

ANNEXES

ANNEX 1: Statement of the Resources Director

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director-General/Executive Director on the overall state of internal control in the DG/Executive Agency.

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

Date: 30 March 2017

SIGNED

Bruno PRAGNELL

¹ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

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

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

A. Human Resources

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

Indicator 1 (mandatory – data to be provided by DG HR): Percentage of female representation in middle management

Source of data: Target for female representation in management functions in the European Commission for the years 2015-2019 adopted by the Commission on 15 July 2015 – SEC(2015)336

Baseline (2015)	Target (2020)	Latest known results (2016)
33%	45%	40%

Indicator 2 (mandatory – data to be provided by DG HR): Percentage of staff who feel that the Commission cares about their well-being

Source of data: Commission staff survey

Baseline (2014)	Target	Latest known results (2016)
45%	Not to fall below baseline (as satisfaction with the Commission covers more than the activities of DG CLIMA)	45%

Indicator 3 (mandatory – data to be provided by DG HR): Staff engagement index

Source of data: Commission staff survey

Baseline (2014)	Target	Latest known results (2016)
73%	To improve participation rate in the staff survey and improve the % of satisfaction	71%

Main outputs in 2016

Description	Indicator	Target date	Latest known results
Development programmes for preparing women for management	2 programmes	By end 2016	2 programmes implemented
Rate of vacant posts	Vacancies on average less than 5% on annual basis	By end 2016	5.1%
In-house learning	List of programmes	By end 2016	Learning and

and development activities to make staff more efficient and skilled	delivered		Development Programme implemented
Programmes to promote wellbeing and preventive actions in relation to health	List of programmes offered	By end 2016	Well-being programme implemented
Timely completion and delivery of elements of staff appraisal and promotion exercise	To complete the exercises in the required timeline	To be set by DG HR	Completed on time

B. Better Regulation

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

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

Baseline (2015)	Interim Milestone (2016)	Target (2020)	Latest known results (2016)
0%	50%	75%	100%

Indicator 2: Percentage of the DG's primary regulatory acquis covered by retrospective evaluation findings and Fitness Checks not older than five years.

Baseline (2015)	Interim Milestone (2016)	Target (2020)	Latest known results (2016)
40% (CCS, ETS, CO2 and cars, CO2 and vans)	70% (ESD, FQD, Cars labelling)	80% of DG CLIMA's acquis at that time	60%

Main outputs in 2016

Description	Indicator	Target date	Latest known results
Impact Assessment LULUCF	Favourable opinion 1st presentation Regulatory Scrutiny Board (RSB)	2nd quarter 2016	Completed
Impact assessment ESD	Favourable opinion 1st presentation RSB	2nd quarter 2016	Completed
Evaluation Effort Sharing decision	Favourable opinion 1st presentation	2nd quarter 2016	Completed

	RSB		
Evaluation Car Labelling	Adoption Staff Working Document	2nd quarter 2016	Completed
Evaluation Fuel Quality Directive (REFIT)	Adoption Staff Working Document	2nd quarter 2016	In progress, to be finalised Q2 2017

C. Information Management

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

Indicator 1: Percentage of registered documents that are not filed³³ (ratio)

Source of data: *Hermes-Ares-Nomcom (HAN)³⁴ statistics*

Baseline 2014 0.85	Target Maintain	0.01% in 2016
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Indicator 2: Percentage of HAN files readable/accessible by all units in the DG

Source of data: *HAN statistics*

Baseline 95.26%	Target Maintain	95% in 2016
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Indicator 3: Percentage of HAN files shared with other DGs

Source of data: *HAN statistics*

Baseline 0.06%	Target Maintain (keeping in mind that some CLIMA files cannot be shared due to sensitivity / security reasons)	0.23% in 2016
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Main outputs in 2016:

Description	Indicator	Target	Latest known results
Develop a culture of knowledge integrity, dissemination and sharing.	Monthly in-house training to newcomers. Additionally training to Units on adaptation to technical development, awareness programme and educational package on information value, availability, use and automated processing. Support to Units in document management procedures and usage of Commission's IT systems.	by end 2016	In total, 33 training sessions were organised in 2016 and 241 ENV/CLIMA staff attended the sessions.
Review of e-filing system in	Number of annual visits and annual updates of list of files	by end 2016	In total, 13 sessions were organised in

units including visits in units			2016 and 135 ENV/CLIMA staff attended.
Implementation of e-archiving (move away from paper filing onwards digitalised documents registered in ARES)	Reduced amount of paper files in the units and reduced volume of paper files transferred to the Historical Archives	by end 2016	In total 26 paper files have been transferred to the HA in 2016.
Simplification of processes and the need of a reduction of paper circulation and the benefits of improving the use of electronic workflows (eSignatories) for a faster and more efficient approval and circulation of documents	Number of procedures implemented into e-signatory workflows in ARES	by end 2016	Since early 2016 the DG implements the use of e-signatories to validate/sign non-financial documents.

D. External communication

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

Indicator 1: Percentage of EU citizens having a positive image of the EU

Definition: The Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions only make a small contribution.

Source of data: Standard Eurobarometer [monitored by DG COMM here].

Baseline (November 2014)	Target (2020)	Latest known results (2016)
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Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Total "Positive": 35% Neutral: 38 % Total "Negative": 25%
Web and social media	Reach	1 Jan-31 Dec 2016
EU Climate Action website	1,9 Mio visits, 1,1 Mio unique visitors, 3,8 Mio page views	2,56 Mio visita 1,54 Mio unique visitors 4,94 Mio page views
EU Climate Action Facebook	81.000 followers	90.100 followers
EU Climate Action Twitter	14.000 followers	21.600 followers

Annual communication spending (based on estimated commitments):

Baseline (2015)	Target (2016)	Total amount spent	Total of FTEs working on external communication
925 K	895 K	701 K	7

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG CLIMA - Financial Year 2016

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Additional comments

"The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer".

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2016 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	3,39	3,32	97,79 %
	34 02	Climate action at Union and international level	44,44	44,39	99,87 %
Total Title 34			47,83	47,7	99,72%
Total DG CLIMA			47,83	47,7	99,72 %

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

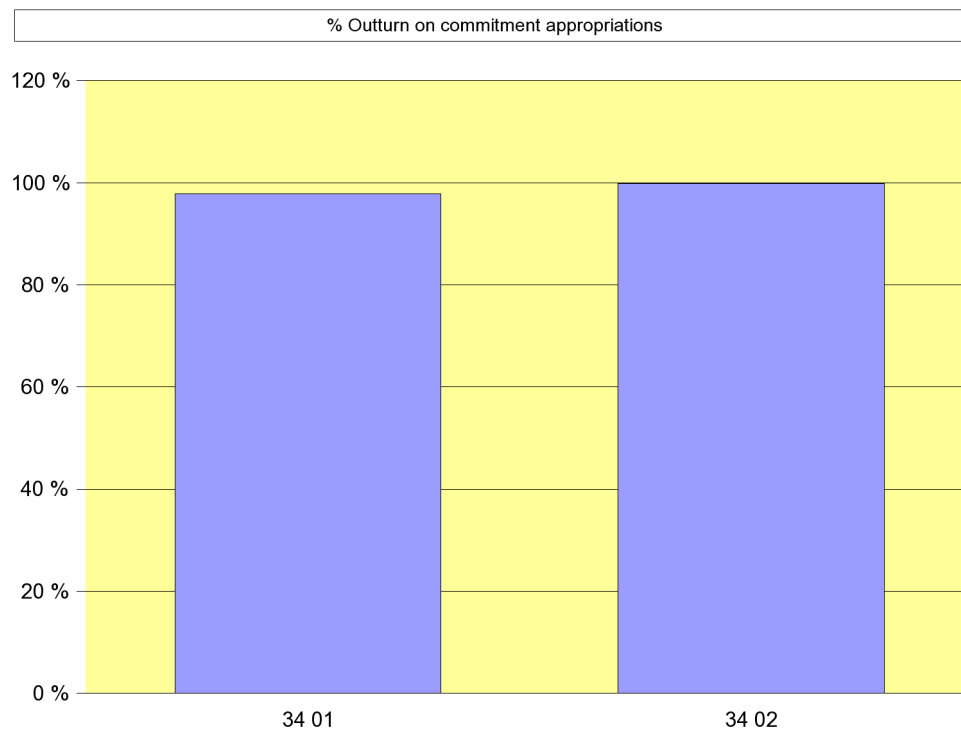


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2016 (in Mio €)

Chapter		Payment appropriations authorised *	Payments made	%	
		1	2	3=2/1	
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	5,01	3,03	60,50 %
	34 02	Climate action at Union and international level	31,8	22,92	72,07 %
Total Title 34			36,81	25,95	70,49%
Total DG CLIMA			36,81	25,95	70,49 %

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

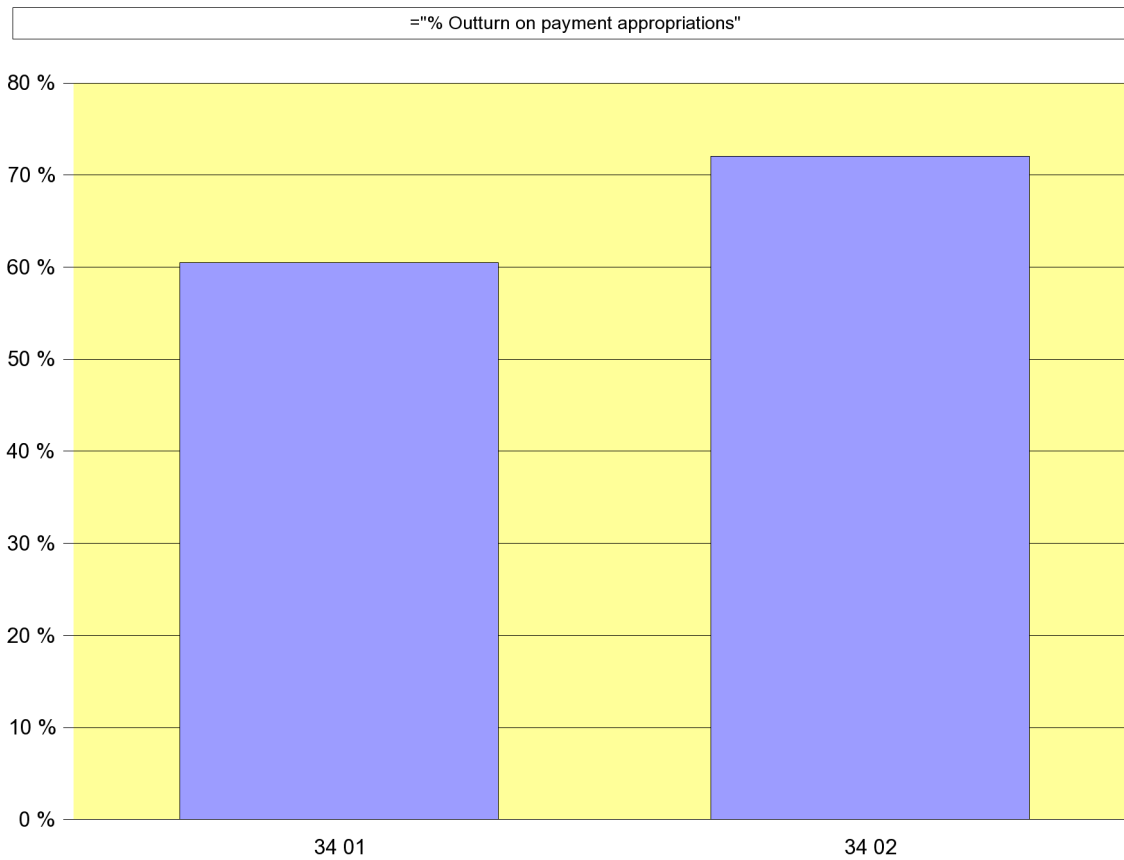
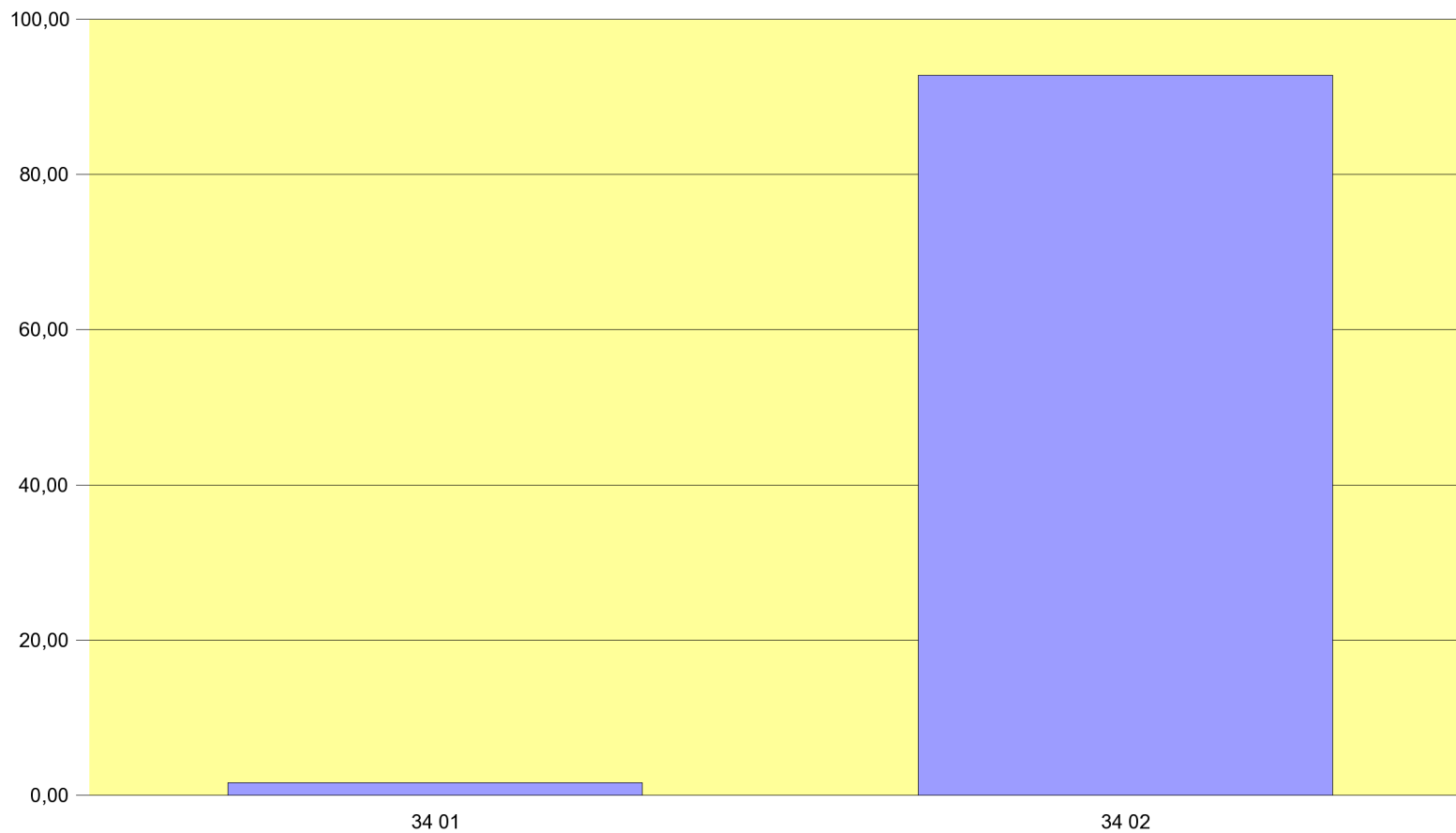


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2016 (in Mio €)									
Chapter			2016 Commitments to be settled				Commitments to be settled from financial years previous to 2016	Total of commitments to be settled at end of financial year 2016 (incl corrections)	Total of commitments to be settled at end of financial year 2015 (incl. corrections)
			Commitments 2016	Payments 2016	RAL 2016	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 34 : Climate action									
34	34 01	Administrative expenditure in the 'Climate action' policy area	3,32	1,67	1,65	49,75 %	0,00	1,65	1,62
	34 02	Climate action at Union and international level	44,39	2,27	42,11	94,88 %	50,66	92,77	71,65
Total Title 34			47,7	3,94	43,76	91,75%	50,66	94,42	73,27
Total DG CLIMA			47,7	3,94	43,76	91,75 %	50,66	94,42	73,27

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

= "Breakdown of Commitments remaining to be settled (in Mio EUR)"



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

TABLE 4 : BALANCE SHEET CLIMA

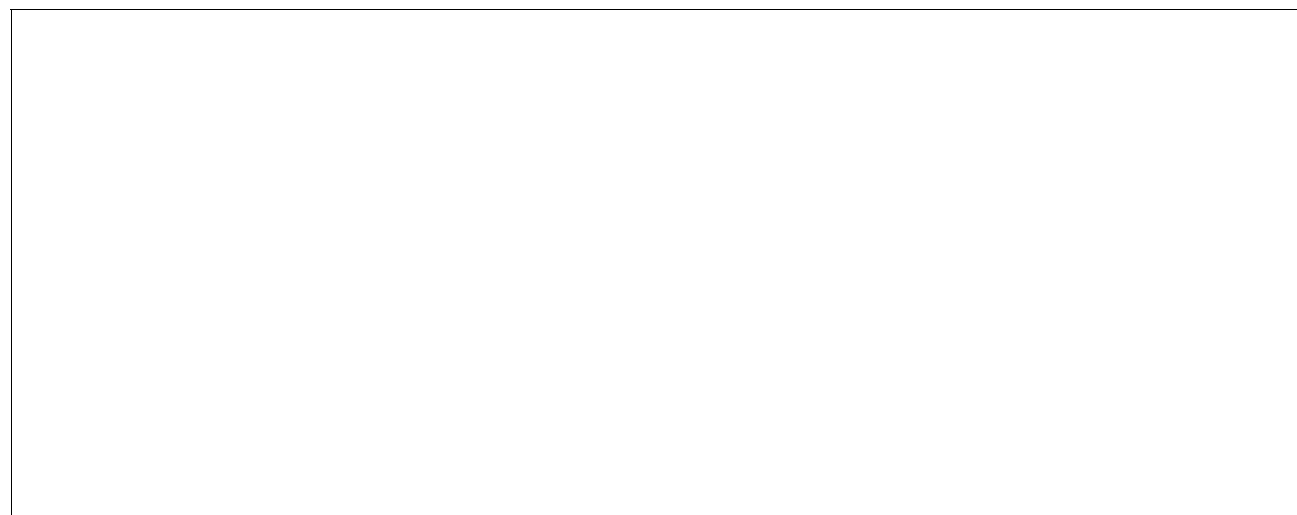
BALANCE SHEET	2016	2015
A.I. NON CURRENT ASSETS	7 860 657,59	8 449 075,39
A.I.1. Intangible Assets	7 399 857,59	8 377 163,01
A.I.5. Non-Current Pre-Financing	0,00	71 912,38
A.I.6. Non-Cur Exch Receiv & Non-Ex Recov	460 800,00	
A.II. CURRENT ASSETS	35 615 883,81	17 040 213,73
A.II.2. Current Pre-Financing	18 153 796,57	4 073 085,44
A.II.3. Curr Exch Receiv & Non-Ex Recoveral	231 159,24	1 340 461,29
A.II.6. Cash and Cash Equivalents	17 230 928,00	11 626 667,00
ASSETS	43 476 541,4	25 489 289,12
P.II. CURRENT LIABILITIES	-205 747,25	-10 718 156,75
P.II.4. Current Payables	-205 747,25	-2 235 429,05
P.II.5. Current Accrued Charges & Defrd Incc	0,00	-8 482 727,70
LIABILITIES	-205 747,25	-10 718 156,75
NET ASSETS (ASSETS less LIABILITIES)	43 270 794,15	14 771 132,37
P.III.2. Accumulated Surplus / Deficit	77 192 149,19	55 004 334,36
Non-allocated central (surplus)/deficit*	-120 462 943,34	-69 775 466,73
TOTAL	0,00	0,00

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE CLIMA

STATEMENT OF FINANCIAL PERFORMANCE	2016	2015
II.1 REVENUES	2 481 677,77	360 507,54
II.1.1. NON-EXCHANGE REVENUES	1 116 786,27	-1 118 861,29
II.1.1.4. FINES	1 116 786,27	-1 118 861,29
II.1.2. EXCHANGE REVENUES	1 364 891,5	1 479 368,83
II.1.2.2. OTHER EXCHANGE REVENUE	1 364 891,50	1 479 368,83
II.2. EXPENSES	2 511 883,53	21 827 307,29
II.2. EXPENSES	2 511 883,53	21 827 307,29
II.2.10. OTHER EXPENSES	4 820 549,23	5 793 432,85
II.2.2. EXP IMPL BY COMMISS&EX.AC	4 389 812,26	14 750 870,38
II.2.4. EXP IMPL BY 3RD CNTR & INT OR	-6 701 901,14	1 708 073,43
II.2.6. STAFF AND PENSION COSTS		-429 412,29
II.2.8. FINANCE COSTS	3 423,18	4 342,92
STATEMENT OF FINANCIAL PERFORMANCE	4 993 561,30	22 187 814,83

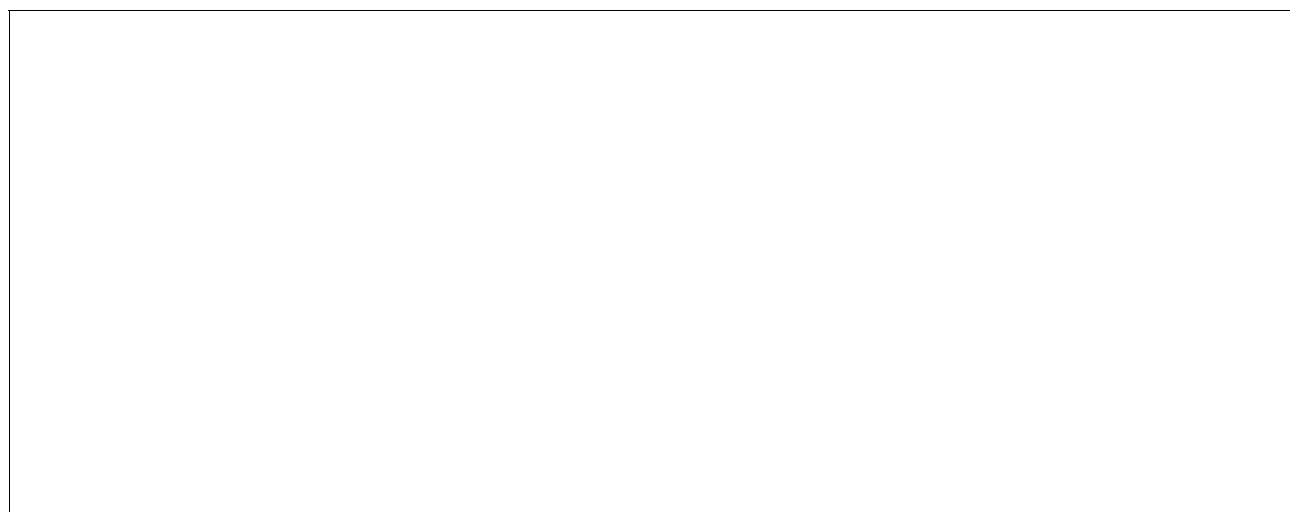


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TABLE 5bis : OFF BALANCE SHEET CLIMA

OFF BALANCE	2016	2015
OB.1. Contingent Assets	0	591 138,4
GR for pre-financing	0,00	591 138,40
OB.2. Contingent Liabilities	-3 042 456	-16 200 000
OB.2.1. CL Guarantees given	-3 042 456,00	
OB.2.7. CL Amounts relating to legal ca	0,00	-16 200 000,00
OB.3. Other Significant Disclosures	0	-76 954 910,2
OB.3.2. Comm against app. not yet con	0,00	-76 954 910,20
OB.4. Balancing Accounts	3 042 456	92 563 771,8
OB.4. Balancing Accounts	3 042 456,00	92 563 771,80
OFF BALANCE	0,00	0,00



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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2016 - DG CLIMA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	257	236	91,83 %	13,79	21	8,17 %	37,43
45	9	9	100,00 %	19,22			
60	70	69	98,57 %	22,91	1	1,43 %	70
90	8	6	75,00 %	39,17	2	25,00 %	114

Total Number of Payments	344	320	93,02 %		24	6,98 %	
Average Net Payment Time	18,4			16,39			45,17
Average Gross Payment Time	25			23,22			48,71

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	8	6	75,00 %	11,17	2	25,00 %	36
30	50	41	82,00 %	14,76	9	18,00 %	38,44

Total Number of Payments	58	47	81,03 %		11	18,97 %	
Average Net Payment Time	18,79			14,3			38
Average Gross Payment Time	35,16			34,26			39

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	65	35	10,17 %	344	3 814 579,99	11,39 %	33 491 120,16

Late Interest paid in 2016

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

DG	GL Account	Description	Amount (Eur)
CLIMA	65010000	Interest expense on late payment of charges	0,00
CLIMA	65010100	Interest on late payment of charges New FR	5 396,47
			5 396,47

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2016

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
66	OTHER CONTRIBUTIONS AND REFUNDS	21 052,86	0	21 052,86	21 052,86	0	21 052,86	0
71		2 075,02	0	2 075,02	2 075,02	0	2 075,02	0
Total DG CLIMA		23 127,88	0	23 127,88	23 127,88	0	23 127,88	0

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

Annex 3 Financial Reports - DG CLIMA
Report printed on 24/03/2017

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

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2012			1	21 052,86		
No Link			1	2 075,02		
Sub-Total			2	23 127,88		

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS			1	12 065,07			1	12 065,07	1	12 065,07	100,00%	100,00%
CREDIT NOTES	5	313 292,7					5	313 292,7	6	313 292,71	83,33%	100,00%
Sub-Total	5	313 292,7	1	12 065,07			6	325 357,77	7	325 357,78	85,71%	100,00%
GRAND TOTAL	5	313 292,7	1	12 065,07			6	325 357,77	9	348 485,66	66,67%	93,36%

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2017.

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2016 FOR CLIMA

	Number at 01/01/2016	Number at 31/12/2016	Evolution	Open Amount (Eur) at 01/01/2016	Open Amount (Eur) at 31/12/2016	Evolution

TABLE 10 : RECOVERY ORDER WAIVERS IN 2016 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG CLIMA - 2016**Procurement > EUR 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(b)	4	1 180 516,70
Total	4	1 180 516,70

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

External Procedures > € 20,000		
Procedure Type	Count	Amount (€)
Competitive Dialogue (104(1) (e) FR)	1	375 000,00
TOTAL	1	375 000,00

Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	5	1 580 039,32
Open Procedure (Art. 104(1) (a) FR)	7	27 474 230,00
TOTAL	12	29 054 269,32

Additional comments

The number of exceptional negotiated procedures in DG CLIMA remained stable in 2016 in absolute terms (5, same as in 2015); the number of 'de facto monopolies' established is incompressible due to contracts related to the COP meetings and with international organisations (Eurocontrol) and Agencies (EMSA). Furthermore, as in 2016, the total number of open market procedures in 2016 further decreased (only 7) due to the more extensive use of framework contracts established in the beginning of 2016. In relative terms, despite the proportion of negotiated procedures has risen to 31% of the procedures launched, they accounted for only 4% of the overall amount of market procedures).

TABLE 13 : BUILDING CONTRACTS

Total number of contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)

No data to be reported

ANNEX 4: Materiality criteria

Section 2.1 of this report sets out the main elements used to identify possible weaknesses in the internal control system. The significance/materiality of any weaknesses identified is assessed according to the following criteria:

1. Qualitative criteria

The qualitative criteria for assessing the significance of any weaknesses identified are:

- the nature and scope of the weakness
- the duration of the weakness
- the existence of compensatory measures
- the existence of effective corrective actions to correct the weaknesses
- the residual reputational, financial, operational and legal/regulatory risk

2. Quantitative criteria

Concerning legality and regularity, a weakness is considered material if the value of the errors in the transactions affected by the weakness is estimated to represent more than 2% of the authorised payments of the reporting year of ABB activity 0702.

Note: The method for estimating the amount at risk is explained in detail in section 2.

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

Procurement – direct management

Stage 1: Procurement

A: Planning

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity)

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> Needs not well defined 	<ul style="list-style-type: none"> Individual standardised fiche to be drafted for the Man Plan process. 	<ul style="list-style-type: none"> Once per year for every envisaged action. Fiche includes objectives and purpose of the action, as well as a short budget estimate. 	<ul style="list-style-type: none"> Costs: estimation of costs involved (staff involved on the process) Benefits: Prioritization and proper usage of DGs' budget 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of changes done to the Management Plan; Procured study/service highly contributes to policy priorities. High percentage of executed Management Plan at the end of the year. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of preparing Man Plan fiches compared to cost of insufficient prioritization and poor definition of needs.
<ul style="list-style-type: none"> Poor budget planning (over/under estimating) 	<ul style="list-style-type: none"> Revision of each fiche by the finance Unit (FU); Briefing to the AOD 	<ul style="list-style-type: none"> Once per year for every envisaged action; its validity, choice of procedure 	<ul style="list-style-type: none"> Costs: estimation of costs involved (staff involved on the process) 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low percentage of cancelled procedures and offers of poor

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	done by the FU before the bilateral meeting with the Directorate.	and budget line, budget estimate; • Once per year for every Directorate.	• Benefits: assuring compliance with Financial Regulation, efficient budget estimate and selection of proper procedure	quality. Efficiency: • Cost of reviewing Man Plan fiches compared to costs from not assuring compliance with Financial Regulation, inefficient budget estimate and selection of wrong procedure.
• Lack of competition	<ul style="list-style-type: none"> • Prior information notice (PIN)published; • Desk officers consider possible market response before publishing tenders (market research). 	<ul style="list-style-type: none"> • Once per year- 1st quarter of the year. PIN provides an overview of foreseen contracts; its subject and approximate value. 	<ul style="list-style-type: none"> • Costs: estimation of costs involved (staff involved on the process) • Benefits: steady decrease of cancelled procedures and insufficient number of offers; receipt of better offers and new market players. 	Effectiveness: <ul style="list-style-type: none"> • Higher average number of offers received per procedure. Efficiency: <ul style="list-style-type: none"> • Cost of publishing PIN and performing market research compared to cost of cancelling or repeating a procedure.
• Insufficient time allocation	<ul style="list-style-type: none"> • Management plan launch dates; • Financial dashboard; • Individual follow-up by FU of procedures which are late; • Planning tool provided 	<ul style="list-style-type: none"> • All items in management plan have a target date for launch; • Financial dashboards monitor compliance with 	<ul style="list-style-type: none"> • Costs: estimation of costs involved (staff involved on the process) • Benefits: avoidance of bottlenecks at the 	Effectiveness: <ul style="list-style-type: none"> • Low number of global commitments; • High level of budgetary execution; • Evenly distributed budgetary execution.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	on the Intranet pages of SRD2.	target launch dates set in Management Plan. Produced 6 times per year; <ul style="list-style-type: none"> • Monitoring covers all items in the management plan; • Establishing a time table for every procedure. 	end of the year; decrease risks of contracts not signed before end of the year.	Efficiency: <ul style="list-style-type: none"> • Cost of proper planning and time allocation compared to cost of poor budget/ Man Plan implementation.

B: Needs assessment & definition of needs

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity)

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> • Poor quality of tender specifications and selection of wrong procedure 	<ul style="list-style-type: none"> • Consultation with the FU during preparatory stage and agreement on the final version of the tender specifications; • Additional verification and AOSD supervision (upstream control); • Training organized by the FU on drafting the tender specifications. 	<ul style="list-style-type: none"> • 100% of tender specifications above financial threshold of 60.000 euro, restricted calls and negotiated procedures are reviewed and scrutinised; • Files above 500.000€ and sensitive files; • Training organised at list twice per year. 	<ul style="list-style-type: none"> • Costs: estimation of costs involved • Benefits: better quality tender specifications, limit the risk of litigation, limit the risk of cancellation of tender, better informed desk officers. 	Effectiveness: <ul style="list-style-type: none"> • Very low number of procedures where only one or no offers were received; • Average number of requests for clarification per tender. Efficiency: <ul style="list-style-type: none"> • Cost of financial verification and organization of trainings compared

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
				to cost of cancelling or repeating a procedure.

C: Selection of the offer and evaluation

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity). Fraud prevention and detection

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> Biased, inaccurate, unfair evaluation procedure 	<ul style="list-style-type: none"> Opening Committee and Evaluation Committee; Opinion by consultative committee ENVAC; Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision; Training organized by the FU on evaluation of tenders; 	<ul style="list-style-type: none"> Formal evaluation process; nomination of the Committees by the AOS for every file above 60.000, 00€. Minimum of three members (one from another Directorate); ENVAC assesses full procurement and evaluation process and the draft award decision for all files above 500.000, 00€ and number of files below the amount by a random selection 	<ul style="list-style-type: none"> Costs: Estimation of costs involved. Benefits: Compliance with FR, prevention of fraud, limit the risk of litigation, better quality PVs, composition of the evaluation team ensures neutrality and objectivity, transparency 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of files rejected or suspended for comments by ENVAC. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of staff involved (opening, evaluation committee members, ENVAC members, FU) compared to cost of possible litigation.

	<ul style="list-style-type: none"> • Model evaluation report and guidelines; • Tenderers able to attend openings; • Award decision communicated to tenderers. 	<p>(all documents related to the procurement procedure publications, committee reports, winning offer, draft contract);</p> <ul style="list-style-type: none"> • 100% when conditions are fulfilled; Templates and guidelines up-to-date following DG BUDG updates; • For open calls tenderers are able to attend the opening of offers; • Successful and unsuccessful tenderers always informed on the evaluation outcome. 		
<ul style="list-style-type: none"> • Confidentiality issues/ conflict of interest 	<ul style="list-style-type: none"> • Opening and Evaluation Committee members' signed declaration of absence of conflict of interests; • Checks by the FU. 	<ul style="list-style-type: none"> • 100% of the members of the opening committee and the evaluation committee; • Red flags checked by the FU for every file. 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: Potential irregularities/inefficiencies prevented. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • No or very low amount of indemnities. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of FU staff involved compared to cost of possible litigation.
<ul style="list-style-type: none"> • Inadequate number of offers/ poor quality offers 	<ul style="list-style-type: none"> • Award criteria announced in advance; • FR followed in 	<ul style="list-style-type: none"> • Award criteria in every tender specifications published with the 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: Ensure 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of cancelled procedures.

	terms of minimum time granted for preparation of tenders.	<ul style="list-style-type: none"> call; 100% FR respected. 	better quality offers.	<p>Efficiency:</p> <ul style="list-style-type: none"> Cost of financial unit staff involved compared to cost of possible procedure cancellation or repetition.
<ul style="list-style-type: none"> Unreliable contractor/ declarations False 	<ul style="list-style-type: none"> Exclusion criteria determined; Early warning system (EWS); Satisfaction certificates. 	<ul style="list-style-type: none"> 100% checked. The required documents provided by the tenderers are consistent with the specifications and appropriate for evaluation purposes (as required by the FR); Financial turnover and declaration on honour; 100% of successful contractors checked in the EWS; Satisfaction certificates are an increasing requirement in tender specifications, especially for high value or sensitive files. 	<ul style="list-style-type: none"> Costs: Estimation of costs involved. Benefits: Avoid contracting with excluded economic operators. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of discontinued contracts. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of staff involved compared to cost of contract discontinuation.

Stage 2: Contract implementation and Financial transactions

Main control objectives: Ensuring that the implementation of the contract is in compliance with the signed contract

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> • Contractor fails to deliver all that was contracted in accordance with technical description and terms and conditions of the contracts • Business discontinues because contractor fails to deliver. 	<ul style="list-style-type: none"> • Operational and financial checks in accordance with the financial circuits; • Operation authorisation by the AO; • Request of bank guarantee; • Non-performance clauses in contract. 	<ul style="list-style-type: none"> • 100% of the contracts are controlled; • Riskier operations subject to in-depth controls. High-risk operations identified by risk criteria. Amount and potential impact on the DG operations of late or no delivery (bank guarantees); • Clauses on liquidated damages/ termination of contract are integral part of every contract (general conditions). 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: Irregularities, errors and overpayments prevented 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • High % of errors prevented (amount of errors/irregularities averted over total payments). • Low amount of liquidated damages. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of financial checks in place compared to cost of non-performance and discontinuation of contract.
<ul style="list-style-type: none"> • Not structured and financial contract monitoring 	<ul style="list-style-type: none"> • Payment made on the basis of a deliverable; • FU monitoring tables; • Trainings on contract management organized by the FU. 	<ul style="list-style-type: none"> • 100% payments made on the basis of an accepted deliverable; • Tables monitored and updated on a regular basis (after each payment, amendment, etc.); 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: Irregularities, errors and overpayments prevented, better informed desk officers 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of errors; overpayments. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of financial unit monitoring compared to cost of possible errors and overpayments.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> • Fraud not detected 	<ul style="list-style-type: none"> • Four eyes principle and written procedures and checklists for initiators and verifiers; • Fraud awareness trainings. 	<ul style="list-style-type: none"> • Four eyes principle applied to 100% of files; • All FU staff and financial correspondents. 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: detection of red flags and issues of non-compliance 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of court litigations. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of financial unit staff detecting red flags and issues of non-compliance compared to cost of possible litigation.
<ul style="list-style-type: none"> • Payment delays 	<ul style="list-style-type: none"> • FU monitoring tables with special filters signalling latent invoices; • Financial reporting tool; • Optimization of available appropriations; • Global transfer. 	<ul style="list-style-type: none"> • Tables monitored and updated on a regular basis (filters signal invoices inactive for 7 days); • Twice a month identifying Units' current and outstanding invoices; • Monitoring of payment appropriations on a weekly basis. 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: detection of dormant invoices, maximization of budget execution 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low rate of payment delays; • Low amount of late interest payment and damages paid (by the Commission); • High rate of implementation of the payment appropriations. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of improving financial monitoring tools compared to cost of late interest and damages paid by the Commission.

Stage 3: Supervisory measures and ex post control

Main control objectives: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> • An error or non-compliance with regulatory and contractual provisions, or an attempt to fraud is not prevented, detected or corrected by ex-ante control. 	<ul style="list-style-type: none"> • Internal audit and Court of Auditors; • Ex-post publication (possible reaction from unsuccessful tenderers); • Review of ex post results and implementation of recommendations; • Training for staff assigned to sign "Certified correct" (compulsory as of 2014); • Review of exceptions reported; • Yearly review of procedures; • Yearly review and "lessons learnt" based on ENVAC conclusions; • Statistics on payment delays at the Directors' meetings. 	<ul style="list-style-type: none"> • Representative sample, review of the procedures implemented (procurement and financial transactions); • Potentially 100%; • 100% results reviewed, implementation of recommendations on a yearly basis; • Ad hoc/ hands-on trainings; • 100% once a year; look for any systematic problems in the procurement procedure, in the financial transaction procedure and for weaknesses in the selection process of the ex-post controls (exceptions reported, review of procedures, ENVAC conclusions); • Statistic on payment delays on Directors' meeting (six times a year) 	<ul style="list-style-type: none"> • Costs: estimation of costs involved. • Benefits: detection of possible fraud and errors. Deterrents and systematic weaknesses corrected. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of errors detected (related to fraud, irregularities and error); • Increased number of system improvements made. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of staff involved compared to cost of not detecting fraud, irregularities and inadequate systems in place.

Financial Instruments - Indirect management

IFI = (entrusted) International Financial Institution (eg EIB/EIF, etc); **FI** = (further entrusted) Financial Intermediaries; **"sub"-FI** = (further) sub-delegated FI; **FR** = Final Recipient

DS = Designated service (competent DGs)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>a) The actions supported through the Financial Instrument do not adequately reflect the policy objectives (no compliance with Fin. Reg. art. 140 and instrument specific objectives)</p>	<ul style="list-style-type: none"> • Guidance provided to the IFI for the assessment of projects by the DS; • Prior eligibility confirmation of the DS for every project Technical assistance; • Regular reporting by the IFI to the DS on the operational performance, including the management declaration, and the summary of audits and controls carried out during the reporting year; • Independent audit opinion; • In case of weak reporting, negative audit opinion, high risk operations, etc: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub) FI levels; 	<p>If risk materialises, the Financial Instrument would be irregular. Possible impact 100% of funds involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100% Depth: Checklist on operational reporting includes a list of checks to be done.</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the operational reporting Cost of the technical assistance.</p> <p>Benefits: the (average annual) total value of the Financial Instrument.</p>	<p>Effectiveness: evolution of the specific indicators in the operational reporting compared with benchmarks and evolution over time.</p> <p>Where applicable, opinion by technical assistance (recommendations, actions taken).</p>

<p>b) The IFI (and the (sub)FI) does not have the experience to ensure effective implementation of this type of Financial Instrument</p>	<ul style="list-style-type: none"> • Eligibility standards for IFI established and verified according to the Delegation Agreement and FAFA. • Guidance provided to the IFI for the assessment of projects by the DS; 	<p>Coverage / Frequency: 100% Depth: In accordance with the Delegation Agreement.</p>	<p>Costs: estimation of technical assistance cost. Benefits: reduced risk related to the disbursement of the total amount by selecting the IFI on the basis of the ability to use the funding in the most efficient and effective way</p>	
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<p>Main risks <i>It may happen (again) that...</i></p>	<p>Mitigating controls</p>	<p>How to determine coverage frequency and depth</p>	<p>How to estimate the costs and benefits of controls</p>	<p>Possible control indicators</p>
<p>c) FIs and FRs are not selected on the basis of an open, transparent, justified on objective grounds procedure or there are conflicts of interests in the selection process.</p>	<ul style="list-style-type: none"> • Responsibility for selecting FI and FR, lies with the IFI and FI, respectively; • Prior eligibility confirmation of the DS for every FI. 	<p>Coverage / Frequency: determined by the IFI/FI in accordance with the delegation agreement (max twice per year for the next 5 years) Depth: determined by the IFI/FI in accordance with the Delegation Agreement</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services (Audit costs). Benefits: reduced risk related to possible conflict of interest and questionable selection procedure.</p>	<p>Effectiveness: the selection of FI and FR would (not) be (successfully) challenged Cost-effectiveness: Average cost of preparation, adoption and selection work done (compared with similar cases as benchmark)</p>

<p>d) The design of the accounting and reporting arrangements would not provide sufficient transparency (True & Fair View)</p>	<ul style="list-style-type: none"> • Separate records per Financial Instrument are to be kept by the IFI; and harmonised reporting has been required by the Commission (cf. FAFA & Das). 	<p>Coverage / Frequency: 100%</p> <p>Depth: In depth assessment of the statement of expenses</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any Training of the concerned staff.</p>	
<p>e) the remuneration of the IFI², the reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the objective</p>	<ul style="list-style-type: none"> • Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap; • Reimbursement of cost for technical assistance and additional tasks to be defined in the FAFA and the delegation agreement; • Review by the designated service of the statement of expenses together with evidence provided by the IFI; • Ex-ante and ex-post controls, On-the-spot verifications (risk-based or representative samples). 	<p>Coverage / Frequency: 100%</p> <p>Depth: In depth assessment of the statement of expenses Training of the concerned staff</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</p>	<p>Remuneration and costs for actually managed funds (compared to benchmark)</p>

² Remuneration includes administrative and performance fees.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>f) Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not compliant with applicable regulations.</p>	<ul style="list-style-type: none"> • <i>Monitoring or supervision ⁽³⁾ of entrusted entities;</i> • <i>Regular reporting by the IFI to the Commission "Designated Service" on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year;</i> • <i>Independent audit opinion;</i> • <i>In case of weak reporting, negative audit opinion, high risk operations, etc: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub)FI</i> 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p> <p>Depth: depends on risk criteria such as past experience of/with the IFI/FI, complexity or lack of experience on the area of financed actions or the management modalities</p> <p>If needed: suspension or interruption of payments, or even application of exit strategy (winding up)</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</p> <p>Benefits: value of the funding and disbursement forecast rejected. Exposure of the guarantees not provided. Budget value of the part of the Financial Instrument not paid out to FR.</p> <p>Losses: eg write-offs of equity/loans, loan guarantees called above expectations</p>	<p>Effectiveness: Success performance ratios (eg "leverage") Number of control failures detected; value of critical IAS and ECA findings Number and value of internal control, and critical IAS and ECA findings Number of cases submitted to OLAF</p> <p>Efficiency: e.g. Management (fees) and supervision costs</p> <p>Cost-Effectiveness: Average cost per Financial Instrument; % Costs/Benefits ratio</p>

³ The nature of these measures is similar. We distinguish between those cases in which the Commission has a direct (legal/contractual) say in the management process, such as the right to block ex-ante a transaction (supervision), or can merely flag its disagreement (monitoring), and influence the fundamental options foreseen under the FR related to stopping/suspending/reconfiguring/winding-down the FEI.

	<ul style="list-style-type: none"> levels; • Regular submission of disbursement and repayment (assigned revenue) forecasts; • Reporting on financial risk & off-balance-sheets liabilities; • Reporting on treasury management. 			
g) the FI, which are pilot initiatives, are not resulting in a number of operations significant to give conclusive results	<ul style="list-style-type: none"> • Regular reporting by the IFI to the Commission "Designated Service" (=accountable DG and AOD) on the operational and financial performance • Mid term evaluation 	<p>Coverage: 100% of the operations are taken into account.</p> <p>If needed: revision of the reporting requirements</p>	<p>Benefits: the (average annual) total value of the Financial Instrument.</p>	
h) the risk sharing mechanism is used in an instrumental way by the IFI	<ul style="list-style-type: none"> • Check that the Portfolio First Loss Piece will be decreasing with the increase in the number of operations 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</p> <p>Benefits: the (average annual) value of the Commission contribution to the FI.</p>	

Grants – direct management

Stage 1 – Programming, evaluation and selection of proposals

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

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities set are not coherent and in line with the WP and/or the essential eligibility, selection and award criteria are not appropriate and adequate to ensure the evaluation of the proposals and award of the grant.</p>	<p>Hierarchical validation of the contribution to the annual working programme within the authorising department. Inter-service consultation, including all relevant DGs.</p> <p>Adoption by the Commission of a Financing Decision.</p> <p>Each individual call for proposals is prepared by the technical unit (assisted by the finance units) and then checked by the finance Units.</p> <p>Direct grants are checked by the finance and the technical Units and may subsequently be submitted to internal advisory Committee (ENVAC) by request of the Finance Unit if monopoly situation is not clear.</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular.</p> <p>Possible impact could be 100% of budget involved and furthermore significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: The check is made for each individual call for proposals or direct grant.</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</p> <p>Benefits: The (average annual) total budgetary amount of the annual work programmes or calls with prevented, detected and/or corrected errors.</p>	<p>Effectiveness: Budget amount of the work programmes concerned. Success ratios; % of number/value proposals received over number expected / budget available.</p> <p>Number/Amount of direct grant with a negative opinion from ENVAC.</p> <p>Efficiency: Average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution over time.</p>

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

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected

(effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p>	<p>Assignment of staff (including technical unit desks) to evaluate the proposals.</p>	<p>100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) of evaluators.</p>	<p>Costs: estimation of cost of staff (costs of initiation and verification related to controls) involved in the evaluation and selection of proposals.</p> <p>Benefits: Amount of expenditures declared ineligible compared to total amount of proposals received. Benefit equals to value of deserving projects otherwise not selected plus value of non-deserving projects that would have been selected (=amount redirected to eligible and necessary projects).</p>	<p>Effectiveness: No litigation cases. Number of candidate expert evaluators barred. Rejected/corrected/suspended transactions compared to total number of transactions. Number of supervisory control failures.</p> <p>Efficiency Indicators: Average cost per call and/or per (selected) proposal. % cost over annual amount disbursed in grants. Time-to grant (inform applicants of the results within 6 months from the call deadline; additional 3 months to make a legal commitment).</p>
	<p>Assessment by staff (e.g. programme officers)</p>	<p>100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).</p>		
	<p>Review (e.g. by a mixed panel) and hierarchical validation by the AO of ranked list of proposals.; publication.</p>	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>Depth depends on several risk factors: e.g. conflicts of interest, nationality bias, ex-employer bias, collusion.</p>		

Stage 2 - Contracting: Transformation of selected proposals into legally binding grant agreements

Main control objectives: Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with the regulatory or financial framework.</p>	<p>Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed Adjustments / budget reviews.</p> <p>Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO.</p> <p>In-depth financial checks and taking appropriate measures (e.g. guaranty, lack or deferral of pre-financing(s)) for high risk beneficiaries.</p> <p>Reinforce financial and contractual circuits. Financial viability checks</p>	<p>100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements.</p> <p>Depth/Risk may be determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures, start-up companies, long-term working relations) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p> <p>Based on legal nature of the applicant/beneficiary</p>	<p>Costs: estimation of cost of staff involved in the contracting process (costs of initiation and verification related to controls).</p> <p>Benefits: Prevented, detected, corrected errors or irregularities during the evaluation and selection.</p>	<p>Effectiveness: % of selected proposals with recommendations implemented in grant agreement.</p> <p>Amount of proposed costs rejected.</p> <p>Efficiency Indicators: Value of grant agreements completed over budget requested in the corresponding proposals (%).</p> <p>Time-to-Grant.</p>

Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory</p>	<p>Operational and financial checks in accordance with the financial circuits. Approval of technical reports by the operational Units.</p> <p>Operation authorisation by the AO.</p> <p>Audit certificates.</p> <p>For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For LIFE projects: each project is visited every year by the monitoring team and once in its lifetime by the operational Unit.</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>For LIFE projects (80% of the Budget) visit of each project once a year by the monitoring team and once in its lifetime by the desk from the operational Unit.</p> <p>Riskier operations subject to in-depth and/or on-site controls.</p> <p>The depth depends on the risk criteria.</p>	<p>Costs: Estimation of cost of staff involved in the actual management of running projects (costs of initiation and verification related to controls; allocated time of technical staff; allocated cost of monitoring visits). Costs of audit certificates.</p> <p>Benefits: Prevented, detected, corrected errors or irregularities during the execution phase, through monitoring. Budget value of the costs claimed by the beneficiary, but rejected by the project officers. Budget value of the part of the grant</p>	<p>Effectiveness: % of time sheet error reports of total number of on-site monitoring visits. Number of control failures; budget amount of the errors concerned.</p> <p>Number of projects with cost claim errors; budget amount of the cost items rejected. Number of penalties damages; amount of the penalties damages. Success ratios; % of value of cost claims</p>

provisions.	For high risk operations, reinforced monitoring. LIFE projects: Ex-ante verification on-the spot (OV and/or FV) – e.g. monitoring visits. Identify projects for risk-based ex-post audit.	High risk operations identified by risk criteria. Red flags: delayed interim deliverables, unstable consortium, requesting many amendments, EWS or anti-fraud flagging, etc.	not paid out as pre-financing for projects that have been terminated by the Commission. Budget value of penalties and liquidated damages.	items adjusted over cost claims value. Efficiency Indicators: Cost/benefit ratio % cost over annual amount disbursed.
	If needed: application of suspension/interruption of payments, Penalties or liquidated damages. Referring grant beneficiaries to OLAF.	Depth: depends on results of ex-ante controls.		

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The ex-ante controls as such fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Ex-post control strategy: Carry out audits or desk reviews of a representative sample of 30 closed projects to determine effectiveness of ex-ante controls (+ consider ex-post findings for improving the ex-ante-controls).</p> <p>This is complemented by risk based sample and check of time sheets by the monitoring team. If error rate over materiality level reservation in the AAR and action plan.</p> <p>Envisaged: multi-annual basis (programme's lifecycle) and coordination with other AOs concerned (to detect systemic errors) Validate results of audits requested by the operational units. Recommend recovery order(s) to the AOS. If needed: referring the beneficiary or grant to OLAF.</p>	<p>Representative sample: random or MUS sample sufficiently representative to draw valid management conclusions.</p> <p>Risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise error correction (higher amounts, number of partners, recurrent beneficiaries, poor interim/final financial reporting, files signalled by operational Units).</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of the appointment of audit firms for the outsourced audits.</p> <p>Benefits: Amount of expenditures declared ineligible by the auditors and subsequent issue / payment of recovery orders.</p>	<p>Effectiveness: Representative error rate. Residual error rate below materiality level. Number of supervisory control failures. Amount of budget of errors concerned. Number of projects with errors; budget amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of audits compared with benefits (ratio).</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.</p>	<p>If needed management letter on findings of ex-post audits to operational Units.</p> <p>Audit reports included.</p> <p>"Management findings" related to internal errors.</p> <p>Draft audit reports are reviewed and approved by hierarchy. At this stage, hierarchy could be informed of any systematic errors.</p>	<p>Coverage: For each audited project, the random sample will be statistically representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.</p> <p>However, it is limited to 30 audits for resources reasons and due to files closed in the previous year.</p>	<p>Costs: estimation of cost of staff involved in the supervision strategy (which may include missions, if applicable).</p> <p>Benefits: budget value of the errors detected by the supervisors.</p>	<p>Effectiveness: Number of supervisory control failures. Amount of budget of errors concerned.</p> <p>Number of transactions with errors; budget amount of the errors detected by the supervisors.</p> <p>Efficiency Indicators: total (average) annual cost of supervisors compared with benefits (ratio). Average cost per programme, call and/or per (running) project. % cost over annual amount</p>

				disbursed in grants.
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B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
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<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented in a database</p> <p>As from 2014: forecast of revenue issued by Finance Unit together with the audit report.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation of recovery order by AO.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p>	<p>Costs: estimation of cost of staff involved in the implementation of the audit results.</p> <p>Benefits: budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p>	<p>Effectiveness: Number/value/% of audit results pending implementation.</p> <p>Number/value/% of audit results failed implementation.</p> <p>Success ratio; % of value of the ROs over detected errors by the auditors.</p> <p>Efficiency Indicators: total (average) annual cost of implementing audits compared with benefits (ratio).</p> <p>Time-to-recovery.</p>
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ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission - Not applicable

ANNEX 7: EAMR OF THE UNION DELEGATIONS - Not applicable

ANNEX 8: Decentralised agencies - Not applicable

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

No used in Annex 3 MP2016	Title	Reason ¹	Scope ²	Type ³	Associated DGs	Costs (EUR)	Comments ⁴	Reference ⁵
I. Evaluations finalised or cancelled in 2016								
a. Evaluations finalised in 2016								
2	Evaluation of the Effort Sharing Decision 406/2009/EC preparing the comprehensive review in 2016	L	Decision 406/2009/EC	R	AGRI, ECFIN, ENV, ENER, GROW, MOVE, SJ, JRC, RTD, SG	184.800		SWD(2016) 251 Link to support study in EU Bookshop
3	Evaluation of Directive 1999/94/EC relating to the availability of consumer information on fuel economy and CO2 emissions in respect of the marketing of new passenger cars	O	Directive 1999/94/EC	R	GROW, MOVE, ENER, JUST, CNECT, SG	99.350	Reason: evaluation of DG's primary regulatory acquis older than five years	SWD(2016) 270, SWD(2016) 271 Link to support study in EU Bookshop
b. Evaluations cancelled in 2016								
II. Other studies finalised or cancelled in 2016								
a. Other studies finalised in 2016								
8	Decomposition analysis of the changes in GHG emissions	O	EU and MS climate policies and ex-post analysis of their effects on GHG emissions	O	N/A	224.775		Link to study in EU Bookshop
9	Possible streamlining of climate and energy reporting requirements in areas with interlinkages	L	Interlinkages of reporting and planning obligations under climate and energy acquis - input to the fitness check of Energy acquis	R	DG ENER	181.500		Link to study in EU Bookshop
10	Evaluative study on the EU ETS Monitoring, Reporting and Verification compliance costs	L	Regulations No 600/2012 and 601/2012	R	N/A	129.845		Link to study in EU Bookshop
15	Impact assessment of a possible EU ETS Directive review	L	EU ETS regulatory framework for aviation activities for the 2017-2020 period and beyond	R	EEAS, ENV, GROW, MOVE, REGIO, RTD, SG, TRADE	240.561		Link to study in EU Bookshop
b. Other studies cancelled in 2016								
13	Assessment of potential carbon leakage in the early part of the third trading phase of EU ETS	O	Analysis of trade and investment patterns to determine whether carbon leakage has occurred in any of the sectors covered by the EU ETS due to the new rules (phase III)	R	N/A	N/A	Change of context, with the adoption of Paris Agreement. Before proceeding with such examination, it is important to better understand the Paris Agreement and its impacts, as the main attention shifts on its implications on the occurrence of carbon leakage and necessary measures if applicable.	
14	Indirect carbon costs passed through to electricity consumers in the EU - analysis of methodological issues in view of new state aid guidelines	O	Methodological aspects regarding how and to what extent the carbon costs from power producers spill over to consumers in the EU, now and in the medium term	O	N/A	N/A		
18	Develop GHG emission default values for renewable fuels of non-biological origin and CCU for transport under 7a FQD	O		R	N/A	N/A	No longer needed because so far no applications put forward from the industry to develop GHG emission default values for renewable fuels of non-biological origin and CCU for transport.	
19	Develop evidence for 2017 Report to Council and Parliament on review of ILUC Directive	L		R	N/A	N/A	The responsibility on indirect land use change (ILUC) of biofuels is now with DG ENER	
20	Support to preparation of report on the implementation of the EU Adaptation Strategy COM(2013) 216	O	Communication An EU Strategy on adaptation to climate change COM(2013) 216	R	N/A	N/A	Studies was transformed into an evaluation (cf. evaluation plan as an annex to the Management Plan 2017)	

¹ Reason why the evaluation/other study was carried out, please align with Annex 3 of the MP 2016. The individual symbols used have the following meaning: L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, REFIT/L, CWP - 'evaluate first', O - other (please specify in Comments)

² specify what programme/regulatory measure/initiative/policy area etc. has been covered

³ FC – fitness check, E – expenditure programme/measure, R – regulatory measure (not recognised as a FC), C – communication activity, I – internal Commission activity, O – other – please specify in the Comments

⁴ Allows to provide any comments related to the item (in particular changes compared to the planning). When relevant, the reasons for cancelling evaluations/ other studies also needs to be explained in this column.

⁵ For evaluations the references should be 1) number of its Evaluation Staff Working Document and number of the SWD's executive summary; 2) link to the supportive study of the SWD in EU bookshop. For other studies the references should be the link to EU bookshop or other reference where the 'other study' is published via different point.

ANNEX 10: Specific annexes related to "Financial Management" - Not applicable

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems" - Not applicable

ANNEX 12: Performance tables

General objective 1 :A resilient energy union with a forward looking climate policy			
Impact indicator: Level of greenhouse gas emissions (CSI 010/011)			
Source of the data: European Commission and European Environment Agency (EEA) ⁴			
Baseline (2013)	Target (2020) Europe 2020 target		Latest known results (2015)
80.2	At least 20% reduction (index ≤80)		77.1
Bookmark			
Impact indicator: Greenhouse gas emissions intensity of the economy (reduction of Emissions/growth of GDP)			
Source of the data: Annual Climate Action progress report (European commission + EEA) and State of the Energy Union report + SWD			
Baseline (1990)	Interim Milestone	Target (2020) Europe 2020 target	Latest known results
	2014	(2050) - Decarbonisation of the economy is one of the 5 dimensions of the Energy Union Strategy - Roadmap for moving to a competitive low-carbon economy in 2050 aiming for a reduction of GHG gases by 80-95 by 2050 - Paris' global climate deal aiming for minus 40-70% by 2050	(2015)
Index =100	55	As low as possible, further decrease	52
Specific objective 1: A well-functioning EU carbon market, managed in-house by DG Climate Action via the EU ETS, towards further reduction of GHG emissions by energy power and heat generation installations, by energy-intensive industries and by domestic aviation			Related to spending programme(s) LIFE Regulation

⁴ Please note that Eurostat periodically revises its published data to reflect new or improved information, also for previous years. The latest published data is available by clicking on "bookmark". The "latest known value" column reflects the data that was available at the time of the preparation of the AARs 2016 and it is the reference point for the AARs of Commission services.

Result indicator: Level of greenhouse gas emissions captured in in the EU ETS managed by DG CLIMA			
Source of data: Annual Climate Action progress report (European Commission + EEA)			
Baseline (2005)	Interim Milestone (2020)	Target ((2030) 2030 Climate and Energy package – Council Conclusions October 2014	Latest known results (2015)
Index = 100	79 (-21%)	57 (-43%)	76 (-24%)
Specific objective 2: A fair and operational framework for MS towards a further reduction of GHG emissions in the non-ETS sectors in the EU (agriculture, forestry, land use, buildings, transport, waste) (= EU Effort Sharing Decision or ESD, use of Fluorinated-gases and consumption of Ozone Depleting Substances)			
		Related to spending programme(s) LIFE Regulation	
Result indicator: Level of greenhouse gas emissions (non EU ETS sectors)			
Source of data: Annual Climate Action progress report (European Commission + EEA)			
Baseline (2005)	Interim Milestone (2020)	Target ((2030) 2030 Climate and Energy package – Council Conclusions October 2014 and Decision No 406/2009/EC of 23 April 2009 on the effort of Member States to reduce their GHG emissions up to 2020 (Effort Sharing Decision or ESD)	Latest known results (2015)
2.947,990 Mt CO2 eq. emitted Index = 100	90(-10%)	70(-30%)	88 (-12%)
Result indicator: Montreal protocol: EU consumption of controlled ODS or Ozone Depleting Substances (hydro chlorofluorocarbons or HCFCs + methyl bromide)			
Source of data: EEA report			
Baseline (2005)	Interim Milestone (2020)	Target ((2040)	Latest known results (2016)
Zero net consumption	ban on all imports and exports of HCFC ban on all production of HCFC's	ban on all critical uses	- 86% reduction of HCFC exports compared to 2006 - 41% reduction of HCFC imports compared to 2006

			- 33% reduction of HCFC production compared to 2006
			- Ban on 5 additional critical uses
Result indicator: Level of F-gas emissions (mainly Hydro fluorocarbons or (HFC's))			
Source of data: Annual Climate Action progress Report (European Commission + EEA)			
Baseline (2014)	Interim Milestone		Target
	(2020)	(2025)	((2030) Regulation (EU) N° 517/2014 of 16 April 2014 on fluorinated greenhouse gases)
112.4 MT Mt CO ₂ eq. emitted	85(-15%)	55(-45%)	33.33 (-66.6%)
			Latest known results Regulation applies since 1/01/2015. Data not yet available
Specific objective 3: Further decarbonisation of the transport sector in the EU through development and implementation of harmonised policies (in cooperation with other DGs like DG MOVE, GROW,...)			Related to spending programme(s) LIFE Regulation
Result indicator: Average CO ₂ emissions from new cars			
Source of data: Annual Climate Action progress Report (European Commission + EEA)			
Baseline (2009)	Interim Milestone		Target
	(2015)		((2020) Cars Regulation 443/2009)
145,7 g/km	130 g/km		95 g/km
			Latest known results (2015) 119.5 g/km
Result indicator: Average CO ₂ emissions from new vans (light commercial vehicles)			
Source of data: Annual Climate Action progress Report (European Commission + EEA)			
Baseline (2012)	Interim Milestone		Target
	(2017)		((2020) Vans Regulation 510/2011)
180,2 g/km	175 g/km		147 g/km
			Latest known results (2015) 168.3 g/km
Bookmark			
Specific objective 4: Increased resilience of EU society against the effects of climate change via effective support to MS respecting the subsidiarity principle (adaptation)			Related to spending programme(s) LIFE Regulation + EU Budget
Result indicator: Number of national adaptation strategies adopted by MS			
Source of data: Annual Climate Action progress Report ((European Commission + EEA)			
Baseline (2013)	Target		Latest known results
	((2017)) Communication Adaptation Strategy of 2013)		(2016)
13	28		21

Result indicator: Number of communes signing up to the new integrated Covenant of the Mayors			
Source of data: Covenant of the Mayors website			
Baseline (2015)	Target (2020)		Latest known results (2016)
6300	Steady increase		7203
Specific objective 5: Optimisation and sound and efficient management of financial incentives to support the innovation-based shift towards a low carbon and climate-resilient EU economy (through the EU budget and the (ETS) funds) (in cooperation with all DGs)			Related to spending programme(s) LIFE Regulation+EU Budget
Result indicator: Attributable climate improvements of the LIFE programme (attributable reduction in greenhouse gas emission and/or an increased climate change resilience)			
Source of data: Programme Statement LIFE programme (grants + financial instruments)			
Baseline (2013)	Interim Milestone (2017)	Target ((2020) Programme Statement LIFE programme)	Latest known results
No data	80% of ongoing/ finalised projects progress towards climate improvements	≥ 80% of ongoing projects progress towards/ of finalised projects achieved r climate improvements	No data available yet
Result indicator: Reduction of tons of GHG emissions attributable to the projects of the LIFE programme			
Source of data: Programme Statement LIFE			
Baseline (2013)	Interim Milestone (2017)	Target ((2020) Programme Statement LIFE programme)	Latest known results
No data	Relative reduction in tons of greenhouse gasses per project of at least 20% compared to project baseline.	Relative reduction in tons of greenhouse gasses per project of at least 20% compared to project baseline.	No data available yet
Result indicator: Increased climate resilience attributable to the projects in the LIFE programme			
Source of data: Programme Statement LIFE			
Baseline (2013)	Interim Milestone (2017)	Target ((2020) Programme Statement LIFE programme)	Latest known results
No data	Increased climate resilience due to LIFE funded projects in vulnerable areas as identified in the EU	Increased climate resilience due to LIFE funded	No data available yet

	adaptation strategy	projects in vulnerable areas as identified in the EU adaptation strategy	
Result indicator: level of climate mainstreaming (=integration of the climate dimension) in the EU budget			
Source of data: MFF mid-term review COM(2016) 603			
Baseline (2013)	Target (2020) COM Communication Average for the period 2014-2020		Latest known results
			Average for the period 2014-2017:
6-7% indicative	20%		18.9%
Result indicator: Residual error rate (RER) in LIFE(+) programme (below 2% of amount spent)(KPI)			
Source of data: Annual Activity Report DG CLIMA			
Baseline (2014)	Target (2020)		Latest known results (2016)
0,144%	Below 2 %		0.003%
Specific objective 6: Implementation of the Energy Union Strategy towards an enhanced climate and energy governance mechanism including streamlined reporting and planning post 2020 (coordination with DG ENER)		Related to spending programme(s) LIFE Regulation	
Result indicator: Adoption of national climate and energy plans by MS to contribute to the EU's post 2020 goals			
Source of data: State of the Energy Union progress report			
Baseline (2015)	Interim Milestone	Target ((2020) 2030 Climate and Energy package – Council Conclusions October 2014)	Latest known results (2016) ⁵
	(year)		
0	tbd	28 drafts by 1 Jan 2018, final by 1 Jan 2019 (cfr.Proposal)	0
Specific objective 7: Ambitious contribution to effective international negotiations (including bilateral cooperation and climate diplomacy) on climate (UNFCCC, Kyoto, Paris, ICAO, IMO) and ozone layer (Montreal) related matters (in cooperation with other DGs and the EEAS		Related to spending programme(s) LIFE Regulation	
Result indicator: Participation in multilateral climate negotiations upon signature			
Source of data: EU report – Council decisions			

⁵ Most Member States have supported the idea of preparing these plans during the Council discussions in 2016, even if they expressed doubts about the feasibility of the proposed timeline. Positive development is also that some MS established inter-ministerial coordination structures and started preparing in 2016.

Baseline (2010)	Interim Milestone	Target (2020) depending on progress made (see page 11: Montreal, IMO, ICAO tbd)	Latest known results (2016)
	(2016)		
5 conventions signed	6 (including Paris)	tbc	6

Main outputs in 2016:			
Policy-related outputs			
Specific objective 2: Framework for MS towards a further reduction of GHG emissions in the non-ETS sectors in the EU (agriculture, forestry, land use, buildings, transport, waste) (= EU Effort Sharing Decision or ESD), reduction of F-gases and phasing out of ODS			Related to spending programme(s) LIFE Regulation.....
Description	Indicator (e.g. adoption by the Commission; completion)	Target date	Latest known results (situation on 31/12/2016)
Proposal for a Decision of the European Parliament and of the Council - Effort Sharing Decision 2030 (CWP 2016) (2015/CLIMA/002) Based on impact assessment	Adoption by the European Parliament and Council (ordinary legislative procedure)	2 nd quarter 2016	Completed
Proposal for a Decision of the European Parliament and of the Council - Integration of LULUCF sector into 2030 climate framework (CWP 2016) (2015/CLIMA/003) - Based on impact assessment	Adoption by the European Parliament and Council (ordinary legislative procedure)	2 nd quarter 2016	Completed
Specific objective 3: Development - in coordination with other DGs - of harmonised policies to decarbonise the transport sector in the EU			Related to spending programme(s) LIFE Regulation....
Description	Indicator (e.g. adoption by the Commission; completion)	Target date	Latest known results (situation on 31/12/2016)

Commission delegated Regulations amending Annex I and II to Regulation (EC) No 443/2009 and to Regulation (EU) No 510/20 (2015/CLIMA/006)	Adoption by the Commission	1 st quarter 2016	In progress – to be adopted by the 2nd quarter 2017 ???
Commission Implementing Regulations setting out a methodology for the correlation of CO2 emission measurement values (2015/CLIMA/007)	Adoption by the Commission	2 nd quarter 2016	In progress – to be adopted by the 2nd quarter 2017
Evaluation of Fuel Quality Directive 98/70/EC (REFIT initiative) (2015/CLIMA/021)	SWD drafted by the Commission and published	2 nd quarter 2016	In progress – to be finalised by the 2 nd quarter 2017
Evaluation of Directive 1999/94/EC ('car labelling Directive') (2015/CLIMA/016)	SWD drafted by the Commission and published	3 rd quarter 2016	Completed
Communication on decarbonising the transport sector (2016/MOVE+/046)	Adoption by the Commission	2 nd quarter 2016	Completed
Specific objective 7: Contribution to effective international negotiations (including bilateral cooperation and climate diplomacy) on climate (UNFCCC, Kyoto, Paris, ICAO, IMO) and ozone layer (Montreal) related matters and support to ratification/implementation of Protocols			Related to spending programme(s) International conventions and agreements
Description	Indicator (e.g. adoption by the Commission; completion)	Target date	Latest known results (situation on 31/12/2016)
Proposal for a Council Decision - Signature of the Paris' agreement (2015/CLIMA/024)	Adoption by the Council	1 st quarter 2016	Completed
The Road from Paris: assessing the implications of the Paris Agreement	Adoption by the Commission	1 st quarter 2016	Completed
Initial Report for the 2nd commitment period of the Kyoto	Report drafted by the Commission sent to the Council	2 nd quarter 2016	Completed

Protocol for the European Union, its Member States and Iceland (2015/CLIMA/008)			
Main expenditure outputs			
Specific Objective 1: Further reduction of GHG emissions by energy power and heat generation installations, by energy-intensive industries and domestic aviation, captured in the EU carbon market, promoted and managed by DG CLIMA in the EU ETS			Related to spending programme(s): LIFE Regulation, EU budget.
Description	Indicator	Target date	Latest known results (situation on 31/12/2016)
30 Procurement contracts	Contract signed	31 December 2016	25 contracts signed
Specific objective 2: Framework for MS towards a further reduction of GHG emissions in the non-ETS sectors in the EU (agriculture, forestry, land use, buildings, transport, waste) (= EU Effort Sharing Decision or ESD), reduction of F-gases and phasing out of ODS			Related to spending programme(s) LIFE Regulation.....
procurement contracts	Contract signed	6 contracts signed by 31 December 2016	5 contracts signed
Specific objective 3: Development - in coordination with other DGs - of harmonised policies to decarbonise the transport sector in the EU			Related to spending programme(s) LIFE Regulation....
Procurement contracts	Contract signed	27 contracts signed by 31 December 2016	14 contracts signed ⁶
Specific objective 4: Effective support to MS in their aim for increased resilience of EU society against the effects of climate change (adaptation)			Related to spending programme(s) LIFE Regulation.
5 Procurement contracts	Contract signed	31 December 2016	4 contracts signed
Specific objective 5: Financial incentives to the innovation-based shift towards a low carbon and climate-resilient EU economy in the EU budget and in (ETS) funds in cooperation with all DGs			Related to spending programme(s): LIFE Regulation and EU budget, ETS funds outside the EU budget
Procurement contracts	contracts signed	7 contracts signed by 31 December	8 contracts signed

⁶ Reorganisation of the DG combined with a need to focus resources and to streamline contracts in order to deliver on the priorities of the CWP 2017 in the field of transport

		2016	
30 Traditional Action grants supporting mitigation/adaptation plans, promotion of innovation, resilience to climate change, supporting implementation of EU Law	grant agreements signed	Mid-2016	35
5 Integrated projects (IP) to improve the climate knowledge base	IPs signed	Mid-2016	2
2 Technical assistance projects supporting MS	projects signed	Mid-2016	2
30 Operating grants supporting NGO's	operating grants signed	Mid-2016	32
1 Preparatory action	prep action signed	Mid-2016	0
Financial agreements under the financial instruments	Operation signed	31 December 2016	3
Specific objective 6: Implementation of the Energy Union Strategy towards an enhanced climate and energy governance mechanism including streamlined reporting and planning post 2020 (in coordination with DG ENER)			Related to spending programme(s): LIFE Regulation
Procurement contracts	Contracts signed	6 contracts signed 31 December 2016	4 contracts signed
Specific objective 7: Contribution to effective international negotiations (including bilateral cooperation and climate diplomacy) on climate (UNFCCC, Kyoto, Paris, ICAO, IMO) and ozone layer (Montreal) related matters and support to ratification/implementation of Protocols			Related to spending programme(s) International conventions and agreements
Subscription to 5 international conventions (UNFCCC, ITL, Kyoto, Vienna and Montreal protocols)	Annual Payment of the fee to the secretariat	2 nd Q	Completed
Procurement contracts	Contracts signed	6 contracts signed by 31 December 2016	5 contracts signed