the EU rail infrastructure interventions during the programming periods 1993-1999 and 2000-2006**. The Court issued its final report in December 2010 with a favourable opinion of the EU contribution to the development of the European rail transport.

The **Audit on the road infrastructure** financed by the EU started in September 2010. The TEN-T projects are not going to be audited; still the Agency will be informed and provide comments on the findings and reports, if necessary.

3.1.3. Building block 3: Follow-up of previous years' reservations and action plans for audits from previous years

Follow up of previous years' reservations: Not applicable.

Follow up of IAS and IAC recommendations:

The Internal Audit Service of the Commission performed a follow up audit on the Agency's administrative budget audit (conducted in 2008) with no new recommendations and with re-assurance that all recommendations have been adequately implemented.

The implementation of the actions described in the management action plan issued after the IAS/IAC joint audit on the operational budget from 2009 will be followed up by a joint follow up audit between the IAS and the IAC in 2011. At the end of 2010 all recommendations have been implemented except for one very important recommendation on the development of a management information system and one important recommendation on the Business Continuity Plan. In this respect the Agency has undertaken a number of actions, for example the establishment of its IT Strategic Plan. The implementation of the plan is awaiting a meeting with DG MOVE to agree on the approach for IT, for TEN-T in general, from both sides.

In 2010 the Internal Audit Capability of the Agency conducted three follow up audits. The follow up on the internal control standards was finalised with some recommendations assessed as not yet completed; mainly related to the IT governance. Both other follow up audits on preservation of data (hand-over process) and on the logistics process were finalised with an opinion that all recommendations were adequately and effectively implemented.

The three new audits conducted this year under point 3.1.2 (procurement, missions and technical assessment) will be followed up in the coming years in order to assess the state of implementation of their recommendations.

Follow up of European Court of Auditors' recommendations:

In 2010 all remaining recommendations from the DAS 2007 and the DAS 2008 were implemented.

Two recommendations resulting from the DAS 2009 required corrective measures in order to recover overpaid financing. At the end of 2010 one amount was recovered via an offset with the final cost claim and the recovery order for the other amount was sent to the beneficiary.

3.1.4. Building block 4: Assurance received from other Authorising Officers in cases of crossed sub-delegation: Not applicable.

3.1.5. Completeness and reliability of the information reported in the building blocks

During the reporting year, no cases of significant conflicts of interest, misapplications of procedures or intentionally overridden controls came to the attention of management. As can be concluded from the detailed information given under the previous building blocks, a high number of key controls have been effectively and efficiently implemented in the Agency, and they work as intended.

3.2. Reservations

On the basis of the conclusions of the supervision and monitoring activities described above, management judges that the weaknesses identified do not significantly affect operational management nor the legality and regularity of the Agency's actions in 2010. In the internal control assessment no critical observations were made that would affect the Director's declaration.

3.3. Overall conclusions on the combined impact of the reservations on the declaration as a whole

Not applicable

Part 4. Declaration of assurance

I, the undersigned,

Executive Director of the Trans-European Transport Network Executive Agency

In my capacity as Authorising Officer by Delegation

Declare that the information contained in this report gives a true and fair view²⁰.

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 capability, the observations 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 Commission.

Brussels, 31/03/2011

Dirk Beckers (signed)

²⁰ True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.

Annex A1

Summary of Implementation of the Specific Objectives – Work Programme 2010

ACTIVITY		
SPECIFIC OBJECTIVE: 1. To support the completion of TEN-T infrastructure by the effective and efficient technical and financial management of the TEN-T Programme and projects, putting in evidence the added value and expertise of the Agency		
<i>Result Indicators</i>	<i>Target (mid-term)</i>	<i>Situation at year end</i>
Advanced implementation of the 30 priority projects	Actual cumulative EU contribution vs. planned contribution = 100% for all priority projects	The Mid-Term Review shows that implementation is lagging significantly behind planning. Measures have been taken to maximise EU support by extending eligibility up to 2015, but under strict conditions
Effective and efficient follow up of project implementation and financial management for all actions including in particular the 30 priority projects	<p>More than 90% of reports and documents are analysed and commented within the applicable deadlines</p> <p>Visits to 50% of all projects including works as planned</p> <p>90% of payments made within applicable deadlines</p> <p>Maximum time to pay: 30 days for interim and final payments after approval of the technical report; 20 days for prefinancing payments % of budgetary execution: target of 100% for commitments and of >99% for payments</p> <p>Timely implementation of the 2010 audit plan covering at least 20% of final payments</p> <p>All Action Status Reports and Strategic Action Plans should be examined within 1 month of receipt and feedback given to the beneficiaries. All requests for amendments to Decisions should be examined within one month</p>	<p>ASR: 90% (Average 26 days)</p> <p>SAP: 94% (Average 31 days)</p> <p>Amendments: 74% (Average 31 days)</p> <p>Meetings and missions took place with 45% of all projects</p> <p>99% of payments were made in time</p> <p>Time to pay was 16 days; Time to pay was 12 days for pre-financing payments.</p> <p>Budget execution (C1 appropriations): 100% of commitments and payments (including a reinforcement of 10 million € taken over from DG MOVE at the end of 2010.)</p> <p>Achieved</p> <p>ASR: 68% (Average 26 days)</p> <p>SAP: 63% (Average 31 days)</p> <p>Amendments: 58% (Average 31 days)</p>

<p>Timely preparation of 2009 Decisions, and an improvement in the average time to have a Decision adopted</p>	<p>90% of the 2009 annual and multi-annual Decisions are sent for adoption by the end of March 2010. The remaining 10% are finalised by end of June 2010</p> <p>Average time from the CfP to adoption – 1 year; Average time from the adoption of the global framework Decision to adoption of the individual funding Decisions – 6 months</p>	<p>Due to delay in the adoption of the Framework Decisions only 2% of Decisions were sent for adoption by 31/3, 81% were sent by 30/6. 100% were adopted by 31/12/2010</p> <p>Average time from CfP to adoption was 14 months</p> <p>Average time from framework Decision to adoption was less than 2 months (57 days)</p>
<p>Good management, and improved procedures and guidance for the 2010 and 2011 Calls for Proposal cycles</p>	<p>Draft 2011 work programmes sent to MOVE by September 2010</p> <p>Respect of the calendar of each 2010 call from publication up to the final selection</p> <p>In the external evaluation of proposals, the average scores for the 'quality' block of award criteria are greater than or equal to those for previous calls.</p>	<p>The draft for the 2011 work programmes were prepared in November and finalised by MOVE in December 2010.</p> <p>A detailed planning schedule for each 2010 Call (FAB/ATM, Annual, RIS/MoS) was established and executed according to plan.</p> <p>The average scores for the 'quality' block of award criteria of the 2010 Calls are comparable to the ones from last year'. An improvement could be verified, especially, for MAP RIS/MoS compared to their previous scores and, in general, for Priority 3 proposals in comparison to the overall 2009 Annual Call scores.</p>
<p>The Agency's Human Resources and HRM procedures are effectively managed</p>	<p>Less than 5% average vacancy rate of available posts (once Agency is fully staffed)</p> <p>100% of staff have Job Descriptions, Objectives and Training Maps within 3 months of entry into service</p> <p>Training offered in 2010 will concentrate on specialised training for staff. Monitoring of needs, applications and participation.</p>	<p>Currently reached the 5% vacancy rate even though Agency is not entirely fully staffed.</p> <p>Objective has been reached throughout 2010.</p> <p>Training concentrated on project management skills, advanced written language skills and continuous professional training. Participation was reported on bi-annually.</p>
<p><i>Main policy outputs</i></p>		
<p>...</p>		
<p><i>Main expenditure-related outputs</i></p>		
<p>...</p>		

ACTIVITY		
SPECIFIC OBJECTIVE: 2. To support in particular the deployment of Intelligent Transport infrastructure throughout the TEN-T		
<i>Result Indicators</i>	<i>Target (mid-term)</i>	<i>Situation at year end</i>
Percentage of FAB's under study and receiving EU funding	100%	Achieved - As a result of the 2010 FAB Call for proposals, all FAB's are receiving TEN-T support
Number of countries involved in implementing RIS	11 Increase in number of vessels being equipped to 15,000	Achieved - As a result of the 2010 RIS Call, 11 MS are involved The 2010 RIS Call raised the number of vessels equipped from 10500 to 13000.
Number of countries involved in implementing ITS	27	Achieved - As a result of the adoption of the EasyWay 2 project, all 27 MS are involved
Number of countries involved in ERTMS deployment	13	Achieved - As a result of the 2009 Call for Proposals, 15 Countries are involved
<i>Main policy outputs</i>		
N/A		
<i>Main expenditure-related outputs</i>		
N/A		

ACTIVITY		
SPECIFIC OBJECTIVE: 3. Support to DG MOVE in the context of the TEN-T policy revision and mid-term programme review, in particular by carrying out an evaluation of the project implementation.		
<i>Result Indicators</i>	<i>Target (mid-term)</i>	<i>Situation at year end</i>
The mid-term assessment of all multi-annual programme (MAP) projects is timely and accepted by the Commission	<p>Evaluation by the Agency of the actual status of the implementation of the MAP projects and of the revised implementation plans as submitted by the beneficiaries is finalised by 31 May 2010</p> <p>The final report is presented to DG MOVE before 30 June 2010</p>	TEN-T EA performed the MAP Project Portfolio Review from 17-21 May. It evaluated the state of implementation and assessed expected development of individual projects selected under the 2007 TEN-T MAP Calls. The Internal Review Panel DG MOVE/Agency met on 30/6 and 6/7 to finalise the results and conclusions. DG MOVE successfully presented the final report to the FAC at the meeting of 29 October.
Innovative approaches for funding for infrastructure projects have been explored	In cooperation with EIB and other interested entities, a reflection paper on new Financial Engineering methods is established by the end of the 1 st semester 2010	A Concept Paper entitled 'Promoting Increased Private Sector participation in Financing TEN-T Projects' was sent to DG MOVE on 19 May. In keeping with the concepts presented, a first targeted Call for PPPs was launched under the 2010 Annual Call with 3 proposals selected for funding. The Agency has also provided input into the EU Project Bond initiative, upon request by DG MOVE, including a list of candidate projects.
<i>Main policy outputs</i>		
N/A		
<i>Main expenditure-related outputs</i>		
N/A		

ACTIVITY		
SPECIFIC OBJECTIVE: 4. Increased awareness about the TEN-T Programme, the Agency and its achievements, and improved support to its partners.		
<i>Result Indicators</i>	<i>Target (mid-term)</i>	<i>Situation at year end</i>
Degree of implementation of the External Communication Strategy	100%	90% of actions were completed or on-going, 10% getting underway at year end or rescheduled for 2011
Qualitative feedback received from participants in Agency events	Satisfaction is maintained or improved from the previous year	An average of 83% from Agency's two events (Project Management Workshop & Info Day) gave the overall value of attending as positive
Number of visits to the internet	Higher than last year	Visits doubled in 2010: 130,000 unique visitors
Improved relations with partners and support to beneficiaries.	<p>Regular communication, contacts and coordination meetings with other DG's, services and Institutions concerned in the financing of transport infrastructure (DG REGIO, ECFIN, ENV, CLIMA and the European Investment Bank</p> <p>Organisation of a conference on the promotion of TEN-T financing and PPPs in the second half of 2010.</p> <p>1 project management workshop for beneficiaries is organised in the first quarter of 2010</p> <p>Improved cooperation and dissemination of news and information to TEN-T project beneficiaries; This will be measured on the basis of the evaluation of the communication actions undertaken.</p>	<p>Increased contacts and collaboration with other DGs and bodies throughout the year, in particular with DGs MOVE, REGIO and ECFIN. Greater visibility/increased contacts by Financial Engineering sector with EU bodies/stakeholders led to better understanding of PPPs in TEN-T implementation.</p> <p>A well-attended seminar was organised on TEN-T Project Finance & PPPs. The event supplemented Priority 3 of the Annual Call, Support for PPPs.</p> <p>The second project management workshop was held in January 2010 with over 300 participants</p> <p>A survey of beneficiaries on the Agency's communications tools which was planned for 2010 will be undertaken in 2011.</p>
<i>Main policy outputs</i>		
<i>(Not applicable)</i>		
<i>Main expenditure-related outputs</i>		
<i>2010 proposed budget:</i>		

ACTIVITY		
SPECIFIC HORIZONTAL OBJECTIVE 1: An increased efficiency of the Agency's operations by streamlining its working methods, internal organisation, structure and staff management, and developing new tools.		
<i>Result Indicators</i>	<i>Target (mid-term)</i>	<i>Situation at year end</i>
Internal procedures and tools are streamlined and improved.	<p>2 internal workshops on simplification of procedures and working methods will be held in the first semester of 2010</p> <p>Development of new TENtec follow-up module by end January 2010. SAP and ASR modules by the end of 2010</p> <p>To have the use of GIS services available via Intranet; integration of GIS with reporting modules – by end of 2010, on basis of GIS Master Plan</p> <p>Reporting and statistical mechanism in place with a pilot reference data warehouse to be operational by the end of 2010</p>	<p>1 workshop was held on the method for determining the annual instalment for MAP projects and another one on procurement</p> <p>TENtec follow-up module was developed. SAP and ASR module development was not started due to the change in priorities and on-going discussion on IT between DG MOVE and TEN-T EA</p> <p>A new GIS Evaluation Viewer was developed and used successfully by the external evaluators in the 2010 Call evaluation exercise</p> <p>The analysis of the reporting requirements on the whole Agency level (covering all the data needs of the Agency) is still to be started.</p>
% Implementation of IT Strategic Plan and IT Schéma Directeur	<p style="text-align: center;">>90%</p> <p style="text-align: center;">Adoption of Schéma Directeur by the IT Steering Committee by end of March 2010</p>	<p>Schema Directeur covering the period 2010-2011 was adopted Feb 2010 by the IT Steering Committee</p> <p>The IT Strategic Plan and IT Security Plan was finalised in October 2010 and adopted by the IT Steering committee in November 2010. The implementation is awaiting agreement from DG MOVE.</p>
% of implementation of the annual external audit plan 2010 and improved adequacy of the ex-ante controls.	<p>> 90% of the annual external audit plan by 31/12/2010.</p> <p>Coverage of 20% of those final payments made in 2009 and at least 3 audits on projects in countries with high inherent risk.</p>	<p>At 31/12/2010, 100% execution of the audit programme 2010 (21 audits).</p> <p>38% of final and interim payments from 2009 were covered as well as the sole country of the population with high inherent risk.</p>

	<p>All ad hoc audit requests duly accepted are addressed within 2 weeks of their reception.</p> <p>All follow-up sheets on audits from the 2009 programme will be issued.</p> <p>Contribute to improving the effectiveness of ex-ante controls and financial management tools and practices of the Agency by issuing and disseminating recommendations and / or guidance inspired from weaknesses identified in the framework of audits done. In 2010, a particular attention will be brought to fraud prevention (guidance and information / training sessions).</p>	<p>15 audit requests were received and addressed in due time: 9 were included in the audit programme and others were already audited in 2008/2009 and no material issues were identified).</p> <p>All follow-up sheets on audits were issued by 30/06/2010.</p> <p>In May 2010 training was organised for operational ex-ante verifying agents on lessons learnt and fraud preventing techniques based on major issues identified during implementation of the audit programmes 2008 and 2009. Additional controls were included as a first step for system controls and increasing of fraud detection. 2 files were identified as having a potential risk of fraud and sent to OLAF.</p>
Improved quality of the Agency's infrastructure and logistical capacity	Successful removal of the Agency to its new building in the first semester of 2010	The move successfully took place the week of 22 November 2010.
The Agency's Human Resources and HRM procedures are effectively managed	<p>Less than 5% average vacancy rate of available posts (once Agency is fully staffed)</p> <p>100% of staff have Job Descriptions, Objectives and Training Maps within 3 months of entry into service</p> <p>Training offered in 2010 will concentrate on specialised training for staff. Monitoring of needs, applications and participation.</p> <p>The use of MIPS will streamline the procedure for all missions starting from January 2010</p>	<p>The 5% average vacancy rate has been maintained despite staff departures and thanks to recruitment planning.</p> <p>The rate at the end of 2010 was 98% JD, 96% Obj. and 95% TM; the missing % is within the three months limit.</p> <p>Specialised training was offered: Financial Workshops; advanced EN written skills; Workshop on Motorways; Communication workshops; fraud prevention. Monitoring of needs is ongoing.</p> <p>MIPS was launched in January and at end 2010, a paperless procedure further streamlined the process.</p>
<i>Main policy outputs</i>		
<i>(not applicable)</i>		
<i>Main expenditure-related outputs</i>		
<i>2010 proposed budget:</i>		

ACTIVITY		
SPECIFIC HORIZONTAL OBJECTIVE 2: Further increase the efficiency of the internal control system		
<i>Result Indicators</i>	<i>Target (mid-term)</i>	<i>Situation at year end</i>
Degree of implementation of mitigating measures for critical risks by the end of the year	100 %	83 %
Degree of implementation of the accepted internal audit recommendations, with a deadline in 2010	>80% of the actions are implemented by 31/12/2010.	85%
Percentage of all new internal audits initiated as planned in the annual internal audit plan for 2010	100%	100 %
Number of Reservations in the Annual Activity Report	None	None
<i>Main policy outputs</i>		
<i>(not applicable)</i>		
<i>Main expenditure-related outputs</i>		
<i>2010 proposed budget:</i>		

Annex A2

Implementation of the prioritised Internal Control Standards

ICS 4 Staff Evaluation and Development

Planned actions:	Results achieved:
<p>Training offered under the Agency's Training Programme (LDF) 2010 will concentrate on specialised needs (internal courses will be offered on communication, ex-ante controls, financial management), and also promote the priorities of the Commission (e.g. fraud prevention; ethics and integrity).</p>	<p>Final Training Programme was published on the intranet in January 2010.</p>
<p>A specific training section will be introduced on the Agency's new intranet</p>	<p>The specific training section was introduced on the Agency's Intranet in March 2010. It was created with the collaboration of the HR team and includes latest training news.</p>
<p>The Career Development Review (CDR) Exercise for the Agency will be completed on time and all deadlines respected.</p>	<p>The CDR Exercise was completed on time. All the deadlines were respected.</p>
<p>An analysis will be carried out on the skills and competences needed to meet the Agency's objectives and to detect significant gaps, in order to improve staff development.</p>	<p>The analysis of staff skills and competences is still ongoing and is linked to the current analysis of the internal structure/workload. The action will be finalised in 2011.</p>
<p>An analysis of the Agency's training statistics will be carried out to determine whether staff is taking the necessary courses to build the required skills to meet the Agency's objectives.</p>	<p>First analysis of the training statistics was done in October 2010. A second will be carried out in March 2011 and thereafter the exercise will take place on a quarterly basis.</p>
<p>Staff evaluations are based on the achievement of SMART and up-to-date annual objectives. 100% of staff has agreed job descriptions, objectives and training maps within 3 months of their entry into service.</p>	<p>All staff received timely job descriptions; the objectives and training maps were established within the deadlines.</p>

ICS 7 Operational Structure

Planned actions:	Results achieved:
<p>An examination will be carried out of the Agency's existing organisational structure to review the allocation of resources and see whether any readjustment in the allocation of staff per unit is necessary. A first reflection will be carried out in the framework of the preparation of the PDB 2011</p>	<p>A first reflection on the reallocation of resources was made in January 2010; a more in-depth reflection took place during the teambuilding exercise in June 2010. All staff replied to a job satisfaction questionnaire in October 2010. There is now an ongoing analysis of the internal structure/workload. The action will be finalised in 2011.</p>

The Agency will define its sensitive functions. It will also define the mitigation controls to be established when necessary, and will report on the eventual derogations granted in its Annual Activity Report (AAR).	The rules governing sensitive functions were adopted with by an Executive Director Decision and published on the intranet in May 2010.
The Agency will establish an IT Strategic Plan to be approved by the IT Steering Committee which will focus on the alignment of the Agency's business and its IT tools, and in particular the development and improvement of IT tools used for the management of projects	The IT Strategic Plan exercise was launched in January 2010 and the plan was provisionally adopted by the Agency IT Steering Committee in November 2010. It will be finally adopted in 2011 once the Agency and DG MOVE agree on their IT approach.
The decision on the use of different IT tools/systems will be taken	On the basis of the IT Strategy Plan and upon its final adoption, a decision on the use of IT tools/systems by the Agency will follow.
Appropriate arrangements are in place to ensure that the Agency's interests are considered in the development of the ePMS and TENtec systems owned by DG MOVE. New TENtec modules will be developed in conjunction with DG MOVE	ePMS meetings between the Agency and DG MOVE are organised every 2 months. Specific meetings about TENtec development took place. A new version of the evaluation module was put in production in May 2010
The Agency IT development team has followed the RUP@EC training and applies the methodology in all the new developments	The IT development team followed the training and applies the methodology in all new developments.
The Agency's Internal Control Coordinator will carry out the Agency's annual risk management exercise and follow-up the implementation of the mitigating controls	The Agency assessed the risks related to the 2011 objectives in an exercise including a questionnaire to staff and a management discussion. The 2011 Risk Register was prepared and presented to the Steering Committee in December 2010. The Risk Register and the ICS Action Plan will be communicated to staff and published on the intranet in January 2011.

ICS 11 Document Management

Planned actions:	Results achieved:
An internal network will be established of DMO correspondents per unit, who will work with the DMO to ensure that the management of files and classification of documents is done in conformity with the rules in force.	All Units have nominated DMO correspondents. Regular meetings have been organised.
The Agency will establish a procedure for the retention period of documents, which is consistent with the applicable periods of the Commission; and also for the treatment of sensitive documents.	The Agency's ARES Migration Project Chart contains the procedure executed during the migration to ARES in June 2010. The definition of the procedure for the retention period was finalised in August 2010.

All master files will be scanned, and a procedure decided on the method to be used to preserve the original documents and the electronic versions, including any specific IT tools which may be used (including ARES).	Master files were scanned by an external contractor under the OPOCE Framework Contract. Electronic versions were made available as from August 2010. A procedure on the method to be used to preserve the original documents and the electronic versions was introduced in the Manual of Procedures.
The transfer to ARES and the establishment of the Agency's filing plan will be done in such a way so as to ensure that the Agency's document management is secure, efficient and compliant with the Commission's e-Domec rules.	The filing plan was established in cooperation with the SEC GEN. On 29/06/2010 the Agency successfully migrated to ARES.
All staff will be informed of the new procedures in ARES for the registration and filing of documents and internal training sessions will be organised to give guidance and instructions.	The Manual of Procedures for ARES, applied in the Agency, was published on the intranet in June 2010. Selected staff members followed training courses organised by DIGIT. Internal training sessions for all other staff were organised in June 2010.

ICS 12 Information and Communication

Planned actions:	Results achieved:
The Agency's new intranet site will be launched.	The Agency's new intranet site was launched in March 2010.
The Agency will develop and inform staff on an IT Security Plan following the Information Systems Security Policy of the Commission and will implement a risk registry and risk analysis for all the new IT developments.	This action will be implemented once the IT Security plan is finally approved.
The current arrangements for internal communication will be analysed to ensure that management and staff are informed of all decisions or initiatives that may impact on their responsibilities and tasks. Internal workshops will be organised by the Communication Team to explain its products and services.	Internal workshops about internal and external communication were organised in March and April 2010. Part of their purpose was to explain the internal and external communications activities to all staff and to improve internal communication.
The Agency will carry out an analysis, based on a survey of its IT users, and statistics on performance indicators (e.g. system down-time, server capacity etc) of its system performance in order to detect effectiveness and efficiency issues.	This action was started by the IT development team in November 2010. As currently there are no adequate statistics available for the system down time, a user survey will be carried out in order to evaluate possible problems. The survey is foreseen for February 2011 and the analysis will be finalised in May 2011.

<p>The External Communication Strategy will be fully implemented and analysed in order to identify strengths and weaknesses. Feedback from the beneficiaries will be used in order to adapt the ongoing strategy.</p>	<p>The Internal workshops mentioned above particularly focused on external communication strategy and activities, and how to receive feedback from beneficiaries on how to improve the flow of communications between themselves and the Agency. .</p>
---	--

ICS 14 Evaluation of Activities – support to DG MOVE

Planned actions:	Results achieved:
<p>The Agency will carry out the MAP project portfolio mid-term review: the progress of the projects selected under the 2007 multi-annual calls for proposals will be assessed on the basis of the information provided by beneficiaries in the 2010 Action Status Reports as well as in a supplementary questionnaire. The Agency will evaluate and assess the status of the updated implementation plans for the projects.</p>	<p>The preparation started in June following the work of the Internal Review Panel. The first draft of the report was presented to DG MOVE in July 2010.</p>
<p>A final report will be prepared and presented to the TEN Financial Assistance Committee in conjunction with DG TREN. The exercise will provide input to the mid-term evaluation of the programme as well as the revision of the TEN-T Guidelines and the preparation of the next financial perspective.</p>	<p>The report was finalised in September and presented to the FAC and the European Parliament in October 2010.</p>