



Annual activity report 2022

Annexes

Directorate General Neighbourhood and
Enlargement Negotiations – DG NEAR

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

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

I hereby certify that the information provided in the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.”

31 March 2023

“Signed”

Christos Komninos

Acting Director R

¹ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective 4: A stronger Europe in the World		
Impact indicator 2: Readiness of enlargement countries on political criteria²		
Source of the data: European Commission		
<p>Explanation: This indicator shows where the enlargement countries stand in terms of their preparations for meeting key areas of the political accession criteria, namely the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and public administration reform. It is given as an overall sum of enlargement countries. It is measured on a scale from 1 to 5.</p> <p>Methodology for calculating the indicator: In each of the areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale:</p> <ol style="list-style-type: none"> 1. Early stage 2. Some level of preparation 3. Moderately prepared 4. Good level of preparation 5. Well advanced 		
Baseline (2019)	Interim Milestone (2022)	Target (2024)
1.99	Increase	Increase
<p>Latest known results (2022): 2.02</p> <p>NB: This indicator does not include Ukraine, Moldova and Georgia, which became enlargement countries in 2022. The value of this indicator for these three partners cannot be established at this stage</p>		
Impact indicator 3: Readiness of enlargement countries on economic criteria³		
Source of the data: European Commission		
<p>Explanation: This indicator shows where the enlargement countries stand in terms of their preparations for meeting key areas of the two economic accession criteria, namely the existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the EU. It is given as an overall sum of enlargement countries. It is measured on a scale from 1 to 5.</p> <p>Methodology for calculating the indicator: In each of the areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale:</p> <ol style="list-style-type: none"> 1. Early stage 2. Some level of preparation 3. Moderately prepared 4. Good level of preparation 5. Well advanced 		
Baseline (2019)	Interim Milestone (2022)	Target (2024)
2.64	Increase	Increase

² There is a similar indicator under the IPA II Programme Statement Specific Objective 1 Composite indicator on the readiness of enlargement countries on fundamental areas of the political accession criteria. However overall number of cases of early preparation stage are reported.

³ There is a similar indicator under the IPA II Programme Statement Specific Objective 2 Composite indicator on the readiness of candidate countries and potential candidates on fundamental areas of the economic criteria. However, number of cases of early preparation stage are reported.

Latest known results (2022): 2.78

NB: This indicator does not include Ukraine, Moldova and Georgia, which became enlargement countries in 2022. The value of this indicator for these three partners cannot be established at this stage

Impact indicator 4: Governance in the EU's neighbourhood⁴

Source of the data: The World Bank's Worldwide Governance Indicators (WGI) project compile and summarise information from over 30 existing data sources that report the views and experiences of citizens, entrepreneurs and experts in the public, private and NGO sectors from around the world, on the quality of various aspects of governance

Explanation: The following three indicators are measured for the eastern and southern neighbourhood countries. They are measured on a scale from 0 to 100

- **Voice and accountability** captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media

- **Government effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies

- **Political stability and absence of violence / terrorism⁵** captures perceptions of the likelihood of political instability and / or politically-motivated violence, including terrorism

Baseline (2017)	Interim Milestone (2022)	Target (2024)
Voice and accountability: Eastern neighbourhood: 33.09 Southern neighbourhood: 27.98	Increase	Increase
Government effectiveness: Eastern neighbourhood: 46.32 Southern neighbourhood: 37.98	Increase	Increase
Political stability and absence of violence / terrorism: Eastern neighbourhood: 27.06 Southern neighbourhood: 13.43	Stabilise	Increase

Latest known results (2021):

Voice and accountability:	Eastern neighbourhood: 39.09 Southern neighbourhood: 27.00
Government effectiveness:	Eastern neighbourhood: 45.19 Southern neighbourhood: 34.81
Political stability and absence of violence / terrorism:	Eastern neighbourhood: 28.86 Southern neighbourhood: 15.54

⁴ There is a similar indicator under the ENI Programme Statement Specific Objective 1 Indicator 2. However, this indicator is broader and provides a weighted score based on eight external sources covering also other issues.

⁵ There is a similar indicator under the ENI Programme Statement Specific Objective 5, Indicator 1. However it measures number of countries in a percentile rank above 0-30 (lowest rank).

Impact indicator 5: Rule of law in the EU's Neighbourhood⁶		
Source of the data: The World Bank's Worldwide Governance Indicators (WGI) project compile and summarise information from over 30 existing data sources that report the views and experiences of citizens, entrepreneurs and experts in the public, private and NGO sectors from around the world, on the quality of various aspects of governance		
Explanation: This indicator captures perceptions of the extent to which agents have confidence in and abide by the rules of society and in particular the quality of contract enforcement property rights, and the courts, as well as the likelihood of crime and violence		
Baseline (2017)	Interim Milestone (2022)	Target (2024)
Eastern neighbourhood: 33.09	Increase	Increase
Southern neighbourhood: 36.06	Stabilise	Increase
Latest known results (2021): Eastern neighbourhood: 36.54 Southern neighbourhood: 42.08		
Impact indicator 6: Control of corruption in the EU's Neighbourhood⁷		
Source of the data: The World Bank's Worldwide Governance Indicators (WGI) project compile and summarise information from over 30 existing data sources that report the views and experiences of citizens, entrepreneurs and experts in the public, private and NGO sectors from around the world, on the quality of various aspects of governance		
Explanation: This indicator captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests		
Baseline (2017)	Interim Milestone (2022)	Target (2024)
Eastern neighbourhood: 36.38	Increase	Increase
Southern neighbourhood: 38.99	Increase	Increase
Latest known results (2021): Eastern neighbourhood: 44.31 Southern neighbourhood: 39.84		

⁶ Rule of Law is included in the similar indicator under the ENI Programme Statement Specific Objective 1 Indicator 2. However, this indicator is broader and provides a weighted score based on eight external sources covering also other issues.

⁷ Control of corruption is included in the similar indicator under the ENI Programme Statement Specific Objective 1 Indicator 2. However, this indicator is broader and provides a weighted score based on eight external sources covering also other issues.

Specific objective 4.1: The Western Balkans are brought closer to the EU and their economic development is strengthened, based on a credible, merit-based accession perspective and application of the revised enlargement methodology		<i>Related to spending programme: IPA II, IPA III</i>
Result indicator 4.1.1: Degree of readiness of Western Balkans on EU approximation and acquis		
Source of data: Annual Enlargement country reports, European Commission		
Explanation: This indicator shows where the enlargement partners in the Western Balkans stand in terms of their alignment with the EU acquis across all chapters and EU compatible reforms. It is given as the average of Western Balkan beneficiaries. It is measured on a scale from 1 to 5.		
Baseline⁸ (2019)	Interim Milestone (2022)	Target (2024)
2.49	Increase	Increase
Latest known results (2022): 2.56 The value for this indicator increased from 2.54 in 2021 thanks to improvements regarding one acquis chapter in Albania (Fisheries), in Bosnia and Herzegovina (Financial control), in Kosovo* (Competition policy), in North Macedonia (Foreign, security and defence policy) and in Montenegro (Public procurement).		
Result indicator 4.1.2: Progress of Western Balkans in Public Administration Reform ⁹		
Source of data: Annual Enlargement country reports, European Commission		
Explanation: This indicator shows where the Western Balkans stand in terms of the implementation of reforms of public administration to ensure its efficiency and ability to implement and enforce the EU acquis. It is given as the average of Western Balkan beneficiaries. It is measured on a scale from 1 to 5.		
Baseline¹⁰ (2019)	Interim Milestone (2022)	Target (2024)
2.5	Increase	Increase
Latest known results (2022): 2.5 (no change) as all partners of the Western Balkans remained at the same level.		
Result indicator 4.1.3: Implementation of policy guidance in the Economic Reform Programmes		
Source of data: European Commission and ECB		
Explanation: The indicator quantifies the level of implementation of policy guidance agreed in the Joint Conclusions of the annual Economic and Financial Dialogue between the EU and each of the Western Balkans partners as part of the discussion of the annual national Economic Reform Programmes (ERPs). The score is calculated as the average percentage of implementation for all partners.		

⁸ The baseline provided in the Strategic Plan included both Western Balkans and Türkiye, and it is corrected here for Western Balkans only.

⁹ Public Administration is part of the IPA II Programme Statement Specific Objective 1 Indicator 1 Composite indicator on the readiness of enlargement countries on fundamental areas of the political accession criteria. However overall number of cases of early preparation stage is reported.

¹⁰ The baseline value of 2.57 provided in the Strategic Plan referred to Western Balkans and Türkiye. It is corrected here for the Western Balkans only.

* this designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ opinion on the Kosovo Declaration of Independence.

Baseline (2020)	Interim Milestone (2022)	Target (2024)
35%	At least 40%	At least 50%
Latest known results (2022): 43.7% - this represents a decrease compared to 2021. This is because in 2021, the policy guidance focused on reforms referring specifically to coping with the immediate impact of the COVID-19 pandemic on the economy. The 2022 policy guidance shifted the focus back on long term structural reforms of the economy, where the implementation is more complex.		

Main outputs in 2022:			
Evaluations¹¹ and fitness checks			
Output	Indicator	Target	
Country evaluation North Macedonia	Evaluation completed	Q1 2022	
Latest known results (2022): 3rd draft Final report submitted to the Interservice Steering Group (evaluation not completed)			
Evaluation of Budget Support in Albania	Evaluation started	Q1 2022	
Latest known results (2022): Evaluation started; 2nd draft interim report submitted to the Interservice Steering Group			
External communication actions			
Output	Indicator	Target	Latest known results (2022)
EU regional communication programme: campaigns, online portal WeBalkans.eu and public diplomacy (Young European Ambassadors Network)	Social media (dedicated)		
The fight against disinformation that might undermine EU's efforts, is strengthened	Number of impressions	≥60,000,000 (Facebook, Instagram, Twitter)	Number of impressions: 7,253,479 Much lower than before because DG NEAR did not run a big integrated campaign in 2022
	Number of followers/subscribers	≥25,000 Facebook, Instagram, Twitter, YouTube)	Facebook: 21,000, Instagram: 8,563 Twitter: 2,322 YouTube: 355

¹¹Regulation, it is not an evaluation in the Better Regulation sense.

Output	Indicator	Target	Latest known results (2022)
	Website (dedicated)		
	Number of visits	≥650,000 Facebook, Instagram, Twitter)	Number of posts: Facebook: 426 Instagram Feed: 426 Instagram Stories IGTV:2,270 Twitter: 682, YouTube: 20 Number of engagements: 661,261 Number of hashtag mentions: 8,099.
	Conversion rate	≥15%	31.83%
	Integrated campaigns		
	Reach (de-duplicated)	≥12,000,000	The reach on DG NEAR's social media channels is over 7 million. Unlike 2021 DG NEAR did not run a big integrated campaign in 2022, a new one will be launched in 2023
	Young European Ambassadors (YEAs) network		
	Number of YEAs	≥120	180
	Number of participants in YEA events	≥35,000	9,345 Indirect reach of any activities run by YEAs (online) 3.2 million

Other important outputs

Output	Indicator	Target
Accession negotiations with Albania and North Macedonia prepared	1) Update of the technical explanation of the EU <i>acquis</i> and preparation of the next steps	Q3
	2) Preparations for the opening of the Fundamentals Cluster get advanced	By Q4

Latest known results (2022): Following the opening of the accession negotiation process with Albania and North Macedonia on 19 July, the Commission immediately launched the screening that steadily progressed over Q3 and Q4. The Commission updated the countries on new EU *acquis* since the exercise in 2018/19 for Clusters 1 Fundamentals, 2 (Internal Market) and 3 (Competitiveness and Inclusive Growth). On 7 December, it concluded the bilateral screening on the Fundamentals Cluster with North Macedonia. Upon request from Albania, the last outstanding session in Cluster 1 had been postponed to 16 January 2023.

Output	Indicator	Target
Accession negotiations with Serbia and Montenegro progressed:	1) Serbia/Montenegro: Draft Common Positions (DCP) and Benchmark assessment reports prepared and submitted to the Council's Enlargement Working Party (COELA) on chapters where the necessary conditions have been fulfilled	Q3-Q4
	2) For Montenegro: Benchmark assessment report on interim benchmarks (once met) and the DCP with the closing benchmarks for chapter 23 and 24 are prepared	Q2 and Q4
Progress monitored in the rule of law area	Reporting to Member States on rule of law progress in Montenegro and Serbia twice a year	

Latest known results (2022):

Montenegro. All screened chapters are open and Accession negotiations continued during the year. Focus is still required with respect to Montenegro in view of the political situation. This is particularly the case for meeting interim benchmarks in Chapters 23 and 24. EU Member State were informed on the state of play in on a regular basis. The interim benchmark report was postponed for that reason.

Serbia. In 2022, there were no Intergovernmental Conferences. Monitoring has however continued across all acquis chapters. 22 of the 35 negotiating chapters with Serbia have been opened so far. There was particular focus on Cluster 4 containing four chapters on the Green Agenda and Sustainable Connectivity, which was opened in December 2021. Cluster 3 was technically ready.

A report on rule of law was produced twice in 2022 for both countries: annual report and rule of law non paper.

Key priorities set in the Commission Opinion on Bosnia and Herzegovina's application for EU membership and to commitments under the Stabilisation and Association Agreement followed up	Meetings and follow up under the SAA completed <ul style="list-style-type: none"> - 1 Stabilisation and Association (SA) Council held and EU Common Position adopted - 1 SA Committee held, annotated agenda agreed in COWEB and minutes agreed - 7 SA sub-committees held and minutes adopted - 1 Public Administration Reform (PAR) Special Group held and minutes adopted 	By Q4
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Latest known results (2022):

The country report on Bosnia and Herzegovina issued in October 2022 noted no or limited progress across most policy chapters and in addressing the 14 key priorities from the 2019 Commission Opinion. In December 2022, the European Council granted candidate status to Bosnia and Herzegovina. The political blockage halted the holding of meetings of the SA bodies until an emergency SA Committee was held in May; four subcommittees were held between June and December, based on outdated discussion papers. No SA Council was held. The PAR Special Group has met.

Output	Indicator	Target
Kosovo reform commitments under the SAA and European Reform Agenda progressed	Meetings and follow up under the SAA completed <ul style="list-style-type: none"> - 1 SA Council held and EU Common Position adopted - 1 SA Committee held, annotated agenda agreed in COWEB and minutes agreed - 7 SA sub-committees held and minutes adopted - 1 PAR Special Group held and minutes adopted - 1 Normalisation Special Group held and minutes adopted - First meeting on monitoring the implementation of the European Reform Agenda 2 Action Plan held 	By Q4
Latest known results (2022): All meetings held except for the SA Council which was postponed to early 2023 at the request of HRVP Borrell		
The accession preparations and reforms in the Western Balkans are monitored and reported on	Publication of the next enlargement package (communication and individual reports - staff working documents)	Q3
Latest known results (2022): The Commission published its annual Enlargement package on 19 October 2022. The package consists of a communication that takes stock of enlargement policy developments and contains proposals for the way forward. The seven country reports provide a detailed assessment of the reform process the candidate countries and potential candidates undertook to progress on their European path.		
The Stabilisation and association agreements (SAA) and the implementation of structural reforms in the Western Balkans (WB) are monitored	SA Council and Committee, SA Sub-committees / Special Groups meetings held with the Western Balkans partners as planned. Each Western Balkans partner: - 1 SA Council - 1 SA Committee - 7 subcommittees +1 PAR Special Group	By Q4
Latest known results (2022): All SA Sub-Committees and Special Groups have taken place as planned in all Western Balkans partners, except Bosnia and Herzegovina, where the political blockade halted the holding of meetings of the SA bodies until May, when an emergency SA Committee was held; four subcommittees were held between June and December, on the basis of outdated discussion papers. The SA Committees took place with Albania in Q1 and with Serbia and Kosovo in Q3. The SA Committee planned for Q3 with Montenegro was scheduled for January 2023. The SA Committee planned for Q3 with North Macedonia was postponed. The SA Councils with Albania and North Macedonia will be organised in March 2023. No SA Council was held with Bosnia and Herzegovina or Kosovo.		

Output	Indicator	Target
Bilateral assistance under IPA III programmed and implementation started	Number and total value of IPA III bilateral action documents 2022 adopted by the Commission	Number of Financing Decisions: 6 Total value: EUR 500 million
Latest known results (2022):		
<p>All IPA III bilateral annual action plans for 2022 were adopted in November and December 2022: Albania (EUR 82.6 million); Bosnia and Herzegovina (EUR 45.5 million); Kosovo (EUR 62.25 million); Montenegro (EUR 37.72 million); North Macedonia (EUR 72.5 million); Serbia (EUR 162.2 million)</p> <p>Additionally, the IPA III bilateral annual action plans for 2023, with a focus on the energy support package, were also adopted in December 2022: Albania (EUR 80 million); Bosnia and Herzegovina (EUR 70 million); Kosovo (EUR 75 million); Montenegro (EUR 30 million); North Macedonia (EUR 80 million); Serbia (EUR 165 million).</p> <p>Finally, two IPA III individual measures in favour of Bosnia and Herzegovina concerning support of the Office of the High Representative (OHR) for July 2021/June 2022 and July 2022/ June 2023 were adopted in March and December 2022, respectively. Implementation has started.</p>		
The implementation of the Economic and Investment Plan and Green Agenda has progressed	Action Plans developed for the flagship initiatives	Q2
	Progress as per action plan	100%
Latest known results (2022):		
<p>The Action Plan for the Green Agenda, as well as planning for other initiatives under the Economic and Investment Plan was completed and implementation has started. As of end 2022, 40 flagship investments have been approved for financing in all areas of the EIP, with a total EU contribution of EUR 1.8 billion</p>		
Restructuring of the Western Balkans Investment Framework to effectively contribute to the implementation of the Economic and Investment Plan for Western Balkans completed	The Western Balkans Investment Framework (WBIF) Design of new Governance transition to IPA and NDICI regulations for WBIF (including the European Western Balkans Joint Fund General Conditions) completed	Q1-Q4 for WBIF Rules of Procedure Q2 for general conditions, if necessary
Latest known results (2022): WBIF governance approved Rules of Procedure in February 2022. The negotiations of the General Conditions advanced, the text was agreed with Joint Fund Managers and the final draft was sent to WBIF stakeholders for agreement in December 2022.		
Implementation of Economic and Investment Plan flagship investment projects advanced	Call for investments Projects pipeline for blending and guarantees Progress in approval of new advanced projects	Endorsed by Operational and Strategic Board by Q1 Screened by the Operational and Strategic Board between Q2-Q4 Approved by the Operational and Strategic Board Q3-Q4 2022
Latest known results (2022): A considerable public sector blending investment package was approved in February 2022, three carry forward guarantees were approved in April 2022, followed by the approval of Private Sector Support package in June 2022 and finally by the second public blending package and guarantees in December 2022. By the end of 2022, the WBIF package supporting WB EIP covered 40 flagships allocating EUR 1.8 billion of IPA support to EUR 5.7b investments and 11 guarantees.		

Specific objective 4.2:		<i>Related to spending programme: IPA II, IPA III</i>
Regional cooperation and neighbourly relations in the Western Balkans are improved		
Result indicator 4.2.1: Total length of the indicative extension of the TEN-T rail and road core network to the Western Balkans supported by the EU through a) new construction and b) rehabilitation		
Source of data: WBIF Monitoring Information System, WBIF Annual Reports, European Commission; Transport Community Treaty Secretariat		
Explanation: This indicator shows progress in completion of the TEN-T rail and road core network in the Western Balkans supporting connectivity amongst the Western Balkans and between the Western Balkans and the EU. It is measured in km.		
Baseline (2019)	Interim Milestone (2022)	Target (2024)
147 km	502 km	748 km
Latest known results (2022): 221 km The target was not met due to delays in the implementation, related to acquisition of land, tendering, the pandemic and the increase in construction material prices. Pace is expected to pick up in 2023, with another 185 km to be completed. Furthermore, with the implementation of the green agenda, there is a growing shift in investment on rail transport – with 2/3 of the 2021-22 WBIF projects dedicated to railways, compared to 1/3 to road transport. These projects, consisting mainly in the modernisation of existing lines can be more time-consuming.		
Result indicator 4.2.2: Attitudes on Regional Cooperation and EU Integration		
Source of data: Balkan Public Barometer, Regional Cooperation Council		
Explanation: This indicator measures the attitude of the Western Balkan citizens towards regional cooperation. It aims to capture to what extent they see it as a positive influence on the political, economic or security situation their societies.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
51%	53%	55%
Latest known results (2022): 52% ¹²		
Result indicator 4.2.3: Percentage of intra-regional trade to GDP		
Source of data: National statistics, Regional Cooperation Council		
Explanation: This indicator measures the regional trade openness as the total of intraregional trade flows as percentage of the region's GDP. It aims at capturing the results of the regional economic integration efforts, whilst taking into account the economic growth of the region.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
9,6%	10,5%	11,5%
Latest known results (2021): 9.76%		

¹²The value provided here refers to the same value as the baseline (only “totally agree” replies). The value provided in 2021 AAR referred to “tend to agree” and “totally agree” responses.

Main outputs in 2022:

Other important outputs

Output	Indicator	Target
Implementation of the Common Regional Market 2021-2024 for the Western Balkans supported	One operational Mutual Recognition Agreement in place	Q4
	Adoption of a regional agreement on Freedom of Movement and Stay	Q4
	Signature of Framework agreement on CEFTA Dispute settlement.	Q4
	Decision on the recognition of Authorised Economic Operators programmes	Q4

Latest known results (2022):

Three regional agreements have been signed:

- Freedom of movement and stay;
- Recognition of professional qualifications;
- Recognition of academic qualifications.

The dispute settlement agreement is finalised but has not been agreed at Political level.

The CEFTA decision on the recognition of Authorised Economic Operators has not been signed by Kosovo

Support to the Western Balkans' efforts to strengthen the Rule of Law through regional cooperation and cooperation with the EU has been provided:

a) Progress with trial monitoring project for cases of high-level corruption and organised crime

a) First analytical report on systemic issues identified in the administration of justice in cases of organised crime and corruption in five Western Balkans developed by OSCE (the contractor) and shared with DG NEAR

Q3

Latest known results (2022): First analytical report issued in September 2022, finalised in consultation with DG NEAR and EU Delegations, disseminated with stakeholders. Validation and presentation event held on 15-16 November in Budva, Montenegro, with NEAR and Delegations' participation.

b) Assessment of performance of Western Balkans justice systems

b) Relevant results of justice performance action implemented by CEPEJ (Efficiency of Justice of the Council of Europe) included in Enlargement package

Q2

Latest known results (2022): Relevant results of justice performance action implemented by CEPEJ (Efficiency of Justice of the Council of Europe) included in Enlargement package. Preliminary results of CEPEJ 2021 received in end May 2022 and included to the extent possible in the enlargement package.

Output	Indicator	Target
c) Deeper links and understanding of EU security tools and networks promoted in the region	c.1) Best practices in the area of preventing/countering violent extremism in the Western Balkans collected by the EU Radicalisation Awareness Network (RAN) and shared through the RAN website	Q4
	c2) A training needs assessment for Western Balkans law enforcement produced by the EU agency for law enforcement training (CEPOL)	Q3
Latest known results (2022):		
c1) Best practices identified in the area of preventing/countering violent extremism in the Western Balkans collected by the Radicalisation Network (RAN) through events organised and papers drafted, published through the RAN website.		
c2) Training needs Assessment for the Western Balkans law enforcement authorities produced with input from the WBs and will be officially presented/disseminated in Q1 2023		
d) Re-designing the methodology for the collection of data on countering organised crime and corruption (i.e. track record) in the Western Balkans: Guidance elements on the track record recalibration provided.	d) redesigned methodology developed	Q3
Latest known results (2022): d) Redesigned methodology developed. Work on track record methodology is ongoing.		
2022 IPA III multi-country action programmes, including on connectivity, are adopted and implementation of the 2021 programmes started	Number of Commission Decisions/Financing Proposals / amount of financial assistance committed	1 financing decision, EUR 100 million
	Number and amount of crossborder cooperation programmes adopted	Nine (by end Q1) for the amount of approximately EUR 90 million (2021-2027)

Latest known results (2022): The IPA III multi-country action plan for 2022 was adopted in November 2022 for an amount of EUR 72 million. Implementation of IPA III 2021 multi-country action plan has started. Additionally, 3 individual measures on migration in favour of the Western Balkans have been adopted during 2022 for the following amounts: EUR 101,25 million (budget 2021 carried over to 2022) in April, EUR 39,241 million (budget 2022) in October; and EUR 30 million (budget 2023) in November 2022.

The budgetary commitments for the corresponding 2022 budget of the adopted and/or amended IPA III multi-country multi-annual action plans in December 2021 have been completed.

- multi-country multi-annual action programme 2021-2022 for the Western Balkans and Turkey (EUR 33,390,000).
- multi-country multi-annual action plan in support of the WBIF 2021-2027 and the provisioning of the ELM (?) legacy portfolio for past EIB operations for IPA beneficiaries (EUR 700,682,942).
- multi-country multi-annual action plan on an EU Civil Society Facility and Media Programme in favour of the Western Balkans and Turkey for 2021- 2023 (EUR 69,729,255).

Nine IPA III cross border cooperation programmes 2021-2027 have been adopted in May/June 2022 for a total amount of EUR 88,2 million: Albania-Kosovo (EUR 8,4 million); Bosnia and Herzegovina-Montenegro (EUR 8,4 million); Kosovo-North Macedonia (EUR 8,4 million); Montenegro-Albania (EUR 11,9 million); Montenegro-Kosovo (EUR 8,4 million); North Macedonia-Albania (EUR 11,9 million); Serbia-Bosnia Herzegovina (EUR 14 million); Serbia-Montenegro (EUR 8,4 million); Serbia-North Macedonia (EUR 8,4 million).

Output	Indicator	Target
Links among civil societies of the Western Balkans and Türkiye deepened	Number of regional Civil Society Organisation networks receive new action grants from the EU ¹³	More than 10 regional Civil Society Networks receive new action grants from the EU

Latest known results (2022): 21 Civil Society Organisation networks/partnerships awarded with a grant thanks to the Civil Society Facility regional Call for Proposals.

Strategic engagement and policy dialogue with civil society and media: Revised DG NEAR guidelines on EU support for civil society and media under IPA III rolled out	Publication of revised Guidelines	Q2
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Latest known results (2022):

The revised DG NEAR guidelines on EU support for civil society and media were published in June 2022.

TAIEX activities strengthening regional cooperation implemented	Number of regional or multi-country activities (online or physical)	Approximately 30 activities
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Latest known results (2022):

Fifty (50) TAIEX regional or multi-country activities involving the Western Balkans were held.

¹³ Via financial assistance (grants) or technical support (for example through the TACSO - Technical Assistance for Civil Society in the Western Balkans and Turkey Programme)

Specific objective 4.3: A sustainable basis for improved relations with Türkiye is ensured		<i>Related to spending programme: IPA II, IPA III</i>
Result indicator 4.3.1: Number of formal high-level dialogues at ministerial level per year (including on migration)		
Source of data: European Commission		
Explanation: This indicator shows the amount of high-level meetings between EU and Türkiye as a measure of political cooperation.		
Baseline (2019)	Interim Milestone (2022)	Target (2024)
2	Increase	Increase
Latest known results (2022): 3 High level dialogues at Ministerial level held in 2022, hence an increase		
Result indicator 4.3.2: Share of EU goods and services in imports to Türkiye		
Source of data: Eurostat: https://ec.europa.eu/trade/policy/countries-and-regions/countries/turkey/		
Explanation: This indicator illustrates trade relations between EU and Türkiye. If relations are improved, notably through the modernisation of the CU, the share of imports originating from the EU in particular on services should increase.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
32,3%	Increase	Increase
Latest known results (2022): 33.1% imports from the EU into Türkiye. Data from 2020 reported in the 2022 edition of the World Bank factsheet (*Eurostat data not available), hence an increase		
Result indicator 4.3.3: Detections of illegal border-crossings at the EU borders with Türkiye		
Source of data: Frontex https://frontex.europa.eu/assets/Publications/Risk_Analysis/Risk_Analysis/Annual_Risk_Analysis_2020.pdf		
Explanation: This indicator shows the number of illegal border-crossings detected by EU member states at the EU side of the EU-Türkiye border		
Baseline (2019)	Interim Milestone (2022)	Target (2024)
85078	Decrease	Decrease
Latest known results (2022): 51 270 illegal crossings from Türkiye to the EU in 2022 (FRONTEX source), hence a decrease. Higher number of illegal crossings, compared to 32 980 in 2021, due to increased arrivals through the sea route from Türkiye to Italy and increased crossings over the Green Line to the government-controlled areas of Cyprus.		

Main outputs in 2022:**Other important outputs**

Output	Indicator	Target
Continuation of the engagement with Türkiye, in line with the European Council conclusions	Number of high level meetings, if political situation allows	3 meetings
Latest known results (2022):		
3 High level dialogues at Ministerial level held in 2022		
Output	Indicator	Target
Continuous implementation of the EU-Turkey Association Agreement	Number of sub-committee meetings held in 2022	2 meetings
Latest known results (2022):		
3 sub-committee meetings took place in 2022:		
i) SC No 8: Customs, taxation, drug trafficking and money laundering (Judiciary, fundamental rights and freedoms, home affairs, taxation, customs and financial control) on 25-26 April 2022;		
ii) SC No 4: Economic and Monetary issues, movement of capital and statistics, on 11-12 October 2022;		
iii) SC No 2: Internal Market and Competition, on 15-16 December 2022.		
Follow-up on the implementation of the EU-Turkey Customs Union	Number of meetings of the Customs Union Joint Committee held	1 meeting in Q2/Q3
	Finalised assessments of Turkish draft legislation relevant for the removal of technical barriers to trade (as a percentage of Turkish requests submitted in 2022)	80%
Latest known results (2022):		
The 38 th Meeting of the EU-Türkiye Customs Union Joint Committee (CUJC) took place on 26-27 October 2022.		
78% (9 new draft legal acts shared by Türkiye with 7 assessments finalised); a number of exchanges on interim assessments.		
Continuation of regular EU-Türkiye technical meetings in various areas including taxation, environment, technical legislation, agriculture, fisheries and sanitary & phytosanitary measures	Number of technical meetings held	8 meetings
Latest known results (2022):		
11 technical meetings were organised, including 5 meetings by DG NEAR on European Green Deal aspects relevant for the Customs Union, and 6 by other DGs (DG GROW, DG TAXUD, DG ENV, DG ENER).		

Output	Indicator	Target
Support DG TRADE in following discussions by Member States on the mandate and on initiating negotiations on the modernisation of the EU-Türkiye Customs Union, when political conditions are ripe	Mandate approved by Council	in 2022, if political conditions allow
Latest known results (2022):		
Political conditions were not conducive to restart discussions on the mandate for CU modernisation. Consistent engagement with DG TRADE. Regular support and assistance has been provided throughout the year to address trade irritants hampering the smooth functioning of the Customs Union, with a view of creating a productive environment for the modernisation of the EU-Türkiye Customs Union.		
Support provided to the economic governance in Türkiye	Adoption of joint NEAR/ECFIN/EMPL assessment of Türkiye's economic reform programme 2022-2023	Q2
Latest known results (2022):		
Joint assessment of the Turkey Economic Reform Programme (2022-2024) was adopted on 20/04/2022.		
Monitoring of the implementation of the EU Facility for Refugees in Turkey	Number of meetings of the Facility Steering Committee	2 meetings in Q2 and Q4
Latest known results (2022):		
Meetings took place in June and December 2022. A draft proposal to reduce the frequency of Steering Committee meetings to one as from 2023 is with the DG. Following DG approval, NEAR will ask EUMS for their agreement in Q2.		
Implementation of the funds under NEAR responsibility of the EU Facility for Refugees in Turkey	Progress in Facility implementation as measured by the Facility Monitoring Reports	All Facility projects progressing as per their implementation schedule
Latest known results (2022):		
The Facility Monitoring reports issued in June and December 2022 have demonstrated continued progress in implementation of facility projects.		
Programming of possible additional refugee support in Türkiye	Finalisation of programming of EUR 2 billion package for 2022-2023	Q4
	Adoption of relevant Commission decisions under IPA III and NDICI	Q4

Latest known results (2022):

Commission decisions under IPA III and NDICI were adopted in Q4/2022. Programming for 2022 was thus completed successfully with Commission implementing decisions worth EUR 1.24 billion. EUR 580 million remain to be programmed in 2023 under the development instruments managed by DG NEAR.

Continuous monitoring of developments and providing policy recommendation on democracy, rule of law, judiciary, security as well as fundamental rights and freedoms	Adoption of the next country report on Türkiye (staff working document as part of Enlargement package)	Q3
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Latest known results (2022):

The 2022 enlargement package including the Türkiye Report was adopted on 12 October 2022

Support political priorities through the Instrument for Pre-Accession Assistance III	Adoption of the 2022 Annual Action Programme	Q3
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Latest known results (2022):

2022 Annual Action Programme adopted on 18 October 2022

Creation of Turkish Investment Platform (TIP) to scale up and enhance coordination of investments aiming at achieving EU priorities and strategic priorities defined jointly by the EU and Türkiye, together with International Financial Institutions (IFIs) and Development Finance Institutions (DFIs)	Number of meetings of the TIP Operational Board	1 meeting in Q2
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Latest known results (2022):

The first TIP Operational Board was held on 7 April 2022. First Call for investment proposals launched on 14 April 2022

Implementation of TAIEX activities, contributing to improved EU-Türkiye relations	Number of activities (online and physical) implemented in Türkiye, depending on beneficiary demand	Approximately 8 activities
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Latest known results (2022):

- 13 Workshops organized (5 out of 13 workshops took place in Türkiye)
- 9 Study Visits took place in different Member States
- 17 TAIEX Multi-Country Workshops held in hybrid platforms attended by Turkish counterparts
- 1 Twinning project was launched

Specific objective 4.4: Take the Eastern Partnership to the next level		<i>Related to spending programme: ENI, NDICI</i>
Result indicator 4.4.1: Number of partnership priorities, Association agendas, or equivalent documents, which are revised, adopted or agreed		
Source of data: EU Results Framework		
Explanation: The indicator monitors the number of key bilateral policy documents (Partnership priorities, Association Agendas, or equivalent documents) revised and adopted during the period. Since the indicator measures the evolution during 2020-2024 period, the base is set at 0. It does not imply that no action was taken in the past.		
Baseline (beginning 2020)	Interim Milestone (2022)	Target (2024)
0	4	5
Latest known results (2022): Armenia: Partnership Priorities (adopted in 2018) remain in force and guide cooperation. The Comprehensive and Enhanced Partnership Agreement ratification process was completed in 2021 and it entered into force in March 2021. Azerbaijan: Partnership Priorities were extended in August 2021 until 2024. Negotiations on a new framework agreement are ongoing. Georgia: The revision of the Association Agenda covering the period 2021-2027 has been adopted on 23 August 2022. Moldova: An updated EU-Moldova Association Agenda for 2021-27 was adopted on 22 August 2022. Ukraine: The Association Agenda (last updated in 2015) remains valid.		
Result indicator 4.4.2: Percentage of Eastern Partnership post-2020 deliverables completed		
Source of data: European Commission		
Explanation: Based on the 5 policy objectives of the EaP post-2020, this new set of deliverables has been prepared in the second half of 2020 and endorsed at the EaP Summit in early 2021. Similar to the current reform agenda, monitoring of the new set of deliverables will be done regularly by the EU together with partner countries in a public report.		
Baseline (2020)	Interim Milestone (2022)	Target (2024)
0	120% of 2020 end results	170% of 2020 end results
Latest known results (2022): The work on rolling out the new multilateral EaP architecture that started at the beginning of 2022 was paused following the Russia's unprovoked and unjustified invasion of Ukraine. For the same reason, and as collecting data from Ukraine would have been both ill-timed and extremely challenging, no reporting has taken place on the post-2020 targets. The second half of the year was instead marked by a reflection process with Member States, partners and stakeholders on the way forward for the EaP, culminating in an EaP Foreign Affairs Ministerial in December 2022. 2023 will see the adjusted implementation of the framework.		
Result indicator 4.4.3: Number of grassroots civil society organisations benefitting from (or reached by) EU support		
Source of data: European Commission		
Explanation: The indicator measures the outreach of our civil society programmes, as a broad base of civil society is crucial for the EU to be an open and receptive foreign policy actor. Grassroots actors often play a vital role in giving voice to citizens, including in situations of restricted space.		

Baseline (2020)	Interim Milestone (2022)	Target (2024)
approx. 1,200	approx. 1,700	approx. 2,500
Latest known results (2022): Through continuous support programmes, in particular via significant sub-granting schemes operated through Framework Partners, a further 486 civil society organisations benefited from EU supported and started new initiatives. These additional initiatives brings the overall figure to 2,011 grassroots organisations supported.		

Main outputs in 2022:

Evaluations¹⁴ and fitness checks

Output	Indicator	Target
Evaluation of EU cooperation with Georgia	Evaluation completed	Q2

Latest known results (2022): Evaluation report published in September 2022.

External communication actions

Output	Indicator	Target	Latest known results (2022)
Regional Communication Programme: Campaigns, events and communication activities aimed at improving perception of the EU and EU support in the Eastern Neighbourhood. The fight against disinformation that might undermine EU's efforts is strengthened	Social media Number of impressions	More than 21,000,000 (Facebook, Instagram, Twitter)	48,268,864 (Facebook, Instagram, Twitter, LinkedIn)
	Number of followers /subscribers	180,000 (Facebook, Instagram, Twitter, YouTube)	155,052 (Facebook, Instagram, Twitter, YouTube)
	Number of posts	2,000 (Facebook, Instagram, Twitter)	2,636 (Facebook, Instagram, Twitter, LinkedIn)
	Number of engagements	576.000 (3% engagement rate - 100% increase from 2020)	606,751 engagements (1,7% rate per impression)
	Number of #hashtag mentions	20,000	More than 20,000

¹⁴ This evaluation is part of the DG NEAR multi-annual strategic evaluations plan. While guided by Better Regulation, it is not an evaluation in the Better Regulation sense.

Output	Indicator	Target	Latest known results (2022)
	Website (dedicated)		
	Number of visits	372,890	921,015
	Number of visitors	500,000	720,758
	Number of page views	More than 2,000,000	1,520,469
	Conversion rate	60,000	73,639
	Number of return visitors	10%	88,585
	Integrated communication campaigns		
	Reach	More than 20,000,000	More than 48 million in social media More than 25 million in media More than 2 million by YEAs
	Number of young people acting as Young European Ambassadors	More than 800	925 & 1,700 who benefitted from the mandate between 2016-2022
	Events		
	Number of attendees (online)	More than 10,000	51,431 (face-to-face)
	Indirect audience reach (online)	100,000	2,196,856 + (online)

Other important outputs

Output	Indicator	Target
Civil Society Facility programme implementation progressed	Number of contracts signed under the Civil Society Facility 2021	24 contracts by end 2022
Latest known results (2022):		
3 contracts were signed instead of the initial target of 4 (there was a typographical error in the target, it was meant to be "4", not "24").		
Continued implementation of strong COVID-19 response package at bilateral and regional level, including the emergency response to the continuing health crisis and the response to its medium and long-term social and economic consequences	1) Number of additional people from EaP countries vaccinated with the help of vaccines delivered under NDICI COVID-19 Vaccine Access through EU sharing with Eastern Partnership ¹⁵ (EUR 35 million)	1) An additional 500,000 people from EaP countries vaccinated by end of 2022
	2) Finalisation of the Solidarity for health Programme (EUR 35 million 2020-2022)	2) Q4
	3) Amount disbursed from the COVID-19 response package funding (EUR 40 million, 2021-2024)	3) At least EUR 15 million in 2022
Latest known results (2022):		
1) 3,370,367 people vaccinated in EaP countries between 1st January and 31st December 2022 with at least one dose of vaccine against COVID-19.		
2) The Solidarity for Health Programme Contract was completed at the end of 2022.		
3) Almost EUR 15 million was disbursed by December 2022		
TAIEX activities strengthening regional cooperation in the Eastern Partnership implemented	Number of regional or multi-country activities (online or physical)	Approximately 10 activities
Latest known results (2022):		
Ten (10) regional or multi-country activities were concluded for the benefit of Eastern Partnership.		

¹⁵ Contract: NDICI-GEO-NEAR/2021/427-399

Specific objective 4.5: Stability, resilience, economic development and regional co-operation are reinforced through our cooperation in the Southern Neighbourhood		<i>Related to spending programme: ENI, NDICI</i>
Result indicator 4.5.1: Number of state institutions and non-state actors supported on security, border management, countering violent extremism, conflict prevention, protection of civilian population and human rights		
Source of data: EU Results Framework ¹⁶		
Explanation: This indicator measures the EU assistance to good governance and capacity building in support of security, protection of civil population and enforcement of human rights		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
Neigh. South: 420	Stable trend	Stable trend
Latest known results (2022): 1096		
South Neighbourhood: 371. The small decrease is due to methodological and technical constraints inherited from the past, making annual values not systematically available at country level for the current reporting period. Furthermore, the decrease in the result's value (compared to the baseline's value) might be explained by the fact that EU support in the relevant area is not constant and might not take place in all the countries.		
Result indicator 4.5.2: Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency		
Source of data: EU Results Framework		
Explanation: This indicator measures the support of the EU to the Southern Neighbourhood countries for the improvement of public finance management measures		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
Neigh. South 7	7	7
Latest known results (2022): South Neighbourhood: 8		
Result indicator 4.5.3: Number of partnership priorities, Association agendas, or equivalent documents, which are revised, adopted or agreed		
Source of data: European Commission		
Explanation: The indicator monitors the number of key bilateral policy documents (Partnership priorities, Association Agendas, or equivalent documents) revised and adopted during the period.		

¹⁶ The methodological notes of the EU Results Framework indicators used in the present report are available here: <https://europa.eu/capacity4dev/eu-rfi>

Baseline (2020)	Interim Milestone (2022)	Target (2024)
8 documents	8	8
<p>Latest known results (2022): 8 AA & 7 Partnership Priorities or Action Plans</p> <p>Association Agreements are in force with 8 of the 10 southern partners (i.e. excluding Libya and Syria). New Partnership Priorities for the period of 2021-2027 were adopted with Jordan and Egypt, following the Association Councils held in the Summer of 2022. For the remaining Countries, the previous Partnership Priorities, valid until 2021, were extended (except Morocco, for procedural reasons), and new ones are being negotiated. EU agreed texts were transmitted to Tunisia, Morocco and Lebanon, and the EU is waiting for the reply of these partners. Work is still ongoing for Algeria. Regarding Palestine* and Israel, negotiations could restart, in parallel, soon, given the new impetus after the EU – Israel Association Council and the lunch of the Palestinian Prime Minister with the FAC Council in January 2023. The current Action Plans are extended until January 2025. For Syria and Libya, no Joint Documents are under consideration, and EU programming is done under Special Measures (i.e. annually).</p>		

Main outputs in 2022:

Evaluations¹⁷ and fitness checks

Output	Indicator	Target
Evaluation of EU cooperation with Palestine	Evaluation started	Q1 2022

Latest known results (2022): Final inception report approved in December 2022.

¹⁷ This evaluation is part of the DG NEAR multi-annual strategic evaluations plan. While guided by Better Regulation, it is not an evaluation in the Better Regulation sense.

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

External communication actions			
Output	Indicator	Target	Latest known results (2022)
Regional Communication Programme: Campaigns, events and communication activities aimed at improving perception of the EU and EU support in the Southern Neighbourhood.	Social media		
	Number of impressions	20,000,000 (Facebook, Instagram, Twitter, LinkedIn)	24,720,000
The fight against disinformation that might undermine EU's efforts should be strengthened	Number of followers/subscribers	450,000 (Facebook, Instagram, Twitter, YouTube, LinkedIn)	387,600
	Number of posts	1,750 (Facebook, Instagram, Twitter, LinkedIn)	1,970
	Number of engagements	1,200,000 (Facebook, Instagram, Twitter)	1,960,000
	Number of #hashtag mentions	EU4youth 25,000	281 during the EU4Youth Days Event Week
	Website (dedicated)		
	Number of visits	425,000	203,579 (website was revamped during the year and certain data could therefore not be traced)
	Number of visitors	350,000	173,045
	Number of page views	800,000	302,398
	Conversion rate	n/a	
	Number of return visitors	10%	11,839 (6.4%)
	Integrated communication campaigns		
	Reach	10,000,000	8.073,000
	Number of young people acting as Young European Ambassadors	48	47 (16 EU-Goodwill Ambassadors 130 EU Jeel Connectors)
	Events	12	21 coffee talks + 1 large event: Speak up Culture
	Number of attendees (online)	39,000	140,212

	Indirect audience reach (online)	360,000	2,123,521
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Other important outputs

Output	Indicator	Target
Multiannual programming documents in line with the partnership priorities adopted	Number of multiannual programming documents (MIPs) that are in line with the Partnership Priorities or equivalent documents	7 MIPs

Latest known results (2022):

6 MIPs have been adopted. Negotiations with Tunisia and Morocco take longer than expected due to political issues.

NDICI annual programmes are adopted	Adoption of the NDICI/Global Europe annual programmes	Q4
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Latest known results (2022):

All NDICI annual programmes adopted

Assess the possibility of organising a Brussels VI Conference on the Future of Syria and the Region or alternative fora, including a regular civil society consultation mechanism.	If so decided, number of ministerial conferences, including consultation with Syrian civil society held	One conference by mid-2022
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Latest known results (2022):

The 6th Brussels conference was organised on 09 and 10 May 2022.

Assistance to the countries affected by the Syrian Crisis provided, building inter alia on lessons learned of EU Trust Fund for Syria		
a) Project pipeline developed in 2022	a) Number of countries for whom actions are adopted in 2022	a) Four (Türkiye, Lebanon, Jordan and Syria)
b) A new structure for effective follow-up of the EU response to the Syrian crisis designed	b) Monitoring system developed	b) Mid-2022

Latest known results (2022):

Special measures adopted in November 2022 for Lebanon, Jordan and Syria (note: support to refugees in Türkiye delivered mainly through the Facility for refugees and reported in Specific objective 4.3)

The monitoring of funds committed under the EU Trust Fund continues under a specific service contract for monitoring and evaluation. New programmes adopted include specific monitoring provisions in each contract.

Output	Indicator	Target
The Berlin process on Libya is supported	New technical assistance programme provided by the Commission	Q4
Latest known results (2022):		
The political negotiations process is currently stalled. However, DG NEAR continued to launch new Technical Assistance programmes to contribute to the stabilisation of the country. For instance, in 2023, new programmes were launched in the field of Governance and the Economy.		
Preparation of a new multi-annual financial decision in favour of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), in line with the renewed Joint Declaration	Multi-annual Commission decision adopted	Mid 2022
Latest known results (2022):		
The Commission adopted on 9 August 2022 the individual measure C(2022)5632 in favour of Palestine refugees for 2022-2024. This measure bore a EUR 261 million contribution in support of UNRWA to be allocated in the following way:		
<ul style="list-style-type: none"> - EUR 97 million for 2022 - EUR 82 million for 2023 - EUR 82 million for 2024 		
Union for the Mediterranean (UfM) sector policy dialogue with partner countries supported	Number of UfM ministerial meetings on transport, water research and innovation, employment, gender, and trade.	Minimum 4 ministerial meetings (overall)
Latest known results (2022):		
4 ministerial meetings were held as planned in 2022: water, research and innovation, employment and gender.		
Institutional support to the Union for the Mediterranean (UfM) provided		
a) The secretariat of the UfM is financed through the EC grant	a) Signature of the operating grants	a) Before 01/01/2022 for the operating grant 2022 and before 01/01/2023 for the operating grant 2023
b) The secretariat implements the annual work programme adopted by Senior Officials	b) Progress towards results mentioned in the annual work programme	b) over 80% of the forecasted results are achieved
Latest known results (2022):		
Both operating grants to the UfM Secretariat were signed and progress towards results achieved over 80%		

Output	Indicator	Target
Strengthened security cooperation in line with the Global Strategy and the European Neighbourhood Policy security dimension: Technical expertise on fighting organised crime provided by key partners such as Interpol and EU Agencies CEPOL, EUROPOL, EUROJUST, FRONTEX/EBCGA, ECDC and EMCDDA, to justice and law enforcement entities in the partner countries	a) Achievement of the targets (%) mentioned in the logical frameworks of the ongoing programmes with EU Agencies CEPOL, EUROPOL, EUROJUST, ECDC and FRONTEX/EBCGA and with Council of Europe	a) At least 70% of the targets mentioned in the individual logical frameworks is realised
Latest known results (2022): More than 70% of the targets were reached.		
	b) Rate of implementation of Interpol Sharaka targets c) Rate of implementation of EU4MonitoringDrugs with EMCDDA targets	b) and c) Interpol Sharaka and EU4MonitoringDrugs have reached at least 90% of their respective forecasted targets.
Latest known results (2022): Interpol Sharaka and EU4MonitoringDrugs have reached much more than the 90% of the targets.		
	d) Number of new contracts signed for AAP 2021 Security package	d) 3 new contracts
Latest known results (2022): 3 contracts (Counter Terrorism Travel, Interpol/gender and PPRD South IV) were signed under the AAP 2021 Security package of which one is sub-delegated to DG ECHO (PPRD South IV). 1 contract under the AAP 2022 Security package was also signed (EU4MonitoringDrugs II) in 2022.		
Strategic engagement and policy dialogue with civil society continued	Number of regular coordination meetings with strategic partners and regional meeting of Civil Society Forum Neighbourhood South	1 Civil Society Forum 4 coordination meetings
Latest known results (2022): During the year 2022, a call for proposals was carried out to select 6 new framework partners and set up a new structured dialogue with civil society. As the contracts were only signed at the end of the year, the forum and the coordination meetings could not be held. Consultations with EU Delegations were held in order to involve them more closely, and use synergies with bilateral cooperation. The next civil society forum will be held in November 2023 preceded by several coordination meetings.		

General objective 1: A European Green Deal		
Impact indicator 3: Climate mainstreaming in the European Union budget		
Source of the data: European Commission Draft Budget Reports		
Explanation: Proportion of climate related spending (mainstreaming) in the EU budget		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
21% ¹⁸	25% ¹⁹	25% ²⁰
Latest known results (2022): 34.8% ²¹		
Specific objective 1: The implementation of the external dimension of the European Green Deal is supported in partner countries		<i>Related to spending programme: ENI, NDICI, IPA II, IPA III</i>
Result indicator 1.1: Greenhouse Gas (GHG) emissions avoided (tonnes CO ₂ eq) with EU support		
Source of data: IPA Performance Framework ²² and EU Results Framework		
Explanation: This indicator measures the result of EU supported actions in terms of reduction of greenhouse gas emissions. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past.		
Baseline (2020)	Interim Milestone (2022)	Target (2024)
0	105% of final 2020 results	110% of final 2020 results
Latest known results (2022): 23.579.376		
Result indicator 1.2: Number of Micro, Small and Medium Enterprise applying Sustainable Consumption and Production practices with EU support.		
Source of data: EU Results Framework		
Explanation: Measures the results of EU supported interventions in order to promote sustainable and production practices at the level of private companies. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past		
Baseline (2020)	Interim Milestone (2022)	Target (2024)
0	105% of final 2020 results	110% of final 2020 results
Latest known results (2022): East Neighbourhood: 60 South Neighbourhood: 61		

¹⁸ The baseline for ENI: 16% and for IPA: 14%, both for 2019.

¹⁹ The milestone for IPA and ENI/NDICI is to achieve an increase in comparison with the baseline

²⁰ The target for ENI/NDICI to achieve 25% or more and for IPA to achieve 16% or more

²¹ 2021 Climate change: IPA: 31.7%, NDICI - East and South: 6.2%

2021 Biodiversity: IPA: 2.1%, NDICI - East and South: 2.1%

²² The methodological notes of the IPA performance framework indicators used in the present report are available here: <https://myintracomm.ec.europa.eu/dg/devco/evaluation-quality-results/quality-results/Documents/Results%20exercise/EU%20RF%20L2%20Method%20notes.zip>

Result indicator 1.3: Areas of terrestrial and freshwater ecosystems under a) protection, b) sustainable management with EU support (ha).

Source of data: EU Results Framework

Explanation: The indicator measures the contribution of the EU to the protection and sustainable management of ecosystems. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past

Baseline (2018)	Interim Milestone (2022)	Target (2024)
a) 0 b) 0	105% of final 2020 results	110% of final 2020 results

Latest known results (2022):

- a) Under protection:41,800
- b) Under sustainable management:173,004

Main outputs in 2022:

Evaluations²³ and fitness checks

Output	Indicator	Target
The EU's support to climate change and environment in Enlargement and Neighbourhood regions is evaluated	Evaluation completed	Q2

Latest known results (2022): Evaluation completed Q2 2022

Other important outputs

Output	Indicator	Target
Implementation of the Green Agenda for the Western Balkans progressed	EU4Green project to support the implementation of the Green Agenda by Western Balkan partners is operational	Q2

Latest known results (2022):

Project launched in 2022, inception phase completed in December 2022

Clean energy and robust climate action in Western Balkans, Ukraine, Georgia and Moldova and to a lesser extent in Armenia, Azerbaijan and Belarus is promoted	Implementation of the ongoing regional projects (% of foreseen deliverables achieved): - EU4Climate - EU4Energy Phase II - EU4 Green Growth	At least 80% of the foreseen deliverables of EU4Climate and Phase II of EU4Energy are achieved
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Latest known results (2022):

At least 80% of the foreseen deliverables of EU4Climate and Phase II of EU4Energy have been achieved. An additional top up called EU4Energy phase II + has been signed this year.

²³ This evaluation is part of the DG NEAR multi-annual strategic evaluations plan. While guided by Better Regulation, it is not an evaluation in the Better Regulation sense.

Output	Indicator	Target
	Implementation and adjustment of ongoing technical assistance projects: <ul style="list-style-type: none"> - Climate package for a sustainable economy (CASE) project in Ukraine 	25% of all planned outputs achieved
Latest known results (2022):		
Russia's unprovoked and unjustified invasion of Ukraine has entailed a delay in the activities. Support has been shifted towards meeting urgent needs, and to the energy sector.		
	Number of meetings with IFIs on coordination and targeted use of supporting financial instruments in dedicated areas (including feasibility studies): <ul style="list-style-type: none"> - Robust climate architecture. - Support for coal regions in transition under the EU Initiative for Western Balkans and Ukraine. - Energy Efficiency - Infrastructure development for renewable energy sources, hydrogen and renewable gases 	At least 1 meeting per domain
Latest known results (2022):		
One country workshop under the Coal Region in Transition initiative was held in North Macedonia, and more are planned for 2023. The annual meeting of the initiative was also held in Brussels, attracting participants from the Western Balkans and Ukraine, as well as EU coal regions.		
Institutional support on clean energy and decarbonisation monitoring and reporting of Western Balkans, Ukraine, Moldova and Georgia is provided	New contribution agreement with the European Environment Agency to, inter alia, support the implementation of the Energy Governance Regulation is signed and operational	Q4
Latest known results (2022):		
For both the Western Balkans and Ukraine, Moldova and Georgia, the contribution agreements with the EEA were signed, and implementation will start in January 2023.		
High level dialogue with Ukraine on EU Green Deal/Ukrainian green transition is maintained	Number of high level meetings	At least 2 meetings (Q1 and Q4)
Latest known results (2022):		
The High level Deal Dialogue has been suspended by Ukraine since the beginning of the war of aggression. The EU stands ready to re-engage on it whenever Ukraine is ready		

Output	Indicator	Target
Priority actions on Environment policies including Circular economy, pollution reduction, biodiversity and water efficient use: strengthened dialogue and regional actions in the Eastern Neighbourhood	Number of meetings related to the Eastern Partnership Environment and Climate Panel	1-2 panel meetings
	Concept of the green city award for the Eastern Partnership	Q1, in coordination with line DGs, COR and other relevant institutions
	Number of programmed new action	At least one new Action Document adopted in Q3 or Q4
	Policy dialogue and technical support to the partner countries authorities on the management of EU4Environment, EU4Climate, EU4EMBLAS, EU4Environment Water and Data programme	10-12 events

Latest known results (2022):

Three regional meetings were organised within EU4Environment programme with close involvement of DG NEAR and DG ENV staff:

- on environmental liability,
- on circular economy with a focus on industrial waste mapping;
- on environmental inspection.

The concept for a green city award was discussed with DG ENV and COR and judged premature in the current context.

The EU4Environment Water and Data programme organised two regional events, five kick off events, two National Policy Dialogue meetings on water (in Armenia and Georgia), and two workshops on nature-based solutions. Country-level events have systematically involved EU Delegations;

The EU4Environment Green Economy programme organised over 20 events in the partner countries, including outside national capitals (<https://www.eu4environment.org/events/>);

DG NEAR delivered a presentation during the UNESCO Conference on Groundwater in December 2022;

A new project aiming to establish an effective governance system for Climate Action has been contracted in December 2022.

Programming is ongoing for a new regional project on environment (follow up of EU4environment).

Green investments under the Economic and Investment Plan are facilitated	Number of meetings related to green finance with international finance Institutions, private sector investors, potential beneficiaries	4-5 meetings
	Number of assessed projects submitted for NIP funding.	At least 2-3 projects

Latest known results (2022):

One formal meeting and several informal exchanges took place with the World Bank And other partners on the feasibility of the Black Sea Electricity Cable, and the feasibility study has been launched (with results expected in 2023).

Two investment projects for the East and seven for the South where approved for funding under NIP, supporting the green transition across the energy, waste, agriculture and sustainability education sectors.

Output	Indicator	Target
Priority actions on Energy and Climate Change Policies: Strengthened dialogue and regional actions in the Southern Neighbourhood	Number of meetings with Neighbourhood partners in the framework of the UfM Energy platforms and UfM Climate	At least 2 meeting per domain
	Number of “Concerted Actions” processes at regional level on energy efficiency for buildings and appliances.	At least 2 actions
Latest known results (2022): 1 meeting of the platforms held 1 concerted action done		
Regional actions for the Southern Neighbourhood on clean energy transition and climate change are implemented	The number of finalised, financed, or started SEACAPS	At least ten
	The number of Projects “Climate for Cities” started	Six projects
	The number of studies and training activities to support national regulatory authorities (e.g. training on the digitalisation of energy markets and new role of customers, and study on enhancing the sector regulation in Jordan)	At least five, by Q3
	A follow-up of the conference on financing the green transition (Cairo 4/10) in the Med region is organised	Q3
Latest known results (2022): 25 SEACAPS completed (above objective) 4 cities under the Climate for Cities programme started running their projects, one is about to start, and one was cancelled. 5 studies and training organised. No follow up of the Cairo meeting was organised.		
Regional actions for the Southern Neighbourhood contribute to improving regulatory frameworks in the beneficiary countries on circular, resource-efficient economy, reduction of pollution, protection of biodiversity efficient use of water	Implementation of seven demonstration projects on water	By Q3

	Number of seminars and workshops organised on MPAs and IMAP as per Project work programme	2 seminars or workshops / at least 80% of the seminars and workshops foreseen in the project programme are implemented
Latest known results (2022):		
All demo projects on water currently ongoing. Number of seminars and workshops in line with objectives.		
Support Türkiye's actions aiming to align with the EU Green Deal, in particular as regards its impact on the EU-Turkey Customs Union	Number of dedicated technical meetings coordinated by NEAR	At least 2 meetings
	Number of IPA action documents on green deal related actions approved	At least one IPA action document
Latest known results (2022):		
5 technical meetings organised by DG NEAR on European Green Deal aspects relevant for the Customs Union. At least one IPA action document: two Action Documents in IPA-III AAP 2022 (Sustainable Urban Mobility; Environment and Climate change).		

General objective 3: An Economy that Works for People		
Impact indicator 7: Employment rate of persons aged 20 to 64		
Source of the data: Eurostat (Eurostat online data code: sdg_08_30), based on the EU Labour Force Survey		
Explanation: The employment rate is calculated by dividing the number of persons aged 20 to 64 in employment by the total population of the same age group		
Baseline (2018)	Interim Milestone (2020)	Target (2024)
72.4% ²⁴	75% ²⁵	Increase
Latest known results (2021): 73.1% ²⁶		
Specific objective 3: Inclusive and sustainable economic growth, better employment and increased connectivity are supported in partner countries		<i>Related to spending programme: NDICI, IPA III</i>
Result indicator 3.1: Number of direct jobs supported/sustained by the EU		
Source of data: EU results Framework, IPA Performance Framework		
Explanation: The number of jobs supported through EU programmes		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
IPA 2,388	Increase	Increase
Latest known results (2022)²⁷: IPA 1,059,996		
Result indicator 3.2: Number of beneficiaries with access to financial services with EU support: a) firms, b) individuals		
Source of data: EU results Framework, IPA Performance Framework.		
Explanation: This indicator aims at measuring the EU contribution to providing access to financial services to companies and individuals in all partner countries		

²⁴ Western Balkans: 53,53%
Türkiye: 55,6%
Eastern Partnership region: 65,13%
Southern Neighbourhood region: 43,6%

²⁵ Western Balkans: 58,2%
Türkiye: 51%
Eastern Partnership region
Southern Neighbourhood region: 45,3%

²⁶ Western Balkans (2021)*: 59.1%
Neighbourhood East (2021)*: 64.7% (No data for Belarus)
Neighbourhood South (2020)*: 45.3% (only data from Morocco, Tunisia, Palestine and Israel available)
Türkiye (2021): 53.9%
*Weighted averages

²⁷ Latest know results for the Eastern Partnership region 22,921 and Southern Neighbourhood 6,578

Baseline (2018)	Interim Milestone (2022)	Target (2024)
Neighbourhood East: 2600 Neighbourhood South: 1700 IPA: 1466	Increase	Increase
Latest known results (2022): Neighbourhood East: 35,566 ²⁸ Neighbourhood South: 2,322 ²⁹ IPA: 1,059,653 ³⁰		
Result indicator 3.3: Total length of road supported by the EU through a) construction, b) rehabilitation, c) maintenance (kms)		
Source of data: IPA Performance Framework and EU Results Framework		
Explanation: This indicator shows how much road construction has been supported through the EU as a measure of increased connectivity within partner countries. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
0	Increase	Increase
Latest known results (2022): East Neighbourhood: 64 South Neighbourhood: 95 IPA 27		
Result indicator 3.4: Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality		
Source of data: EU results Framework, IPA Performance Framework		
Explanation: Measure the contribution of EU support to the reduction on social and economic inequalities in terms of population reached. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past.		
Baseline (2020)	Interim Milestone (2022)	Target (2024)
0	Increase	Increase
Latest known results (2022): Information not yet available. The indicator was introduced in EU RF and IPA PF only in 2021.		

²⁸ Composed of 6,243 companies and 29,323 individuals

²⁹ Composed of 1,979 companies and 343 individuals

³⁰ Composed of 1,059,616 companies and 37 individuals

Main outputs in 2022:

Evaluations³¹ and fitness checks

Output	Indicator	Target
The implementation of EU Blending in the EU Neighbourhood and the Western Balkans regions in 2015-2021 is evaluated	Evaluations completed	Q4

Latest known results (2022):

First draft interim report received

Other important outputs

Output	Indicator	Target
Economic Reform Programmes (ERP) assessments for Enlargement countries are completed and Council conclusions adopted	2022 ERPs completed and Council conclusions adopted	By Q2

Latest known results (2022):

2022 ERP cycle was completed. Joint conclusions and policy guidance were adopted at the economic and financial dialogue on 24 May 2022.

Comprehensive public administration reform (PAR) programmes and public financial management reform programmes (PFM) to support the development of horizontal state capacities, accountability and effectiveness to improve citizen wellbeing, sustainability and prosperity (and to implement the acquis, as relevant) are adopted or implemented.	Number of countries participating in PAR Special Groups/PAR and PFM policy dialogue	All Western Balkans countries, Ukraine and at least 1 other ENP country
	Number of PAR and/or PFM reform actions in Southern Neighbourhood supported by EU (budget support, technical assistance, or SIGMA support)	At least 3 countries in the Southern Neighbourhood

³¹ This evaluation is part of the DG NEAR multi-annual strategic evaluations plan. While guided by Better Regulation, it is not an evaluation in the Better Regulation sense.

	Continued methodological improvement for assessing quality of PAR and PFM: the open consultation process on the draft revision of PAR principles completed	Q4
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Latest known results (2022):

PAR SG & PFM Dialogue: 4 Western Balkan countries (PAR SG for North Macedonia was postponed to early 2023. PAR SG Bosnia and Herzegovina not possible due to political instability.

No PAR SG or PFM dialogue could take place in Ukraine or other ENP country due to the war.)

Seven countries supported in the Southern Neighbourhood.³²

Final draft has been submitted to public consultation.

Output	Indicator	Target
The use of the recommendations of the Competitiveness Outlook (CO) Assessment for the WB (OECD) is supported	Dissemination sessions on the CO recommendations organised	One dissemination with each WB economy organised in 2022
	Publication of the SME Policy Index (SBA Assessment) for the Western Balkans and Türkiye	Q3-Q4

Latest known results (2022):

Dissemination of CO in each WB economy was done.

Publication of the SME policy Index done and launched at the Dubrovnik Forum (July 2022). 7 dissemination in country meetings done in Q3 2022

SOCIEUX+ (Social Protection and Employment EU Member States TA Facility.) is made available to WB	Co-delegation to INTPA to be concluded	Q3-Q4
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Latest known results (2022):

Co-delegation to INTPA completed and Socieux+ facility is now available to the Western Balkans

Partner countries are supported in building more resilient, efficient and sustainable education systems based on evidence-based diagnosis	Number of policy dialogues on education with partner countries based on evidence-based diagnosis (reform needs and challenges: governance, financing, quality and resilience aspects)	1 regional multi-country seminar carried out in Q1
	Number of in depth diagnosis of education systems piloted in some NEAR countries	1 evidence-based diagnosis carried out in Moldova by Q4
	Number of regional programmes to support policy reforms in education approved	1 regional programme for EaP region approved by Q4

³² Morocco, Tunisia, Algeria, Egypt, Lebanon, Jordan, Palestinian Authority

Latest known results (2022):

3 education system diagnosis initiated or completed: one completed in Kosovo (leading to an in country policy dialogue on education and programming + dissemination of the results presented to all the Western Balkans Units) and two other ongoing in North Macedonia and Albania (expected to be completed in Q3 2023)
 Specific diagnosis of the education system in Moldova was not done but is expected to be included in the regional programme on education for EaP which is currently being designed and expected to be approved in 2023.

Partner countries are supported in Youth related actions	Support provided to the development of Youth Guarantee Implementation Plans in the Western Balkans (Guidance provided, TA/TAIEX offered, review of Implementation Plans done) and	Throughout 2022
	initial steps promoted in other regions	Throughout 2022
	Support the implementation of the external dimension of the European Year of Youth	Throughout 2022

Latest known results (2022):

Support was provided to all Western Balkan countries for the development of Youth Guarantee Implementation plans (YGIPs). YGIPs finalised in a number of countries and submitted to the European Commission. Four Youth Guarantee coordinators' network meetings were organised in 2022-Q1 2023 and 3 peer learning events were organised in the same period. One TAIEX workshop on the design of apprenticeship and traineeship schemes for the implementation of the Youth Guarantee in the WB took place on March 13-14 2023. Two additional TAIEX events are expected (1 in July and 1 in November-December 2023). Several countries have already adopted their National Youth Guarantee Implementation Plans and are starting implementation already, some may pilot the Youth Guarantee in 2023. Two economies are finalising their plans and are expected to adopt in 2023.

In order to support the adoption of the Youth Guarantee in other regions, the methodology of the youth guarantee and experience from support provided to the Western Balkans is also used for the preparation of the Youth Package component on addressing the challenge of the NEET in the Neighbourhood South (adopted in 2022). Regional and bilateral support will be available as of 2023. In the Eastern Partnership Region, the EU4Youth initiative includes a component on supporting NEETs looking at the EU Youth Guarantee as a model.

In order to support the international dimension of the European Year of Youth, many activities were supported and were flagships of the year (the YG in the Western Balkans, the EU4youth Days and the EU4Youth initiative in the EaP). The EU4Youth days event was organised in October 2022 gathering over 1000 participants from all NEAR regions. A TAIEX cross-regional workshop on youth participation in decision and policy making was organised in October 2022.

Southern Neighbourhood Regional Team Europe Initiative (TEI) on "Job creation through trade and investment" advanced	"TEI on jobs through trade and investment" intervention logic is prepared jointly with EU Member States and financial institutions. TEI launched and mapping carried out.	Q4
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Latest known results (2022):

The regional TEI (EUR 2.8 billion contribution of EU, MS, IFIs) was launched at the UfM Ministerial conference on Labour and Employment in Q3 2022. The mapping of the different initiatives under the TEI has been conducted in Q1 2022 and is regularly updated with new projects by TEI participants.

Priority actions on social economy and social entrepreneurship in the Neighbourhood South	The design of new regional action in the field of social entrepreneurship to support social economy policies and actors contracted	Q4
	Study on impact investment completed	Q1
Latest known results (2022):		
A regional Social economy and entrepreneurship programme (EUR 10 million grant for 4,5 years) was adopted in 2022 and launched in January 2023. It will support the ecosystem and prepare social entrepreneurs to scale up.		
The study on impact investment was completed in 2022, with the aim to provide an overview on impact investing in the Southern Neighbourhood. As a follow-up of the study, negotiations with IFIs started in order to set up a regional Impact Fund for social entrepreneurs under the regional NIP blending (still ongoing).		
EU support on innovation and cluster cooperation	Start of two regional projects supporting the start-up ecosystems and promoting industrial cluster cooperation jointly with the European Cluster Cooperation Platform	by Q2
Latest known results (2022):		
2 regional projects started in 2022 on i) innovation support (EUR 8 million) and ii) clusters cooperation (EUR 7 million). A diagnostic on the MENA clusters will be finalised early 2023.		
EFSD+ in place and supporting the implementation of the Economic Investment Plans	Call for proposal for the different windows are launched	Q1
	Number of guarantee agreements signed	Up to three by Q4
Latest known results (2022):		
Assessment and pre-negotiation with implementing partners ongoing of the EFSD+ Open Architecture call for a set of 27 investment programmes to be supported by EFSD+ guarantees from 2023 onwards (involving EUR 2,4 billion of EU guarantee cover).		
Ukraine: EU support to land reform adopted	Adoption of Programme to support partial credit guarantee facility under land reform	Q4
Latest known results (2022):		
Adoption in Q2		

General objective 2: A Europe fit for the digital age

Impact indicator 2: Digital Skills

Source of the data: Eurostat (Eurostat online data code: ISOC_SK_DSKL_I21)

Explanation: [has been adjusted to methodology change]: The basic digital skills indicator (DSI) looks at selected activities performed by individuals aged 16 to 74 on the internet in the five specific areas (information and data literacy, communication and collaboration, content creation, safety, problem solving). It is assumed that individuals having performed certain activities have the corresponding skills; therefore, the indicator can be considered as a proxy of the digital skills of individuals. Finally, based on the performance in the five specific areas, an overall digital skills indicator is calculated as a proxy of the digital skills of individuals ('no skills', 'limited', 'narrow', 'low', 'basic' or 'above basic'). To have at least basic overall digital skills (derived as a sum of basic and above basic levels), people must know how to do at least one activity related to each area. The DSI is biennial and will be collected/compiled every uneven year (next time in 2023).

Baseline³³ (2019)	Interim Milestone (2022)	Target (2024)
54% ³⁴	63%	67% ³⁵

Latest known results (2021): 54%

Impact indicator 1: Aggregate score in the Digital Economy and Society Index (DESI)

Source of the data: [DESI](#)

Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. Higher values indicate a better performance

Methodology for calculating the indicator: The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%).

Baseline (2019)	Interim Milestone (2022)	Target (2024)
Basic digital skills: 43.1 ³⁶	Increase ³⁷	Increase ³⁸

Latest known results (2022): 52.3

³³ The digital skills indicator was redesigned and the methodology has been changed substantially in 2021, to reflect the Digital Competence Framework 2.0. As a consequence, 2021 is the beginning of a new time series available in Individuals' level of digital skills (from 2021 onwards) [ISOC_SK_DSKL_I21]. It is not comparable with 2019 baseline before (56%).

³⁴ Baselines (only available for IPA): Basic digital skills: WB 21,2%; Türkiye 12,0%; Advanced digital skills: WB 9%; Türkiye: 24%.

³⁵ Milestones and targets should lead to an increase in overall percentage (both basic and digital skills combined).

³⁶ It is imperative to improve the reporting situation for the DESI indicator for EU partners, in particular concerning recipients of funding through the Instrument for Pre-Accession Assistance. The baseline in 2019 is that only 1 out of 6 IPA beneficiaries is able to calculate DESI (Serbia). Note that the data on this indicator exists only for IPA region.

³⁷ Milestone is to increase coverage in comparison to the baseline.

³⁸ Target for DG NEAR is to have 5 out of 6 IPA beneficiaries covered.

Specific objective 2: Increased take-up of digital opportunities in partner countries		Related to spending programme: NDICI, IPA III
Result indicator 2.1: Proportion of financial assistance on digital opportunities actions under NDICI and IPA III		
Source of data: European Commission		
Explanation: This indicator measures the proportion of EU funding allocated to the support of digital opportunities in DG NEAR partner countries. Rising levels of investment will reflect the EU's strong commitment to support the digital transformation in its neighbourhood. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past.		
Baseline Beginning of 2020	Interim Milestone (2022)	Target (2024)
0	105% of final 2020 results	110% of final 2020 results
Latest known results (2022): It is at the moment difficult to disaggregate information on this indicator, as several interventions include digital solutions and are thus marked as relevant for digital spending, even though a small part of the overall financial allocation is actually dedicated to the digital transition. Using the overall budget of projects that are marked as digitally relevant would therefore lead to a gross over-estimation of the total.		
Result indicator 2.2: Number of people who have benefited from VET/skills development interventions supported by the EU for ICT skills (disaggregated by gender, region geographic and/or urban/rural, age group).		
Source of data: OPSYS		
Explanation: The development of digital skills is a pre-requisite for the uptake of digital opportunities. This indicator reflects EU support for this key element of a functioning digital economy, and provides a direct link to the impact indicator. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past.		
Baseline Beginning of 2020	Interim Milestone (2022)	Target (2024)
0	110% of final 2020 results	120% of final 2020 results
Latest known results (2022): No information available. This is a new indicator defined for the current Multiannual Financial Framework and included in both Global Europe Results Framework (GERF) and IPA III Results framework (IPA III RF). Data, if any, is expected to be available as of next year.		
Result indicator 2.3: Number of people who benefit from access to digitalised public and private services thanks to EU support (disaggregated by gender, geographic region, type (urban/rural), age group, type of user i.e. companies, individuals), with specific reference to a digitalised government services; b) digitalised financial services		
Source of data: OPSYS		
Explanation: The availability of digitalised public and private services is a direct indication for the uptake of digital opportunities. In particular, the link between the number of people benefitting from such services and EU support reflects the Commissions' ambition to facilitate the advancement of e-government, e-health, digitalised industry etc. in partner countries. Since the indicator measures the evolution during the 2020-2024 period, the baseline is set at 0. It does not imply that no action was taken in the past.		

Baseline	Interim Milestone	Target
Beginning of 2020	(2022)	(2024)
0	110% of final 2020 results	120% of final 2020 results
Latest known results (2022):		
No information available. This is a new indicator defined for the current MMF and included in both GERF and IPA III RF. Data, if any, is expected to be available next year.		

Main outputs in 2022:

Other important outputs

Output	Indicator	Target
EuroMed Digital priorities identified / Regional digital projects are programmed, based amongst others on the 2020 study findings	Feasibility of a regional project is assessed	Q4
	The report on the feasibility of a regional programme is drafted	Q4
Latest known results (2022):		
The inception report on the feasibility of a regional programme has been drafted, and experts have completed the first phase of the assignment in support of the design of a regional programme on digital transition in the South.		
Progress achieved in reducing roaming tariffs among Eastern Partnership countries	Regional Roaming Agreement signed, resulting in reduction of roaming tariffs across the region	Q2
Latest known results (2022):		
Postponed by the signatories (EaP countries) following the start of Russia's unprovoked and unjustified invasion of Ukraine. Negotiations could only resume in Q4 2022, with proactive involvement of EU4Digital.		
Progress achieved in the development of a new approach to strengthen cybersecurity capacities in the Western Balkans	Finalisation of the study on cybersecurity capacity building in the Western Balkans	Q3
	Number of projects to strengthen cybersecurity capacities in the Western Balkans ready for adoption	At least one
Latest known results (2022):		
Study finalised in June 2022. Project building on study findings adopted, signature imminent.		
Support to the implementation of the Digital Agenda for the Western Balkans provided	Establishment of the Regulatory Dialogue with the WB6	First meeting of the Regulatory Dialogue with WB6 is held in Q1
	Finalisation of the Roadmap for lowering of the roaming charges between EU and the Western Balkans for endorsement by WB6 and telecom operators	Q4

Latest known results (2022):

First meeting of the Regulatory Dialogue with WB6 was held in June 2022. Second meeting is planned for 2023.

Declaration on the lowering of roaming costs between the EU and the Western Balkans signed in December 2022 (first reductions to be introduced October 2023)

Output	Indicator	Target
Progress achieved in developing the cyber-resilience of the EaP countries	Implementation of the Council of Europe's Budapest Convention and the EU's NS Directive	Ongoing
	The number of EU – Ukraine Cyber Dialogue, co-organised with EEAS	At least one EU-Ukraine dialogue on cybersecurity

Latest known results (2022):

Ongoing

EU-Ukraine cyber dialogue took place in September 2022

EaP citizens get digitally empowered	A new contract is signed to create a regional digital education platform in the context of the EU4Digital facility	Q1
	The regional digital education platform in the context of the EU4Digital facility is created	Q4

Latest known results (2022):

New EU4Digital facility – phase II contract was signed in Q2 2022 (EUR 11 million), following readjustments in the ToRs (Terms of Reference) due to the start of Russia's unprovoked and unjustified invasion of Ukraine. Work on the platform is ongoing, new components and scope being revised following Russia's unprovoked and unjustified invasion of Ukraine.

EaP's digital start-ups have access to a regional capital investment fund, mobilising investment from the private sector	Launch of a EaP's Digital Innovation and Scale-up Initiative (DISC), which will aim at supporting digital start-ups and projects related to digital infrastructure through a regional venture capital investment fund, with a contribution from the EFSD+	Q3
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Latest known results (2022):

Activity recalibrated following Russia's unprovoked and unjustified invasion of Ukraine and necessary repurposing of regional budget to support Ukraine's urgent needs. New programme under Regional Action Plan 2023 will support EIP flagships on digital innovation in the EaP region, including in Ukraine.

General objective 5: Promoting European Way of Life

Impact indicator 6: Third countries with migration policies to facilitate orderly, safe, regular and responsible migration and mobility of people

Source of the data: International Organization for Migration and United Nations Department of Economic and Social Affairs as custodian agencies; Organisation for Economic Cooperation and Development as partner agency

Explanation: The indicator describes the state of national migration policies. It is based on six policy domains: migrant rights, whole-of-government / evidence-based policies, cooperation and partnerships, socioeconomic well-being, mobility dimensions of crises, as well as safe, orderly and regular migration. The indicator gives the percentage share of governments in the EU's proximity that meet or fully meet the requirements

Methodology for calculating the indicator: Explained in the [UN metadata file](#). Data will be available every two years as of 2019. 111 countries have provided data, which have been released at the end of 2019.

Baseline (2018)	Interim Milestone (2022)	Target (2024)
Western Balkan: 3 countries: "Meet"; 1 country: "Partially meets" Türkiye: "Partially meets" Eastern neighbourhood: 4 countries: "Meet" 2 countries: "Partially meet" Southern neighbourhood: 1 country: "Fully meets"; 1 country: "Partially meets" 1 country "Requires progress" ³⁹	Increase	Increase

Latest known results (2021)⁴⁰:

Western Balkans:
 3 countries "Meet", 2 countries "Partially meet"
 Türkiye: "Meets"
 Eastern neighbourhood: 5 countries: "Meet", 1 country: "Partially meets"
 Southern neighbourhood: 1 country: "Fully meets"; 2 countries: "Meet", 2 countries: "Partially meet", 2 countries: "Require further progress"

³⁹ After revision, baseline has been changed from the Strategic Plan 2020-2024; numerical values are replaced by qualitative ones. Before: Western Balkan 2.75; Türkiye 2; Eastern neighbourhood 2.7; Southern neighbourhood 2.3.

⁴⁰ This are the data available from the UN as of 2021 (UN data only available every 2 years since 2019, therefore no data expected for 2022)

Specific objective 5: Effective migration management with partner countries is in place		<i>Related to spending programme: NDICI, IPA III</i>
Result indicator 5.1: Number of migration management and/or forced displacement public policies a) developed/ revised, and/or b) under implementation with EU support		
Source of data: IPA Performance Framework and EU Results Framework		
Explanation: This indicator measures the plans and strategies on migration management under implementation or revised with EU support as a way of assessing the progress of migration management policies in partner countries.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
Neigh. East: 9 Neigh. South: 6	Increase	Increase
Latest known results (2022)⁴¹: East Neighbourhood: 7 South Neighbourhood: 1		
Result indicator 5.2: Number of EU funded assistance interventions reporting improvement of compliance of Border and Security Systems with EU/Schengen Acquis		
Source of data: IPA Performance Framework		
Explanation: This indicator is a proxy for assessing the progress of partner countries in their compliance with EU border and security standards.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
3	Increase	Increase
Latest known results (2022): 3		
Result indicator 5.3: Number of migrants, forcibly displaced people or individuals from host communities protected or assisted with EU support		
Source of data: EU Results Framework		
Explanation: This indicator measures the number of displaced people who have received protection and assistance with EU support, as part of an overall effort in improving migration and displacement management.		
Baseline (2018)	Interim Milestone (2022)	Target (2024)
Neigh. East: 20 000 Neigh. South: 1 002 000	Increase	Increase
Latest known results (2022): East Neighbourhood: 745 South Neighbourhood 3,483,350		

⁴¹ The decrease is due to methodological and technical constraints inherited from the past, making annual values not systematically available at country level for the current reporting period. Furthermore, the decrease in the result's value (compared to the baseline's value) might be explained by the fact that EU support in the relevant area is not constant and might not take place in all the countries.

Main outputs in 2022:

Evaluations⁴² and fitness checks

Output	Indicator	Target
The EU cooperation with the United Nations is evaluated	Evaluations completed	Q3

Latest known results (2022): 1st draft final report submitted to the Interservice Steering group of the evaluation on February 2023; evaluation not completed.

Other important outputs

Output	Indicator	Target
Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa - North Africa is implemented and the implementation is monitored	The funds implemented	As per indicators set in individual programmes ⁴³

Latest known results (2022):

Ongoing EUTF projects are still being implemented until December 2025. Specific MLS (Monitoring Learning System) is in place to track EUTF results.

The funds under NEAR responsibility of the EU Facility for Refugees in Turkey and additional refugee funding in Turkey following the June 2021 European Council conclusions are implemented	The implementation of the Facility progressed, as measured in Facility Monitoring Reports ⁴⁴	All Facility projects progressing as per their implementation schedule
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Latest known results (2022):

Implementation is progressing

The implementation of the EU Facility for Refugees in Turkey is monitored	Number of meetings of the Facility Steering Committee	Two meetings in Q2 and Q4
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Latest known results (2022):

2 relevant meetings took place

⁴² This evaluation is part of the DG NEAR multi-annual strategic evaluations plan. While guided by Better Regulation, it is not an evaluation in the Better Regulation sense.

⁴³ A list of programmes is available at this link: https://ec.europa.eu/trustfundforafrica/region/north-africa_en

⁴⁴ For a list of the relevant reports please see at this link: https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/negotiations-status/turkey/eu-facility-refugees-turkey_en

Output	Indicator	Target
EU regional Trust Fund in response to the Syrian Crisis is implemented	The funds are implemented	As per indicators set in programmes ⁴⁵
Latest known results (2022): All Trust Fund projects progressing in line with plans		
Southern Neighbourhood Multi-Country migration programme Annual Action Plan (AAP) 2021 implemented	Number of actions under 2021 Individual measure signed and implementation started	4 (on migration governance and management, on protection of those in need, on migrant protection, return and reintegration and on legal mobility)
Latest known results (2022): All 17 contracts have been signed and the implementation is ongoing		
Southern Neighbourhood Multi-Country migration programme AAP 2022 adopted	AAP 2022 adopted	Q2
Latest known results (2022): 7 Actions have been adopted in 2022		
Financing for Syrian refugees and host communities in Türkiye, Jordan, Lebanon, and other parts of the region continued	Migration and forced displacement individual measures adopted in 2021 are signed	Q3
Latest known results (2022): Decisions adopted by end of 2022		
IPA III actions in the area of migration management in the Western Balkans are adopted	Actions adopted and implementation started	Q1, Q3 and Q4
Latest known results (2022): In 2022 DG NEAR adopted two individual measures		
<ol style="list-style-type: none"> 1. Individual measure Migration 2022 EUR 36,241,000 2. EU support to strengthen the fight against migrant smuggling and trafficking in human beings in the Western Balkans EUR 30 million 		

⁴⁵ A list of the ongoing programmes is available at this link: https://ec.europa.eu/trustfund-syria-region/state-play_en

Output	Indicator	Target
Bilateral and regional actions implementing the EaP Beyond 2020 strategy in the area of migration and forced displacement adopted	1.The implementation of bilateral action for Ukraine – EU Support to Integrated Border Management and Migration is started	Q1
	2.Regional action for Ukraine and Moldova in support to EUBAM (EU Border Assistance Mission to Moldova and Ukraine) under AAP 2021 signed and implementation started	Q4
	3.AAP 2022 signed and its implementation started	Q3

Latest known results (2022):

1. The bilateral Programme for IBM UA-MD border is completed
2. The Action is ongoing since April 2022
3. The decision was approved and the FA is in progress

ANNEX 3: Draft annual accounts and financial reports

AAR 2022 Version 3

Annex 3 Financial Reports - DG NEAR - Financial Year 2022

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

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Table 16 : Commitments co-delegation type 3 in 2022

Additional comments

ad Table 2 : Payments

Out of the total amount of MEUR 5 718,18 payments made, EUR 5.209.249,00 correspond to a payment request (SI2.4763473) validated in 2022 on appropriations of 2022, for which the real cash payment only occurred in 2023. This amount is part of the 2022 contribution to EUTF MADAD (T004).

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG NEAR					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,14	0,11	79,96 %
	05 02	European Regional Development Fund (ERDF)	0,52	0,51	97,90 %
	05 03	Cohesion Fund (CF)	0,09	0,09	100,00 %
	05 04	Support to the Turkish-Cypriot community	2,00	2,00	100,00 %
Total Title 05			2,75	2,71	98,58 %
Title 06 Recovery and Resilience					
06	06 02	Recovery and Resilience Facility and Technical Support Instrument	1,18	1,18	100,00 %
Total Title 06			1,18	1,18	100,00 %
Title 09 Environment and Climate Action					
09	09 02	Programme for the Environment and Climate Action (LIFE)	0,75	0,75	100,00 %
Total Title 09			0,75	0,75	100,00 %
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	2,76	1,57	56,88 %
	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	5.525,86	5.505,60	99,63 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	5,68	5,68	99,99 %
Total Title 14			5.534,29	5.512,85	99,61 %
Title 15 Pre-accession Assistance					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	27,30	3,46	12,68 %
	15 02	Instrument for Pre-accession Assistance (IPA III)	2.031,27	2.008,68	98,89 %
Total Title 15			2.058,56	2.012,14	97,74 %
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	11,36	0,00	0,03 %
Total Title 16			11,36	0,00	0,03 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,66	0,66	100,00 %
Total Title 20			0,66	0,66	100,00 %
Total Excluding NGEU			7.609,56	7.530,29	98,96 %
Total DG NEAR			7.609,56	7.530,29	98,96 %

* 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).

% Outturn on Commitment Appropriations in 2022 for DG NEAR

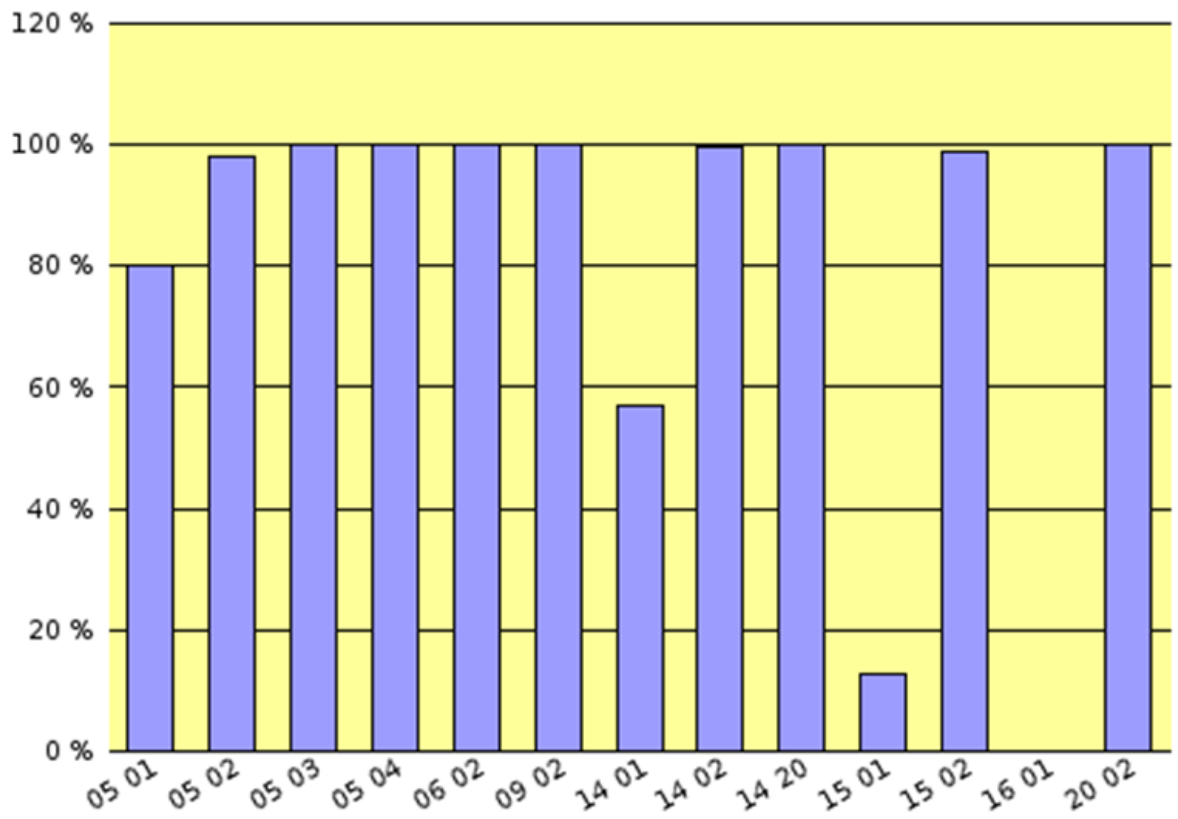


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG NEAR					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,14	0,08	59,34 %
	05 02	European Regional Development Fund (ERDF)	0,10	0,09	88,97 %
	05 03	Cohesion Fund (CF)	0,04	0,04	100,00 %
	05 04	Support to the Turkish-Cypriot community	0,83	0,83	100,00 %
Total Title 05			1,11	1,04	93,89%
Title 06 Recovery and Resilience					
06	06 02	Recovery and Resilience Facility and Technical Support Instrument	0,51	0,51	100,00 %
Total Title 06			0,51	0,51	100,00%
Title 09 Environment and Climate Action					
09	09 02	Programme for the Environment and Climate Action (LIFE)	0,13	0,13	100,00 %
Total Title 09			0,13	0,13	100,00%
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	3,79	1,19	31,32 %
	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	4.059,62	4.023,21	99,10 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	12,00	10,72	89,38 %
Total Title 14			4.075,41	4.035,12	99,01%
Title 15 Pre-accession Assistance					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	25,86	1,69	6,52 %
	15 02	Instrument for Pre-accession Assistance (IPA III)	1.733,26	1.679,05	96,87 %
Total Title 15			1.759,12	1.680,74	95,54%
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	11,36	0,00	0,00 %
Total Title 16			11,36	0,00	0,00%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,68	0,63	91,91 %
Total Title 20			0,68	0,63	91,91%
Total Excluding NGEU			5.848,33	5.718,18	97,77%
Total DG NEAR			5.848,33	5.718,18	97,77 %

* 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).

% Outturn on Payment Appropriations in 2022 for DG NEAR

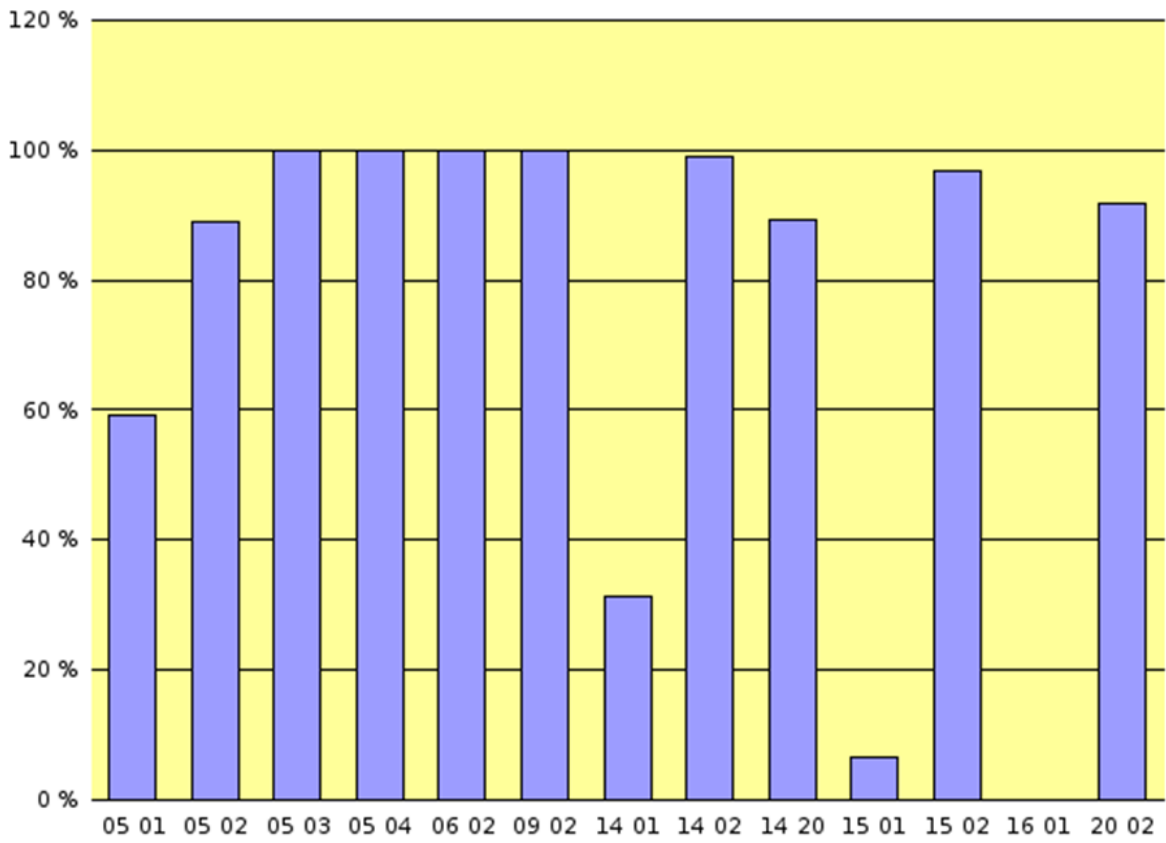


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,11	0,08	0,01	25,78%	0,00	0,01	0,00
	05 02	European Regional Development Fund (ERDF)	0,51	0,00	0,51	100,00%	8,27	8,78	8,36
	05 03	Cohesion Fund (CF)	0,09	0,00	0,09	100,00%	0,08	0,17	0,12
	05 04	Support to the Turkish-Cypriot community	2,00	0,00	2,00	100,00%	0,85	2,85	1,68
Total Title 05			2,71	0,08	2,61	96,93%	9,20	11,81	10,16
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 02	Recovery and Resilience Facility and Technical Support Instrument	1,18	0,02	1,16	98,45%	0,28	1,44	0,78
Total Title 06			1,18	0,02	1,16	98,45%	0,28	1,44	0,78
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 02	Programme for the Environment and Climate Action (LIFE)	0,75	0,00	0,75	100,00%	0,56	1,31	0,69
Total Title 09			0,75	0,00	0,75	100,00%	0,56	1,31	0,69
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Support administrative expenditure of the 'External Action' cluster	1,57	0,53	1,04	66,39%	0,00	1,04	0,93
	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	5.505,60	2.022,84	3.482,77	63,26%	5.417,55	8.900,32	7.675,99
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	5,68	0,01	5,67	99,86%	13,41	19,08	24,19
Total Title 14			5.512,85	2.023,37	3.489,48	63,30%	5.430,96	8.920,44	7.701,11
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	3,46	0,70	2,76	79,88%	0,00	2,76	1,17
	15 02	Instrument for Pre-accession Assistance (IPA III)	2.008,68	173,72	1.834,96	91,35%	5.049,53	6.884,49	6.626,11
Total Title 15			2.012,14	174,42	1.837,72	91,33%	5.049,53	6.887,25	6.627,28
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0,00	0,00	0,00	100,00%	0,00	0,01	0,01
Total Title 16			0,00	0,00	0,00	100,00%	0,00	0,01	0,01
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0,66	0,63	0,03	4,67%	0,00	0,03	0,03
Total Title 20			0,66	0,63	0,03	4,67%	0,00	0,03	0,03
Total Excluding NGEU			7.530,29	2.198,52	5.331,76	70,80%	10.490,53	15.822,29	14.340,05
Total for DG NEAR			7.530,29	2.198,52	5.331,77	70,80 %	10.490,53	15.822,29	14.340,05

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 NEAR

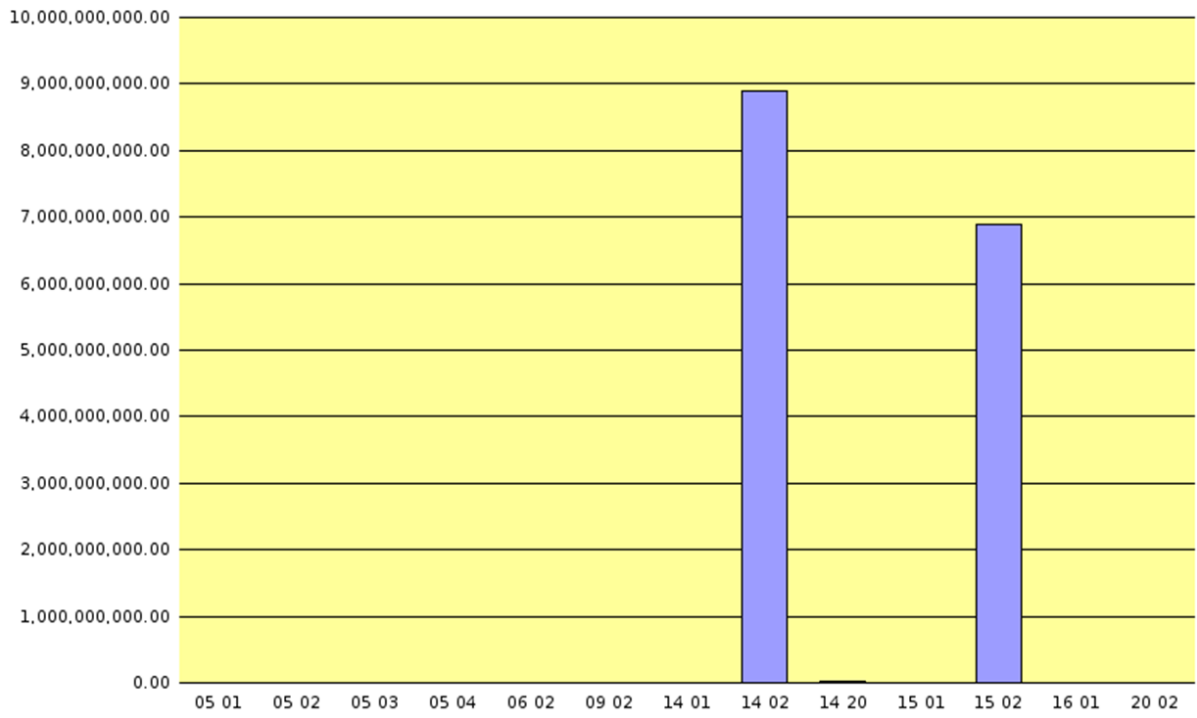


TABLE 4 : BALANCE SHEET for DG NEAR

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	1.366.064.381,33	1.467.720.810,05
A.I.4. Non-Current Financial Assets	635.231.344,94	628.729.198,28
A.I.5. Non-Current Pre-Financing	695.744.167,37	756.362.373,57
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	35.088.869,02	82.629.238,20
A.II. CURRENT ASSETS	2.227.523.587,80	2.046.645.323,23
A.II.1. Current Financial Assets	44.304.897,46	18.349.205,72
A.II.2. Current Pre-Financing	1.921.290.267,39	1.754.616.642,97
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	59.512.023,09	75.033.024,97
A.II.6. Cash and Cash Equivalents	202.416.399,86	198.646.449,57
ASSETS	3.593.587.969,13	3.514.366.133,28
P.I. NON CURRENT LIABILITIES	-50.485.078,07	-8.031.687,90
P.I.2. Non-Current Provisions	-336.764,05	-336.764,05
P.I.3. Non-Current Financial Liabilities	-50.148.314,02	-7.694.923,85
P.III. NET ASSETS/LIABILITIES	0,00	0,00
P.III.1. Reserves	0,00	0,00
P.II. CURRENT LIABILITIES	-139.896.849,95	-1.016.602.838,72
P.II.2. Current Provisions	-394.937,73	-875.880,73
P.II.3. Current Financial Liabilities	-2.506.259.920,04	-2.583.149.512,34
P.II.4. Current Payables	3.373.389.275,96	2.417.639.087,89
P.II.5. Current Accrued Charges & Defrd Income	-1.006.631.268,14	-850.216.533,54
LIABILITIES	-190.381.928,02	-1.024.634.526,62
NET ASSETS (ASSETS less LIABILITIES)	3.403.206.041,11	2.489.731.606,66
P.III.2. Accumulated Surplus/Deficit	23.354.560.415,21	19.566.549.182,48
Non-allocated central (surplus)/deficit*	-26.757.766.456,32	-22.056.280.789,14
TOTAL DG NEAR	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 for DG NEAR

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-343.761.969,41	-220.910.283,40
II.1.1. NON-EXCHANGE REVENUES	-8.529.029,28	-13.357.340,86
II.1.1.6. RECOVERY OF EXPENSES	-6.838.017,52	-12.147.517,09
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-1.691.011,76	-1.209.823,77
II.1.2. EXCHANGE REVENUES	-335.232.940,13	-207.552.942,54
II.1.2.1. FINANCIAL INCOME	-330.799.586,78	-194.010.603,75
II.1.2.2. OTHER EXCHANGE REVENUE	-4.433.353,35	-13.542.338,79
II.2. EXPENSES	5.088.104.571,71	4.008.921.516,13
II.2. EXPENSES	5.088.104.571,71	4.008.921.516,13
II.2.10. OTHER EXPENSES	19.055.201,17	13.205.636,88
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	0,00	22.935.372,10
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	2.762.530.614,87	1.878.391.802,60
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	7.313.453,68	6.289.873,81
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	1.246.135.870,15	1.345.929.283,76
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	557.868.791,54	315.572.532,94
II.2.8. FINANCE COSTS	495.200.640,30	426.597.014,04
STATEMENT OF FINANCIAL PERFORMANCE	4.744.342.602,30	3.788.011.232,73

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 5bis : OFF BALANCE SHEET for DG NEAR

OFF BALANCE	2022	2021
OB.1. Contingent Assets	135.233.485,83	153.002.115,89
GR for performance	24.829.016,01	26.574.598,09
GR for pre-financing	108.648.527,46	120.733.140,32
OB.1.3. CA Other	1.755.942,36	5.694.377,48
OB.2. Contingent Liabilities	-33.897.897.744,83	-33.190.564.994,73
OB.2.1. Guarantees given for EU FI	-116.170.342,95	-124.501.767,57
OB.2.2. Budgetary Guarantees given	-21.091.094.897,87	-20.834.521.314,29
OB.2.6. Budg Guar given - Signed,not yetdistr	-12.652.384.371,48	-12.191.032.317,68
OB.2.7. CL Legal cases OTHER	-38.248.132,53	-40.509.595,19
OB.3. Other Significant Disclosures	-63.782.100.078,47	-46.222.654.218,47
OB.3.2. Comm against app. not yet consumed	-14.710.206.753,71	-13.197.100.586,59
OB.3.3.8.Budgetary Guarantees Ceiling	-49.071.893.324,76	-33.025.553.631,88
OB.4. Balancing Accounts	97.544.764.337,47	79.260.217.097,31
OB.4. Balancing Accounts	97.544.764.337,47	79.260.217.097,31
OFF BALANCE	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 6 : AVERAGE PAYMENT TIMES for DG NEAR

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
18	1	1	100,00 %	17,00				0,00	0,00
25	1	1	100,00 %	19,00				0,00	0,00
30	859	819	95,34 %	12,26	40	4,66 %	71,08	15.044.255,13	0,01
45	56	55	98,21 %	26,27	1	1,79 %	49,00	111.982,20	0,00
60	1.211	1.156	95,46 %	37,30	55	4,54 %	103,67	15.831.247,84	0,05
90	1.186	1.139	96,04 %	50,05	47	3,96 %	108,96	19.361.268,63	0,01

Total Number of Payments	3.314	3.171	95,68 %		143	4,32 %		50.348.753,80	1,24%
Average Net Payment Time	37,83			35,21			95,91		
Average Gross Payment Time	59,72			55,56			152,03		

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	54	1.332	40,19 %	3.314	1.166.383.379,06	28,78 %	4.053.109.352,08

Late Interest paid in 2022			
DG	GL Account	Description	Amount (Eur)
NEAR	65010000	Interest expense on late payment of charges	15.408,44
NEAR	65010100	Interest on late payment of charges New FR	11.663,54
			27.071,98

NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex3 BO User Guide (https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx).

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2022 for DG NEAR

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	
33	Other administrative revenue	434.677,60	5.298.716,98	5.733.394,58	434.677,60	5.022.250,00	5.456.927,60	276.466,98
40	Revenue from investments and accounts	671.835,06	748.750,50	1.420.585,56	48.674,68	131.709,46	180.384,14	1.240.201,42
42	Fines and penalties	52.673,57	0,00	52.673,57	50.000,00	0,00	50.000,00	2.673,57
65	Neighbourhood and the world	66.905.412,80	3.923.545,88	70.828.958,68	55.227.781,54	3.315.529,76	58.543.311,30	12.285.647,38
66	Other contributions and refunds	2.075.911,35	0,00	2.075.911,35	2.072.273,29	0,00	2.072.273,29	3.638,06
67	Completion for outstanding recovery orders prior to 2021	-4.688.148,36	35.612.640,38	30.924.492,02	-4.304.931,78	5.623.525,29	1.318.593,51	29.605.898,51
Total DG NEAR		65.452.362,02	45.583.653,74	111.036.015,76	53.528.475,33	14.093.014,51	67.621.489,84	43.414.525,92

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG NEAR

EX-ANTE CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS	54.859.967,64		54.859.967,64
CREDIT NOTES	1.666.714,88		1.666.714,88
RECOVERY ORDERS ON PRE-FINANCING	3.384.070,55	58.056,41	3.442.126,96
Sub-Total	59.910.753,07	58.056,41	59.968.809,48

EX-POST CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
INCOME LINES IN INVOICES			
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	4.418.467,49	57.934,36	4.476.401,85
Sub-Total	4.418.467,49	57.934,36	4.476.401,85
GRAND TOTAL (EX-ANTE + EX-POST)	64.329.220,56	115.990,77	64.445.211,33

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for DG NEAR

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2005	2	2	0,00 %	267.184,00	267.184,00	0,00 %
2006	1	1	0,00 %	300.000,00	300.000,00	0,00 %
2007	4	4	0,00 %	644.073,07	436.359,35	-32,25 %
2008	1		-100,00 %	90.443,53		-100,00 %
2009	1	1	0,00 %	82.866,00	82.866,00	0,00 %
2010	1	1	0,00 %	71.964,00	71.964,00	0,00 %
2011	4	4	0,00 %	1.568.697,49	1.568.697,49	0,00 %
2012	7	7	0,00 %	838.085,26	838.085,26	0,00 %
2013	7	6	-14,29 %	2.466.501,92	2.446.032,92	-0,83 %
2014	14	13	-7,14 %	2.317.351,01	2.312.744,44	-0,20 %
2015	11	10	-9,09 %	4.035.336,68	3.998.136,68	-0,92 %
2016	12	12	0,00 %	1.906.874,61	1.757.655,71	-7,83 %
2017	25	22	-12,00 %	7.140.803,93	3.198.304,13	-55,21 %
2018	28	26	-7,14 %	4.870.101,74	4.850.903,33	-0,39 %
2019	21	18	-14,29 %	6.480.494,99	6.418.388,56	-0,96 %
2020	20	15	-25,00 %	3.703.398,81	2.718.821,23	-26,59 %
2021	58	11	-81,03 %	9.412.094,23	629.399,94	-93,31 %
2022		61			12.411.366,73	
	217	214	-1,38 %	46.196.271,27	44.306.909,77	-4,09 %

TABLE 10: Recovery Order Waivers >= 60 000 € in 2022 for DG NEAR

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
3233220101	3241705275	-2.413.772,00	Private Companies		
3233220102	3241705274	-1.522.704,80	Private Companies		
3233220107	3230812569	-90.443,53	Private Companies		

Total DG NEAR	-4.026.920,33
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Number of RO waivers	3
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There are 10 waivers below 60 000 € for a total amount of -125,374.93

Justifications:

1. 3233220101: Request for waiver of the RO in subject based on the insolvency of the debtor (liquidation) In the accordance of the opinion expressed by Legal Services on its note ARES(2018)514611 of 29/01/2018.
2. 3233220102: Request for waiver of the RO in subject based on the insolvency of the debtor (liquidation) In the accordance of the opinion expressed by Legal Services on its note ARES(2018)514611 of 29/01/2018
3. 3233220107: After longstanding legal proceedings which failed, the Legal Service recommended in its note dated 17 June 2021 Ares(2021)3967514, to waive the outstanding claim against MOVIMONDO, since all possible means to enforce recovery of the Commission's claims have been unsuccessfully deployed.

TABLE 11 : Negotiated Procedures in 2022 for DG NEAR

External Procedures > € 20,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	2	3.118.240,00
Annex 1 - 11.1 (c) - Extreme urgency caused by unforeseeable events not attributable to the contracting authority	10	19.279.630,00
Annex 1 - 11.1 (e) - New services/works consisting in the repetition of similar services/works	15	26.263.569,00
Annex 1 - 39.1 (a) - Services entrusted to public-sector bodies or non-profit institutions or organisations	3	4.124.360,00
Annex 1 - 39.1 (b) - Tender procedure unsuccessful	3	1.534.488,60
Total	33	54.320.287,60

TABLE 12 : Summary of Procedures in 2022 for DG NEAR

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
(Ext. act) Supply - International Open Procedure after publication of a contract notice (Art. 267.1(a) RAP)	1	627.000,00
Local open procedure - Supplies between EUR 100 000-300 000 - Works between EUR 300 000-5 000 000 - (local) publication (Annex 1 - 38.1 (c))	9	10.347.023,25
Negotiated procedure without prior publication (Annex 1 - 11.1)	28	48.832.536,92
Negotiated procedure with single tender (Annex 1 - 39.1)	6	5.658.848,60
Open procedure - As provided for in FR 164(1)(a) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (b))	13	18.634.881,43
Restricted procedure - As provided for in FR 164(1)(b) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (a))	37	87.121.616,43
Simplified procedure - Services/Works < EUR 300 000 - Supplies < EUR 100 000. Legal services as in Annex 1 - 38.6. (Annex 1 - 38.1 (d))	16	3.757.742,22
Total	110	174.979.648,85

TABLE 13 : BUILDING CONTRACTS in 2022 for DG NEAR

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)
Annex 1 - 11.1 (g) - Building contracts	EUROPEAID/431539/00//WKS	SCR.LCM.431539.01	ELAN PROPERTIES B.C.-S DOOEL SKOPJE	SCR.LCM.431539.01 - EUROPE HOUSE LEASE CONTRACT 2022-2024	171.097,92
		1			171.097,92

TABLE 14 : CONTRACTS DECLARED SECRET in 2022 for DG NEAR

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)
DG NEAR has no secret contracts in 2022				

TABLE 15 : FPA duration exceeds 4 years - DG NEAR

None of DG NEAR's FPA (if any) exceeds 4 years

TABLE 16 : Commitments co-delegation type 3 in 2022 for DG NEAR

DG NEAR has no commitments co-delegation type 3 in 2022

Annex 3 Financial Reports for T004 - Financial Year 2022**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****Table 12 : Summary of Procedures****Table 13 : Building Contracts****Table 14 : Contracts declared Secret****Table 15 : FPA duration exceeds 4 years**

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS until 2022 for T004						
Budget Title		Cumulative Commitment appropriations authorised	Commitment appropriations authorised in the year	Cumulative Commitments made	Commitments made in 2022	%
		1		2		3=2/1
01	Administrative expenditure	17,89		17,88	0,00	99,99 %
04	Civil society, local authority	39,97	0,00	39,97	0,00	100,00 %
07	Democracy & human rights	36,53	0,00	36,53	0,00	100,00 %
08	Education	716,82	0,00	716,49	-0,33	99,95 %
09	Employment and social inclusion	312,61	0,00	312,61	0,00	100,00 %
12	Food & nutrition security	17,00		17,00	-0,00	100,00 %
14	Gender equality	8,00	0,00	8,00	0,00	100,00 %
16	Health	341,14	0,00	340,59	-0,55	99,84 %
20	Migration	35,38		35,08	-0,30	99,16 %
24	Water & sanitation	349,95	0,00	349,95	0,00	100,00 %
26	Humanitarian aid (emergency response)	10,00		10,00	0,00	100,00 %
27	Civil protection	10,00	0,00	10,00	0,00	100,00 %
97	Multisector / Cross-cutting activities	476,51	0,21	476,19	-0,05	99,93 %
98	Horizontal Operational Expenses	11,48	0,25	11,09	-0,02	96,64 %
99	Reserves/unallocated Reserves/unallocated	1,83	-0,23			0,00%
Total DG T004		2.385,10	0,23	2.381,39	-1,25	99,84 %

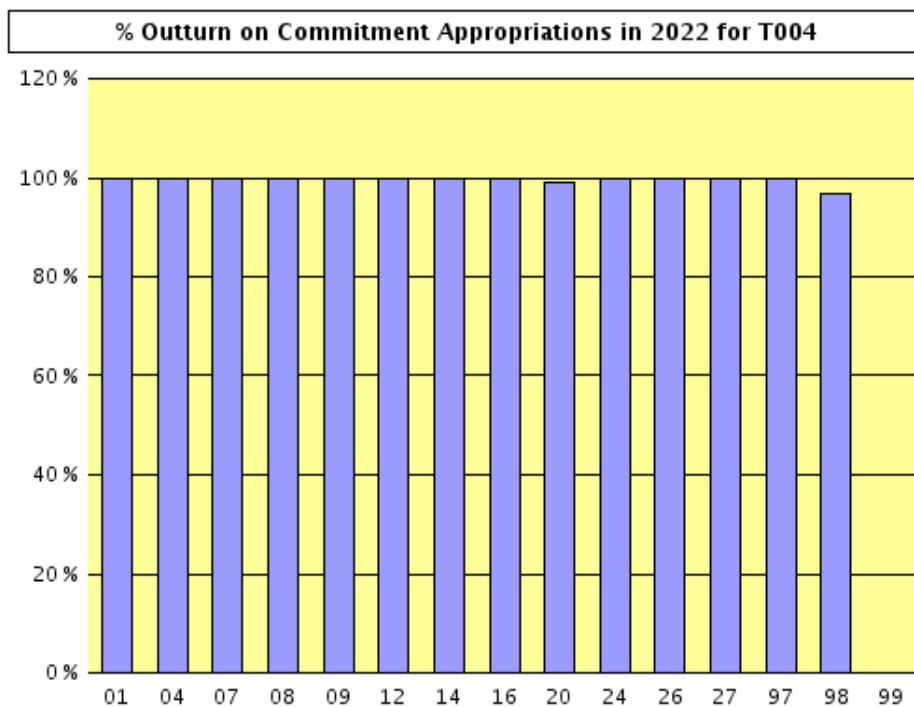


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS for T004 until 2022 (in Mio €)						
Budget Title		Cumulative Payments appropriations authorised	Payment appropriations authorised in the year	Cumulative Payments made	Payments made in 2022	%
		1		2		3=2/1
01	Administrative expenditure	17,89	1,28	17,88	1,27	99,98 %
04	Civil society, local authority	37,89	7,55	37,43	8,46	98,78 %
07	Democracy & human rights	32,78	4,98	32,78	4,12	99,98 %
08	Education	601,28	62,67	601,28	27,27	100,00 %
09	Employment and social inclusion	238,52	34,12	238,52	30,73	100,00 %
12	Food & nutrition security	16,89		16,89		100,00 %
14	Gender equality	1,98	0,30	1,61	1,61	81,09 %
16	Health	311,64	69,40	306,75	10,86	98,43 %
20	Migration	35,10		35,08		99,96 %
24	Water & sanitation	242,48	43,48	242,48	48,25	100,00 %
26	Humanitarian aid (emergency response)	7,97		7,97		100,00 %
27	Civil protection	10,00		10,00	1,00	100,00 %
97	Multisector / Cross-cutting activities	445,45	68,14	445,25	67,76	99,95 %
98	Horizontal Operational Expenses	8,02	1,50	7,76	1,14	96,77 %
99	Reserves/unallocated Reserves/unallocated	28,60	18,04			
Total DG T004		2.036,50	311,47	2.001,69	202,46	98,29 %

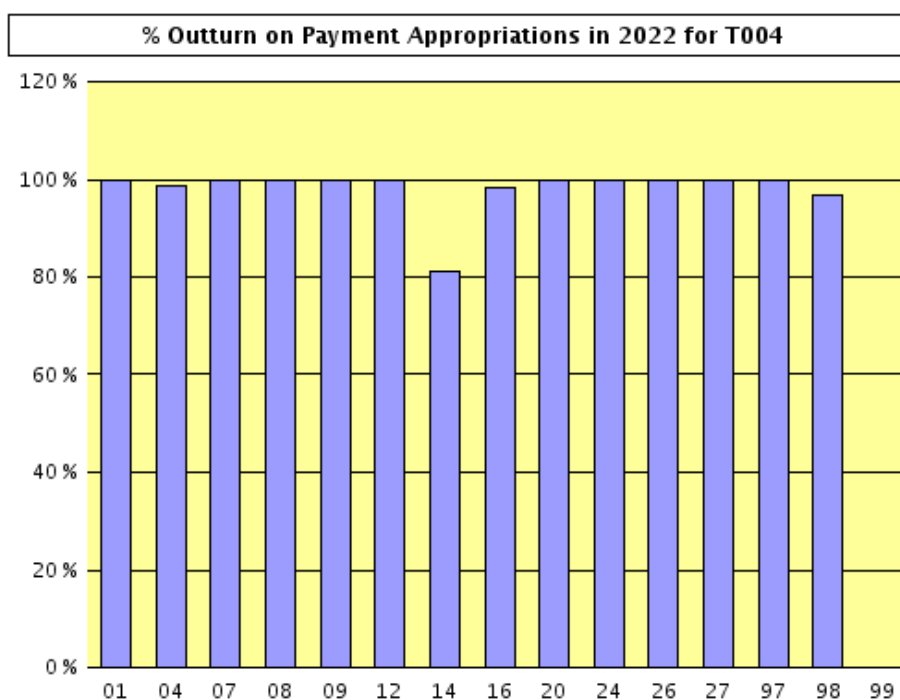


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 for T004 (in Mio €)								
Budget Title		Commitments	Contracted	Payments	% to be settled	to be settled at end 2022	to be settled at end 2021	RAL Evolution %
		1		2	3 = 2/1	4 = 2-1	5	6=(4-5)/5
01	Administrative expenditure	17,88	17,88	17,88	99,99%	0,00	1,27	-99,90%
04	Civil society, local authority	39,97	39,97	37,43	93,65%	2,54	11,00	-76,92%
07	Democracy & human rights	36,53	36,51	32,78	89,73%	3,75	7,87	-52,31%
08	Education	716,49	716,44	601,28	83,92%	115,21	142,81	-19,33%
09	Employment and social inclusion	312,61	312,54	238,52	76,30%	74,09	104,82	-29,31%
12	Food & nutrition security	17,00	17,00	16,89	99,35%	0,11	0,11	-0,66%
14	Gender equality	8,00	8,00	1,61	20,11%	6,39	8,00	-20,11%
16	Health	340,59	340,13	306,75	90,07%	33,84	45,25	-25,22%
20	Migration	35,08	35,08	35,08	100,00%	0,00	0,30	-100,00%
24	Water & sanitation	349,95	349,92	242,48	69,29%	107,47	155,72	-30,99%
26	Humanitarian aid (emergency response)	10,00	10,00	7,97	79,71%	2,03	2,03	0,00%
27	Civil protection	10,00	10,00	10,00	100,00%	0,00	1,00	-100,00%
97	Multisector / Cross-cutting activities	476,19	476,01	445,25	93,50%	30,94	98,75	-68,66%
98	Horizontal Operational Expenses	11,09	10,69	7,76	69,98%	3,33	4,49	-25,86%
Total DG T004		2.381,39	2.380,17	2.001,69	84,06%	379,70	583,42	-34,92%

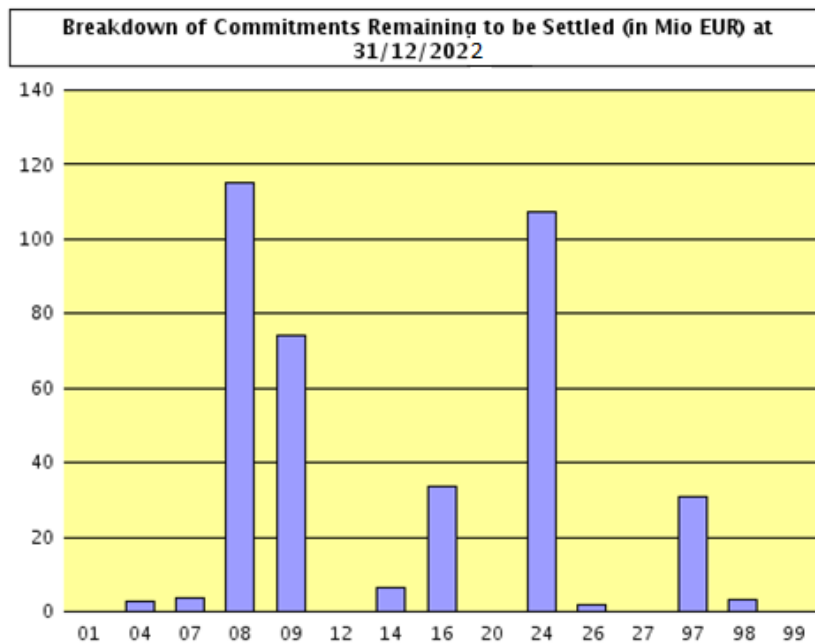


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 for T004 (in Mio €)

Budget Title		Commitments outstanding at the end of previous				Commitments of the current year			Total commitm. outstanding at the end of the year
		Commitm. carried forward from	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm./ Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	
01	Administrative expenditure	1,27	0,00	1,27	0,00				0,00
04	Civil society, local authority	11,00		8,46	2,54				2,54
07	Democracy & human rights	7,87	0,00	4,12	3,75				3,75
08	Education	142,81	-0,33	27,27	115,21	17,00		17,00	132,21
09	Employment and social inclusion	104,82	0,00	30,73	74,09	45,00		45,00	119,09
12	Food & nutrition security	0,11	-0,00		0,11				0,11
14	Gender equality	8,00	0,00	1,61	6,39	8,00		8,00	14,39
16	Health	45,25	-0,55	10,86	33,84	29,00		29,00	62,84
20	Migration	0,30	-0,30		0,00				0,00
24	Water & sanitation	155,72	0,00	48,25	107,47	39,00		39,00	146,47
26	Humanitarian aid (emergency response)	2,03			2,03				2,03
27	Civil protection	1,00		1,00	0,00				0,00
97	Multisector / Cross-cutting activities	98,75	-0,05	67,76	30,94	6,90		6,90	37,84
98	Horizontal Operational Expenses	4,49	-0,02	1,14	3,33	0,30		0,30	3,63
Total DG T004		583,42	-1,25	202,46	379,70	145,20		145,20	524,90

TABLE 4 : BALANCE SHEET for T004

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	27.617.188,33	27.190.730,20
A.I.5. Non-Current Pre-Financing	27.617.188,33	27.190.730,20
A.II. CURRENT ASSETS	165.854.896,56	321.294.965,81
A.II.2. Current Pre-Financing	124.633.583,82	257.292.765,81
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	6.858.346,67	7.418.933,42
A.II.6. Cash and Cash Equivalents	34.362.966,07	56.583.266,58
ASSETS	193.472.084,89	348.485.696,01
P.I. NON CURRENT LIABILITIES	-86.317.786,56	-299.974.767,05
P.I.3. Non-Current Financial Liabilities	-86.317.786,56	-299.974.767,05
P.III. NET ASSETS/LIABILITIES	0,00	0,00
P.III.2. Accumulated Surplus / Deficit	0,00	0,00
P.II. CURRENT LIABILITIES	-107.154.298,33	-48.510.928,96
P.II.4. Current Payables	-16.451.419,45	-490.281,70
P.II.5. Current Accrued Charges & Defrd Income	-90.702.878,88	-48.020.647,26
LIABILITIES	-193.472.084,89	-348.485.696,01
NET ASSETS (ASSETS less LIABILITIES)	0,00	0,00
Non-allocated central (surplus)/deficit*	0,00	0,00
TOTAL DG NEAR	0,00	0,00

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for T004

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-406.150.226,84	-265.583.880,27
II.1.1. NON-EXCHANGE REVENUES	-393.673.543,46	-256.450.295,13
II.1.1.5. RECOVERY OF EXPENSES	-16.562,97	
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-393.656.980,49	-256.450.295,13
II.1.2. EXCHANGE REVENUES	-12.476.683,38	-9.133.585,14
II.1.2.1. FINANCIAL INCOME	-93.371,58	-1.760,55
II.1.2.2. OTHER EXCHANGE REVENUE	-12.383.311,80	-9.131.824,59
II.2. EXPENSES	406.150.226,84	265.583.880,27
II.2.1. EXPENSES	406.150.226,84	265.583.880,27
II.2.1.11 OTHER EXPENSES	9.091.558,89	3.778.032,42
II.2.1.2 EXP IMPLM BY COMMISS&EX.AGENC. (DM)	396.927.927,35	261.559.599,79
II.2.1.9 FINANCE COSTS	130.740,60	246.248,06
STATEMENT OF FINANCIAL PERFORMANCE	0,00	0,00

TABLE 5bis : OFF BALANCE SHEET for T004

OFF BALANCE	2022	2021
OB.1. Contingent Assets	0,00	547.680,00
GR for pre-financing	0,00	547.680,00
OB.3. Other Significant Disclosures	-221.320.331,37	-522.091.744,92
OB.3.2. Comm against app. not yet consumed	-221.320.331,37	-522.091.744,92
OB.4. Balancing Accounts	221.320.331,37	521.544.064,92
OB.4. Balancing Accounts	221.320.331,37	521.544.064,92
OFF BALANCE	0,00	0,00

TABLE 6: AVERAGE PAYMENT TIMES in 2022 for T004

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	2	2	100,00 %	18,50			
60	10	9	90,00 %	32,22	1	10,00 %	63,00
90	37	36	97,30 %	68,03	1	2,70 %	96,00

Total Number of Payments	49	47	95,92 %		2	4,08 %	
Average Net Payment Time	59,90			59,06			79,50
Average Gross Payment Time	82,73			82,87			79,50

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	40	28	57,14 %	49	107.987.981,78	57,30 %	188.454.284,69

§

Revenue Type	RO created during 2022			RO created before 2022			Total		
	Issued	Cashed	Open amount	Open amount at the beginning of the year	Cashed	Open amount	Issued	Cashed	Open amount
	1	2	3 = 1 - 2	4	5	6 = 4 - 5	7 = 1 + 4	8 = 2+5	9 = 3 + 6
Contributions	185,00	155,00	30,00	25,00	25,00	-0,00	210,00	180,00	30,00
Interests	-0,23	0,00	-0,23	-0,25	0,00	-0,25	-0,48	0,00	-0,48
Returns	0,46	0,46	0,00	0,00	0,00	0,00	0,46	0,46	0,00
Total T004	185,23	155,46	29,77	24,75	25,00	-0,25	209,98	180,46	29,52

Financial Year	Issuing year	Revenue Type	Issued	Cashed	outstanding
2022	2022	Contributions	185,00	155,00	30,00
	2022	Interests	-0,23	0,00	-0,23
	2022	Returns	0,46	0,46	0,00
	2021	Contributions	335,76	25,00	-25,00
	2021	Interests	-0,19	0,00	0,00
	2021	Returns	0,90	0,00	0,00
2022			521,70	180,46	4,77
2021	2021	Contributions	335,76	310,76	25,00
	2021	Interests	-0,19	0,00	-0,19
	2021	Returns	0,90	0,90	0,00
	2020	Contributions	462,71	0,00	0,00
	2020	Interests	-0,18	0,00	0,00
	2020	Returns	2,00	0,00	0,00
2021			801,00	311,66	24,81
2020	2020	Contributions	462,71	462,71	0,00
	2020	Interests	-0,18	0,00	-0,18
	2020	Returns	2,00	2,00	0,00
	2019	Contributions	287,36	0,00	0,00
	2019	Interests	0,00	0,00	0,00
	2018	Contributions	30,00	0,00	0,00
2016	Contributions	0,43	0,00	0,00	
2020			782,32	464,71	-0,18
2019	2019	Contributions	287,36	287,36	0,00
	2019	Interests	0,00	0,00	0,00
	2018	Contributions	299,28	5,00	-5,00
	2018	Interests	0,00	0,00	0,00
	2017	Contributions	20,25	0,00	0,00
	2016	Contributions	0,43	0,43	-0,43
2019			607,33	292,79	-5,43
2018	2018	Contributions	299,28	294,28	5,00
	2018	Interests	0,00	0,00	0,00
	2017	Contributions	188,47	20,25	-20,25
	2016	Contributions	0,43	0,00	0,00
2018			488,19	314,53	-15,25
2017	2017	Contributions	188,47	168,22	20,25
	2016	Contributions	258,23	0,00	0,00
	2016	Interests	0,13	0,00	0,00
	2015	Contributions	7,86	0,00	0,00
2017			454,69	168,22	20,25
2016	2016	Contributions	258,23	257,80	0,43
	2016	Interests	0,13	0,00	0,13
	2015	Contributions	46,79	7,86	-7,86
	2015	Interests	0,00	0,00	0,00
2016			305,15	265,66	-7,30
2015	2015	Contributions	46,79	38,93	7,86
	2015	Interests	0,00	0,00	0,00
2015			46,79	38,93	7,86
		Total for T004	2.066,50	2.036,97	29,52

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in for T004

EX-ANTE CONTROLS	Irregularity	Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS	5.932.623,11	5.932.623,11
CREDIT NOTES		
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	5.932.623,11	5.932.623,11

EX-POST CONTROLS	Irregularity	Total undue payments recovered
INCOME LINES IN INVOICES		
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
Sub-Total		
GRAND TOTAL (EX-ANTE + EX-POST)	5.932.623,11	5.932.623,11

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2022 for T004

	Number at 01/01/2022	Number at 31/12/2022	Evolution	Open Amount (Eur) at 01/01/2022	Open Amount (Eur) at 31/12/2022	Evolution
2022		1			30.000.000,00	
		1			30.000.000,00	

TABLE 10 : Recovery Order Waivers >= 60 000 € in 2022 for T004

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG NEAR	0,00
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Number of RO waivers	0
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There are no waivers above 60 000 €

There are no recovery order waivers for T004 in 2022.

TABLE 11 : Negotiated Procedures in 2022 for T004

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
There are no negotiated procedures for T004 in 2022.		

TABLE 12 : Summary of Procedures in 2022 for T004

Procedure Legal base	Number of Procedures	Amount (€)
There are no procedures for T004 in 2022.		

TABLE 13 : BUILDING CONTRACTS in 2022 for T004

Legal Base	Procedure subject	Contract Number	Direct or Specific?	Contractor Name	Contract Subject	Amount (€)
There are no building contracts for T004 in 2022.						

TABLE 14 : CONTRACTS DECLARED SECRET in 2022 for T004

Legal Base	Direct or Specific?	LC Date	Contract Number	Contract Subject	Contracted Amount (€)
There are no contracts declared secret for T004 in 2022.					

TABLE 15 : FPA duration exceeds 4 years for T004 in 2022

None of T004's FPA (if any) exceeds 4 years.

ANNEX 4: Financial scorecard

DG NEAR

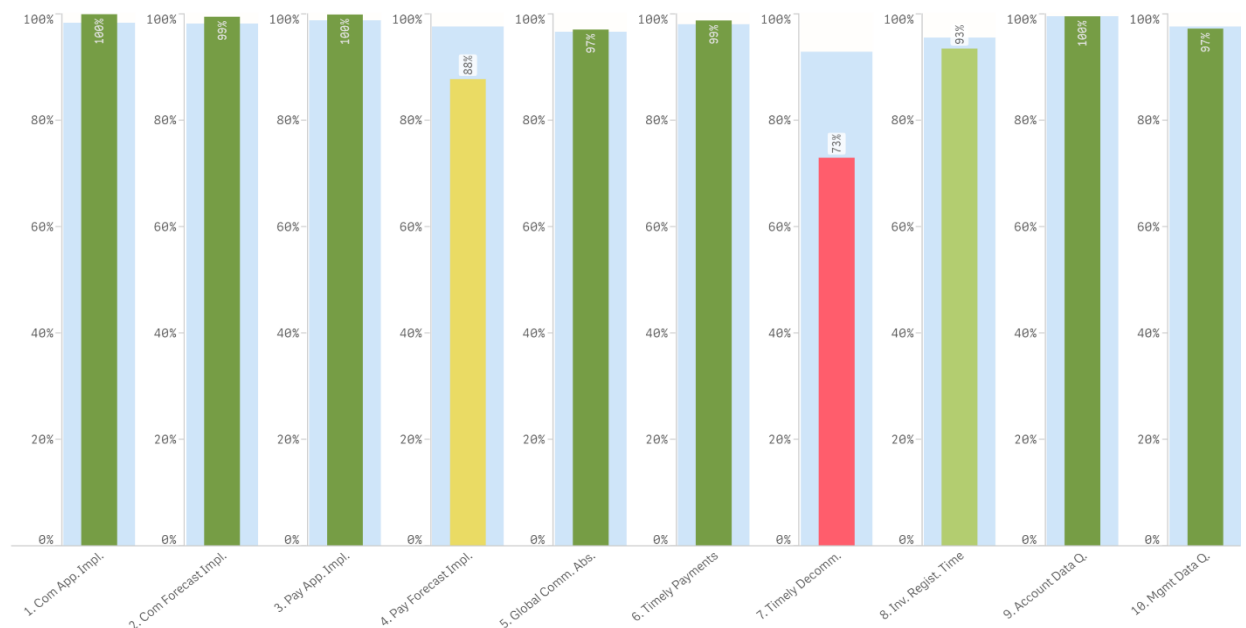
The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2022, 10 standard financial indicators are presented below, each with its objective and result for DG NEAR and for the EC as a whole (for benchmarking purposes)⁴⁶:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

For each indicator, its value (in %) for DG NEAR is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

NEAR Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC score.

⁴⁶ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment ⁴⁷	NEAR Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		99%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		88%	98%
5. Global Commitment Absorption ⁴⁸	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		97%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		99%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	343 contracts decommitted out of 470 expired (FDI elapsed by 6 months), total open RAL of EUR 40 million. The main reasons behind Com L2 with expired and not decommitted amounts are ongoing audits and court cases not allowing for finalisation of expenditure and contracts closure. For several contracts final payments were processed at the end of 2022 and possible	73%	93%

⁴⁷ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

⁴⁸ Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

		<p>de-commitments and contracts closures will be processed in the first quarter of 2023.</p> <p>The lowest value of timely decommitments has EUD Syria: Contracts in Syria undergo expenditure verification on a mandatory basis. The process is complicated by the fact that documentation is, at times, hard to access when it is located inside Syria. In addition, verifications sometimes give rise to financial findings which take time to clarify. In rare cases further action is taken. The orderly completion of these procedures can, unfortunately, lead to delays in closing and de-committing expired contracts.</p>		
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		93%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		97%	98%

EU TRUST FUND FOR AFRICA, NORTH OF AFRICA WINDOW

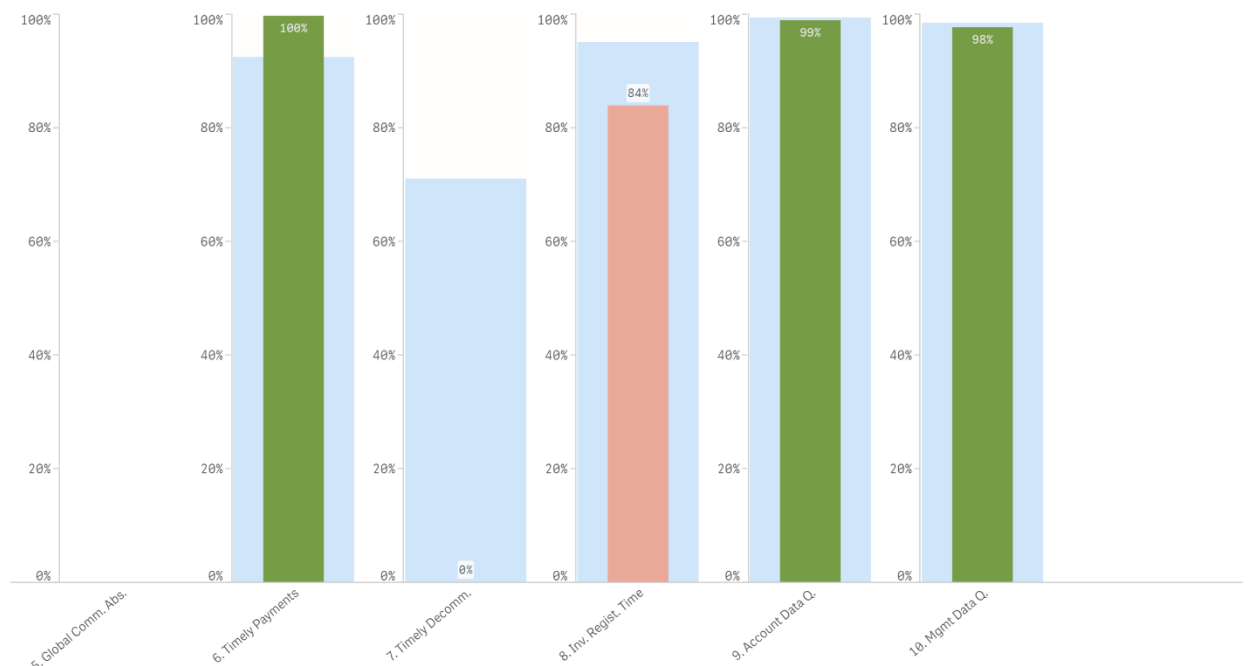
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- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

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- 80 – 0% of the target: dark red

NEAR Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC score.

⁴⁹ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment ⁵⁰	NEAR Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
5. Global Commitment Absorption ⁵¹	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		100%	92%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	71%

⁵⁰ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

⁵¹ Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

Indicator	Objective	Comment ⁵²	NEAR Score	EC Score
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		84%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		99%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		98%	99%

⁵² An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

EU Trust Fund in Response to the Syria Crisis

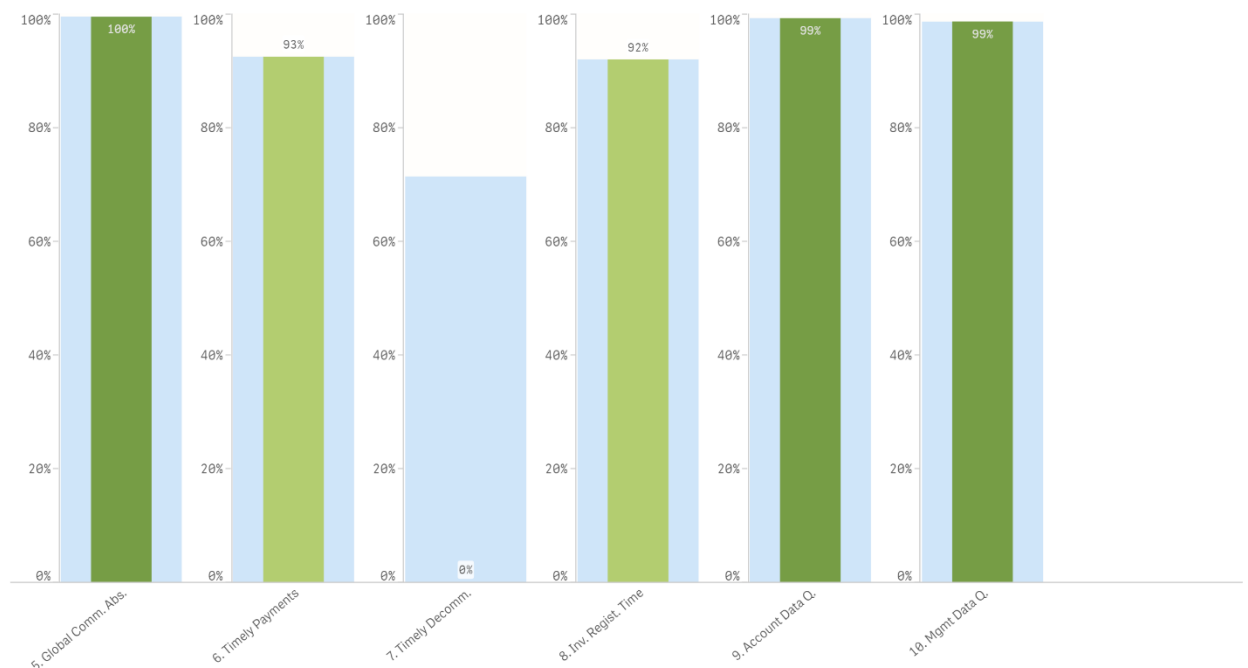
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- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

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- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

NEAR Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC Score.

⁵³ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment ⁵⁴	NEAR Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	-
5. Global Commitment Absorption ⁵⁵	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		100%	100%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		93%	93%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG NEAR in 2022 due to the lack of underlying transactions recorded by DG NEAR in 2022.	-	71%

⁵⁴ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

⁵⁵ Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. It is technically not possible to exclude the decommitment of RAL (C8), which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

Indicator	Objective	Comment⁵⁶	NEAR Score	EC Score
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		92%	92%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		99%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		99%	99%

⁵⁶ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

ANNEX 5: Materiality criteria

The criteria used by DG NEAR to determine the materiality of potential weaknesses have been established in line with the Standing Instructions for the 2022 AAR. These instructions propose a standard quantitative materiality threshold of maximum 2% for the authorised payments of the reporting year, but also allow a multi-annual approach. Because of their multiannual nature, the effectiveness of DG NEAR's control strategy can only be fully measured and assessed once all audits, checks and controls have been fully implemented and systematic errors have been detected and corrected.

Whether DG NEAR is on track towards the control objective of legality and regularity is reassessed annually, taking into account both the frequency and importance of the errors found as well as a cost/benefit analysis of the effort needed to detect and correct them. Notwithstanding the multiannual span of DG NEAR's control strategy, its Director-General is required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as expected.

The identification and potential correction of internal control weaknesses (and in particular errors with financial impact), the criteria for making a decision on whether there is material error in the expenditure of the DG and the question of whether to make a reservation in the AAR will therefore be based on the full range of internal controls described in this AAR and on the level of error identified in the RER Studies on a multi-annual basis and in the Annual Reports by the ECA.

In quantitative terms

DG NEAR ensures that the RER, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the management cycle. DG NEAR considers that a weakness is quantitatively significant and deserves to be disclosed as a reservation to the Declaration when the value of the transactions affected by this weakness represents more than 2% of all the transactions of the same nature (instrument, method of implementation) closed during the period under review (1/9/2021 – 31/8/2022).

'De minimis' threshold for financial reservations

Since 2019⁵⁷, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

⁵⁷ Agreement of the Corporate Management Board of 30/4/2019.

The implementation of this 'de minimis' threshold applies at the level of the annual activity report reservations, i.e. not at all affecting the detailed reservations at the level of the Operational Programme(s). Given the amounts involved, this threshold has no effect on the annual activity report reservations of DG NEAR for 2022.

In qualitative terms

DG NEAR considers issuing a reservation if (i) significant errors, taking into account their frequency of occurrence, or (ii) significant weaknesses in the Internal Control have been identified.

The identification of significant weaknesses in the Internal Control system comes from various sources, such as the annual assessment of internal controls, the periodic risk assessments, the conclusions from reports issued by the various control bodies (ECA, IAS) and major issues that have been outlined by the various control bodies or situations where a significant reputational risk may occur (e.g. major fraud cases or decisions with a significantly negative political impact).

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

DG NEAR has categorised its portfolio and described five major relevant control systems (RCS) corresponding to methods of implementation⁵⁸:

- **Direct Management**
 - **Grants in Direct Management (RCS 1)**
 - **Procurement in Direct Management (RCS 2)**
 - **Budget Support (RCS 3)**
- **Indirect Management**
 - **Indirect management with Beneficiary/ partner countries (RCS 4)**
 - **Indirect management with Entrusted Entities (RCS 5).**

6.1. Direct Management

Under Direct Management, funds are channelled to the final recipients through contracts signed directly by the Commission as contracting authority. Under Direct Management, the control environments are Grants in Direct Management (RCS 1); Procurement in Direct Management (RCS 2); Budget Support (RCS 3); in addition, the Pegase mechanism to channel Direct Financial Support to the Palestinian institutions includes a specific set of controls which has been reviewed in recent years by the ECA.

6.1.1 Grants in Direct Management (RCS 1)

Grants are financial contributions awarded as donations to third parties to co-finance actions intended to help achieve a Union policy objective (action grants), or the functioning of a body which has an objective forming part of, and supporting, a Union policy (operating grants). Grants are based on the reimbursement of eligible costs actually incurred by the beneficiaries, or on financing not linked to the costs of the relevant operations, on unit costs, on lump sums, on flat-rate financing, or on any combination of these forms. Whatever the form of the grant, the latter aims at co-financing the cost of the activities carried out by the beneficiaries for implementing the concerned actions or work programmes. The results of the action remain the property of the beneficiaries.

⁵⁸ As a general rule, a new RCS is developed when the total amount contracted or paid represents at least 10% of the total DG's amount.

Stage 1: Prior to Contracting

Grants are subject to the publication of work programmes on the Commission websites⁵⁹ and implemented principally through calls for proposals⁶⁰. Calls for proposals are based on a standard template and regularly updated in accordance inter alia with the changes in the Financial Regulation and relevant case law. Applicants are expected to present proposals for actions that correspond to stated objectives and fulfil the required conditions set in each call. All applications are examined and assessed based on eligibility and evaluation criteria (selection and award) that were clearly announced in the calls for proposals. This includes an assessment, by an Evaluation Committee composed in majority of DG NEAR staff, of the technical and financial capacity of the applicant, as well as of the relevance, impact, sustainability and cost effectiveness of the proposals. To prevent any potential conflict of interest, each member of the Evaluation Committee must sign a declaration of impartiality and confidentiality. At the end of the evaluation process, DG NEAR notifies all applicants to inform them of the final decision concerning their proposals. Grants may also be concluded following a direct award.

⁵⁹ The Action Documents annexed to the Commission Implementing Decisions adopting Annual Action Programmes constitute the work programmes and the publication consists therefore on making available on Commission website the Action Documents. Additionally, calls for proposals may be announced on the concerned Delegations websites for those that concern the corresponding countries.

⁶⁰ Part of the grants portfolio is made of grants concluded following direct award, in accordance with the relevant legal provisions (Article 190 of the Rules of Application of the Financial Regulation). The RCS1 described in this report also applies mutatis mutandis to those grants directly awarded.

A – Identification and formulation of action to be co-financed including choice of instrument and implementation modality

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality and regularity) and ensuring the proper type of support and modalities specific to each partner country.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.	Quality Review	100%	Economy: Estimation of cost of controls of grant operations up to the identification and formulation, including staff costs. External costs of control are based on values of respective contracts and related disbursements.

B - Preparation, adoption and publication of the Annual Work Programmes 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 and regularity); prevention of fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The annual work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.	Hierarchical validation within the authorising department. Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions). Centralised checklist-based verification	If risk materialises, all grants awarded during the year under this work programme or call would be irregular, inadequate and/or ineffective. Possible impact 100% of budget involved and significant reputational consequences. Coverage / Frequency: 100%. Depth: Checklist includes a list of the requirements of the regulatory provisions identified.	Effectiveness: Number of calls published and grants awarded. Efficiency: Time to prepare and adopt calls and time for publication. Number of clarifications needed. Economy: Estimated cost of controls of grant preparation adoption and publication.

C - 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 and regularity); prevention of fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
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.	Assignment of staff (e.g. programme officers) and/or Selection and appointment of expert assessors. Transparent publication of calls.	100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion).	<p>Effectiveness: Number of requests of clarification or corrigendum regarding the call. Errors identified during RER exercise and/or DAS sampling.</p> <p>Efficiency: Time to grant, time to inform, need to relaunch.</p> <p>Economy: Estimation of cost of controls of grant selection.</p>
	Redress procedure.	100% of contested decisions are analysed by AOSD services.	

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

DG NEAR establishes and signs contracts with successful applicants. For this, proposals (description of the action and the budget) are reviewed to remove possible arithmetical errors and ineligible costs, and to bring clarifications and minor corrections where relevant. A standard grant contract model is used for all EU-financed grant contracts for external actions.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<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 regulatory framework.</p>	<p>Project Officers implement evaluators' recommendations, including elimination of ineligible costs and arithmetical errors in budgets in a dialogue with the selected applicants during the contract preparation stage.</p> <p>Hierarchical validation of proposed adjustments.</p> <p>Validation of beneficiaries (operational and financial viability).</p> <p>Validation of the grant agreement by the AO.</p> <p>In-depth financial verification and taking appropriate measures for high-risk beneficiaries.</p> <p>Strict application of the financial checks embedded in the financial and contractual circuits, including the application of the four eyes principle.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth may be determined after considering the type or nature of the applicant (e.g. large internationally recognized NGOs or local organizations multiple co-applicants, and/or of the modalities (e.g. part of human resources or equipment compared to the total cost of the action) and/or the total value of the grant.</p>	<p>Effectiveness: Final eligible costs accepted, need for riders to facilitate implementation.</p> <p>Efficiency: Budget savings, reallocation to next ranked proposals.</p> <p>Economy: Estimation of cost of controls related to contracting.</p>

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

All payment requests and related reports are verified and approved by DG NEAR staff (ex-ante controls). Before any transaction (payment, rider, etc.) is authorised, the operational and financial aspects are initiated and verified by two different (operational/financial) entities. This is the "four eyes" principle of the Financial Regulation, which DG NEAR, taking into consideration the specific high-risk environment of external aid actions, reinforces by requiring controls by two separate agents for each of these two stages. Checklists and types of controls are regularly updated in accordance with the results of the risk analyses as well as changes in the regulatory environment or feedback from field users.

The first pre-financing payment, which covers either 80% of the amount of the contract or 100% of the EU's part of the first annual budget for the first year of implementation, is paid after both parties have signed the contract. For multi-annual actions, an interim report (technical and financial) and payment request are sent once a year. The balance is paid on approval of the final report. If it appears that actual eligible costs are lower than anticipated or declared, the grant is reduced proportionately, and any unused amount is recovered.

When required by the grant contract, payment requests or final reports are accompanied by an expenditure verification report of an independent external auditor contracted by the grant beneficiary. DG NEAR has developed standard Terms of Reference including a reporting model for expenditure verifications that are part of the standard annexes of the standard grant contracts. They reinforce the verification of compliance with the contract terms including those relating to procurement by the beneficiary. These templates are reviewed on a regular basis to ensure the highest efficiency as well as compliance with changes in the relevant legal framework (e.g. Financial Regulation).

Expenditure verifications are compulsory for:

- Any request for payment of the balance in the case of grants of more than EUR 100.000.
- Any request for further (annual) pre-financing payments in case of grants of EUR 5.000.000 or more.

Additional audits to be carried out by external auditors can be contracted by DG NEAR as part of DG NEAR's annual audit plans based on risk analyses or as deemed appropriate by the AOSD.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
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 provisions.	Operational and financial checks in accordance with the financial circuits. Transaction authorisation by the AO. For riskier operations, ex-ante in-depth and/or on-site verification.	100% of the projects are controlled, including only value-adding checks. Riskier operations subject to in-depth and/or on-site controls. The depth depends on risk criteria.	<p>Effectiveness: Delivered output, sustainability.</p> <p>Efficiency: KPI on Ineligible amount detected through ex-ante controls, number of contracts suspended, amount of penalties, monitoring missions and projects' visits.</p> <p>Economy: Estimation of cost of controls related to monitoring of implementation.</p>
	For high-risk operations, reinforced monitoring. Risk assessment to identify potential ROM, evaluations and on-the-spot (OV and/or FV) monitoring visit. Earmark projects for <i>risk-based</i> system audits (during the first phase of implementation of the project) and financial audits (after receiving at least one interim payment or at the end of the project). See below annual control plans.	High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, unstable co-applicants set-up requesting many amendments, Early Detection and Exclusion System (EDES), etc.	
	<p>If needed: application of Suspension/interruption of payments, Penalties. Referring grant to OLAF.</p> <p>Expenditure verification accompanying</p> <ul style="list-style-type: none"> Any request for payment of the balance in the case of grants of more than EUR 100.000. Any request for pre-financing payments per financial year in case of grants of EUR 5.000.000 or more. <p>Annual Control Plans: Audits and expenditure verifications are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified or audited are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.</p>	<p>Depth: depends on results of controls.</p> <p>Coverage: > 10% of ongoing or very recently closed operations.</p>	<p>Efficiency: KPIs on implementation of audit plans, and on ineligible expenditure detected through ex post controls.</p> <p>Economy: Estimation of cost of controls related to audits and verifications.</p>

Stage 4 - Ex-Post controls and Follow-up

Payments for grants in direct management are included in the population of the RER study undertaken each year for DG NEAR on a representative sample of closed contracts. Findings from the risk-based audits and from the RER study are systematically followed up by DG NEAR, taking the necessary actions for the recovery of non-eligible expenditures where appropriate.

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 and 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 <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex-ante controls (as such) fail to prevent, detect and correct erroneous procedures, payments or attempted fraud.	Through a residual error rate (RER) study a representative sample of closed operations is reviewed to determine the effectiveness of the pyramid of controls put in place by the DG. Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.	MUS sample sufficiently representative to draw valid management conclusions.	Effectiveness: Residual error rate below tolerable threshold. Efficiency: time to deliver RER results, on time for the assurance of the AAR. Economy: Estimation of cost of RER controls of grant operations.
The ex-post controls focus on the detection of residual errors.	Supervision missions to Delegations by independent staff not involved in the operational and financial circuits.	Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.	Effectiveness: Number of supervision mission, number of SMART recommendations accepted and described in an action plan. Efficiency: Time to prepare supervision missions. Economy: Estimated cost of supervision missions.

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 and 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	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely.	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Validation by the AO.	Coverage: 100% of final audit results with a financial impact.	<p>Effectiveness: All RER detected are recorded in the audit module, followed up and closed.</p> <p>Efficiency: Time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions.</p> <p>Economy: Estimation of cost of follow up of financial recommendations on grant operations.</p>

6.1.2 Procurement in Direct Management (RCS 2)

Procurement contracts are commercial contracts concluded in writing between economic operators and one or more contracting authorities to obtain the execution of works, the supply of goods or the provision of services. In direct management, procurement contracts with third parties are awarded and managed directly by DG NEAR in accordance with the applicable rules and procedures. There are three types of procurement contracts: service contracts (fee based or global price), supply contracts and works contracts.

Stage 1: Prior to Contracting

The basic means of awarding contracts is competitive tendering. All contract awards must obey the principles of transparency, proportionality, equal treatment, non-discrimination and sound financial management. Standard tender procedures are used according to predefined thresholds per type of contract. The selection of the contractor is made by an evaluation committee composed of DG NEAR staff (and possibly one voting member from the beneficiary country) based on pre-defined eligibility, capability (selection) and award criteria. In order to prevent any potential conflict of interest, each member of the Evaluation Committee must sign a declaration of impartiality and confidentiality. At the end of the evaluation process, DG NEAR notifies all tenderers of the final decision concerning their offers.

A – Identification and formulation of action to be financed including choice of instrument and implementation modality

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality and regularity) and ensures the proper type of support and modalities specific to each partner country.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.	Quality Review	100%	Economy: Estimation of cost of controls of procurement operations up to the identification and formulation, including staff costs. External costs of control are based on values of respective contracts and related disbursements.

B - Planning the procurement and needs assessment

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives.</p> <p>Discontinuation of the services or of works provided, or of the delivery of supplies due to a late contracting (poor planning and organisation of the procurement process).</p>	<p>Validation by AO(S)D of justification (economic operation) for launching a procurement process.</p>	<p>100% of the forecast procurements.</p>	<p>Effectiveness: Number of planned tenders that were cancelled.</p> <p>Efficiency: Time to prepare and adopt calls and time for publication. Number of clarifications and corrigendum needed. Total cost of controls of process / total expenditure executed during the year.</p> <p>Economy: Estimated cost of controls of the planning and publication of procurement operations.</p>

C - Selection of the offer and evaluation

Main control objectives: Effectiveness, efficiency and economy; compliance (legality and regularity); prevention of Fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The best offer/s are not submitted due to the poor definition of the tender specifications.	AOSD supervision and approval of specifications.	100% of the calls for tenders including the technical specifications are verified ex-ante by Commission staff.	<p>Effectiveness: Number of requests of clarification regarding the tender. Number of complaints. Number of litigation cases filed. Errors identified during RER exercise and/or DAS sampling.</p> <p>Efficiency: Time to identify the best offer, time to inform, need to relaunch.</p> <p>Economy: Estimation of cost of controls of the supervision of specifications and procurement selection.</p>
	Call for tenders which are technically complex are elaborated by external experts contracted through service contracts and then verified by Commission staff.		
The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process.	Formal evaluation process: Opening committee and Evaluation committee.	100% of the offers analysed. and all documents transmitted.	
	Opening and Evaluation Committees' declaration of absence of conflict of interests. Final beneficiaries' declaration of absence of conflict of interests.	100% of the members of the opening committee and the evaluation committee.	
	Exclusion decisions documented.	100% checked and required documents provided are consistent.	

Stage 2 - Contracting: Transformation of selected offers into legally binding contracts

DG NEAR establishes and signs contracts with successful tenderers using standard contract models.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The contractor lacks operational and/or financial capacity to carry out the actions. Procedures do not comply with regulatory framework.	Validation of substantiating documents and experience provided and declared by contractors. Signature of contracts by the AO. Financial and contractual circuits.	100% of tenders are scrutinised.	Effectiveness: Final eligible costs accepted, need for riders to facilitate implementation. Economy: Estimation of cost of controls related to contracting.

Stage 3 – Monitoring Implementation / Financial transactions

All invoices and related documents (reports, certificates, guarantees etc.) are verified and approved by DG NEAR staff (ex-ante controls). Before any transaction is authorised, the operational and financial aspects are initiated and verified by two different (operational/financial) entities. This is the "four eyes" principle of the Financial Regulation, which DG NEAR, taking into consideration the specific high-risk environment of external aid actions, reinforces by requiring controls by two separate agents for each of these two stages. Checklists and types of controls are regularly updated in accordance with the result of risk analyses as well as changes in the regulatory environment or feedback from field users.

Disbursement of pre-financing is subject to contractual conditions (e.g. if an advance exceeds a specified threshold, the contractor must provide a financial guarantee for the full amount of the pre-financing payment; performance and retention guarantees may also be required above certain thresholds for supply and works contracts). The release of intermediary and final payments is subject to verification/validation of expenditure⁶¹:

⁶¹ These invoices may be subject to additional ex-ante audits contracted as part of NEAR's annual control plans by the Commission as deemed appropriate by the Authorising Officer by Sub-delegation.

- **Service contracts:** All invoices must be accompanied by an interim or final report. All invoices for a fee-based contract must also be accompanied by an up-to-date financial report. Before payments are made for a fee-based contract, an external auditor, contracted by the contractor must examine and verify the invoices and the financial reports sent by the contractor to the Commission. DG NEAR has developed standard Terms of Reference including a reporting model for expenditure verifications which are part of the standard annexes of the standard service contracts.
- **Supply contracts:** The supplies are not accepted until the prescribed verifications and tests have been carried out. The supplies are taken over by the beneficiary when they have been delivered in accordance with the contract, have satisfactorily passed the required tests, or have been commissioned, and after a certificate of acceptance has been issued and has been endorsed by the contracting authority project manager, i.e. the legal or natural person responsible for monitoring the execution. Origin of the supplies is also verified prior to payment where relevant.
- **Works contracts:** The works are not accepted until the prescribed verifications and tests have been carried out. The works are taken over by the partner country beneficiary authorities when they have satisfactorily passed the tests on completion and a certificate of acceptance has been issued or is deemed to have been issued by the Supervisor i.e. the legal or natural person responsible for monitoring the execution of the contract on behalf of the Contracting Authority.

Additional audits to be carried out by external auditors can be contracted by DG NEAR as part of DG NEAR's annual audit plans based on risk analyses or as deemed appropriate by the AOSD.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The services/supplies/ works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions. Business discontinues because contractor fails to deliver.</p>	<p>Operational and financial checks in accordance with the financial circuits. Transaction authorisation by the AOSD For riskier operations, ex-ante in-depth and/or on-site verification.</p>	<p>100% of the projects are controlled, including only value-adding checks. Riskier operations subject to in-depth and/or on-site controls. The depth depends on risk criteria.</p>	<p>Effectiveness: Delivered output, Number of riders, amount of liquidated damages, sustainability. Efficiency: KPI on Ineligible amount detected through ex-ante controls, number of contracts suspended, amount of penalties. Economy: Estimation of cost of controls related to monitoring of implementation.</p>
	<p>For high-risk operations, reinforced monitoring. Risk assessment to identify potential ROM, evaluations and on-the-spot (OV and/or FV) monitoring visit. Earmark projects for <i>risk-based</i> system audits (during the first phase of implementation of the project) and financial audits (after receiving at least one interim payment or at the end of the project) See below annual control plans.</p>	<p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, Early Detection and Exclusion System (EDES), etc.</p>	
	<p>If needed: application of suspension/ interruption of payments, penalties or liquidated damages. Referring procurement contract to OLAF.</p>	<p>Depth: depends on results of controls.</p>	
	<p>Expenditure verification accompanying most service interim and final invoices (following contractual conditions); acceptance certificates for supplies; role of supervisor on works monitoring; Annual Control Plans: Audits and expenditure verifications are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified or audited are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.</p>	<p>Coverage: > 10% of ongoing or "recently" closed operations</p>	<p>Efficiency: KPIs on implementation of audit plans, and on ineligible expenditure detected through ex post controls. Economy: Estimation of cost of controls related to audits and verifications.</p>

Stage 4 – Ex-Post controls

Tender procedures and payments for procurement contracts in direct management are included in the population of the RER study undertaken each year for DG NEAR on a representative sample of closed contracts. Findings from the risk-based audits and from the RER study are systematically followed up by DG NEAR taking the necessary actions for the recovery of non-eligible expenditures where appropriate.

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 of ex-ante controls (legality and 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 <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous tender procedures, payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of residual errors.</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed to determine the effectiveness of the pyramid of controls put in place by the DG.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: Time to deliver RER results, on time for the assurance of the AAR.</p> <p>Economy: Estimation of cost of RER controls of grant operations.</p>
	<p>Supervision missions to Delegations by independent staff not involved in the operational and financial circuits</p>	<p>Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.</p>	<p>Effectiveness: number of supervision mission, number of SMART recommendations accepted and described in an action plan.</p> <p>Efficiency: Time to prepare supervision missions.</p> <p>Economy: Estimated cost of supervision missions.</p>

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 and 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	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely.	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.	Coverage: 100% of final audit results with a financial impact. Findings of systemic errors are considered for corrections of non-audited projects by the same contractor, taken into account for future projects.	Effectiveness: All RER detected are recorded in the audit module, followed up and closed. Efficiency: time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions. Economy: Estimation of cost of follow up of financial recommendations.

6.1.3 Budget Support in Direct Management (RCS 3)

Budget support (BS) is the transfer of financial resources from the Commission to the National Treasury of a partner country, following the fulfilment of jointly agreed conditions for disbursement. The financial resources received become part of the global resources of the partner country and are consequently used in accordance with the public financial management system of the partner country.

As it generally (except for targeted budget support) contributes to financing the totality of a country's budget and not a specific subset of budgeted expenditures, Budget Support is accompanied by a dialogue on the overall approach of budget policy and the functioning of public financial management in a context of harmonisation and alignment. This dialogue frequently leads to agreement on capacity development measures.

The Commission implements budget support directly and performs most control functions. The assessment of the achievement of disbursement conditions is generally performed by the EU Delegations with the support of external experts contracted by the Commission.

Stage 1: Identification and formulation

In line with the legal framework, Commission communication COM(2011) 638/2 ('The Future Approach to EU budget support To Third Countries') sets the four main budget support eligibility criteria as follows:

- Public policy: There is a credible and relevant national/sector policy that supports the overall objectives of poverty eradication and inequality reduction, sustainable and inclusive growth and job creation, the consolidation of democracies and peaceful societies, and the promotion of gender equality.
- Macroeconomic: There is a credible and relevant programme to restore and/or maintain macroeconomic stability.
- Public Financial Management (PFM): There is a credible and relevant programme to improve PFM.
- Budget transparency: the government has published either the executive's proposal or the enacted budget within the previous or current budget cycle.

When designing budget support programmes, DG NEAR relies on a framework based on clear policy objectives of the partner country, priorities and results to be achieved, their consistency with budgetary allocations, and the capacity of the partner to implement them. This framework is the basis for the policy dialogue with the partner country, which can be fed when relevant by the assessment of performance which ultimately trigger disbursements.

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality and regularity) and ensuring the proper type of support and modalities specific to each partner country.

Overall control efficiency indicator: Estimated cost of controls of budget support operations divided by total amount of expenditure under budget support operations in the year.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Commission supports partner countries which do not meet the criteria on fundamental values and/or the 4 eligibility criteria.</p> <p>The programme is wrongly formulated to meet the general objectives for budget support programmes.</p> <p>The programme's specific objectives and indicators are not aligned with partner countries own development policies, are not coordinated with other aligned donors, are not consistent with EU development policy or will have no impact on the on-going reforms.</p>	Quality Review in HQ to analyse the draft action document of the project (FIP).	100% of BS FIP	<p>Economy: Estimation of cost of controls of identification and formulation.</p>
	Quality Review in HQ to analyse the action document, specific annexes related to BS (i.e. public policy, PFM and budget transparency report) of the programme and the draft annex on budget support indicators (part of the Financing agreement - FA).	100 % of BS FAs	
	DG NEAR step by step financial circuit for level one commitments in budget support operations.	100 % of BS FAs	
	RISK assessment framework for budget support operations: Implemented by the Delegation and reviewed in the FAST ⁶² for substantial or high-risk BS programmes. Political dialogue with all partner countries authorities donor coordination by EU Delegation, internal coordination inside the Commission (Delegation, DG NEAR, Line DGs) and involvement of EEAS.	Substantial or high-risk BS FAs.	

⁶² Financial Assistance Steering Committee.

Stage 2 – Contracting

DG NEAR concludes standard Financing Agreements (FA) with partner countries benefitting from budget support. These FA include objectives, expected results, main activities, financing plan/budget, implementation modalities, monitoring of performance and criteria for disbursement.

Main control objectives: Ensuring that the main parameters of the budget support transaction are correctly encoded in the contract database.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
Important parameters relevant for disbursements under budget support operations are wrongly encoded.	DG NEAR step by step financial circuit for level two commitments in budget support operations.	100% of parameters.	Economy: Estimation of cost of controls of staff verifying the main parameters.

Stage 3 – Monitoring of the implementation – operational, financial and reporting aspects

The budget support eligibility conditions at the time of implementation are differently formulated compared to the eligibility assessment at the time of formulation. Satisfactory progress in the implementation is expected for three of the conditions:

- Public policy: satisfactory progress in the implementation of [cite appropriate public policy/strategy document] and continued credibility and relevance of that or any successor strategy.
- Macroeconomic: maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Public financial management: satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Budget Transparency: satisfactory progress regarding the public availability of accessible, timely, comprehensive, and sound budgetary information.

Disbursements only take place once the above-mentioned budget support eligibility criteria and indicators are met, and for variable tranches if the agreed measurable results (e.g. policy reforms or service delivery targets) have been achieved by the deadline set in the FA. Thus, the ex-ante transactional checks performed by Commission staff at the point of payment claims on continuing eligibility and fulfilment of disbursement performance criteria are fundamental to the budget support control structure. In case of partial or weak fulfilment of

disbursement conditions, the Commission may decommit/withhold or reduce disbursements, often in a co-ordinated manner with other donors, until corrective measures are undertaken by the partner government and agreed conditions are finally fulfilled.

Senior management level governance over budget support is ensured by the **FAST (Financial Assistance Steering committee)**, which is a committee chaired by the Director-General ensuring coherence and consistency in programming and implementation across the three regions within DG NEAR's competence. The FAST for Budget Support includes other relevant services, as EEAS, ECFIN, INTPA and possibly line DGs in charge for the supported reforms. A key tool for the FAST to maintain strategic oversight over budget support are country specific strategic discussions, which are conducted in low/medium risks beneficiaries. These discussions typically cover the ongoing portfolio of budget support programmes and disbursements, as well as the outlook for the new operation together with the context, challenges, opportunities and key benefits of budget support in the country. In addition, the FAST reviews payments, discusses the conditions for possible disbursements and approves the disbursements to beneficiaries.

The FAST validates also the Risk Management Frameworks (RMFs) for the budget support beneficiaries. The **risk management framework** is part of DG NEAR's decision-making process regarding budget support operations. Building on an identification of major risks and ways to mitigate them, the risk management framework systematically (at least annually) informs the policy dialogue with partner countries on the strategic level, as well as focussing on key issues.

Eligibility criteria have to be met both prior to and throughout the subsequent life of a budget support programme. The continuous assessment of the eligibility criteria enables the Commission to ensure the legality and efficiency of the programmes, from commitments through to disbursements.

Main control objectives: Ensuring that the operational results meet the conditions, objectives and expected results (effectiveness and efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality and regularity); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Commissions fails to identify a significant deterioration of fundamental values and/or wrong assessment on the 4 eligibility criteria before BS payments are released.</p> <p>The Commission makes a wrong calculation of the amount to be disbursed for the variable tranches</p> <p>Risk that transfers of funds into the Treasury account have not respected the terms of the financing Agreement on exchange rate and treasury credit delay.</p>	<p>Policy structured dialogue.</p> <p>EEAS and thematic expert assessment of Human Rights (HR) and Fundamental Values (FV) situation.</p> <p>All budget support disbursement files are shared ('standard review process') with NEAR thematic teams, EEAS, ECFIN and INTPA for their review and comments to limit the rate of error and ensure a coherent interpretation of the level of compliance of general conditions. The substantial/high risks countries are also submitted to the FAST Committee review and strategic steer adding an additional layer of oversight.</p> <p>On eligibility, risk assessment framework and policy performance framework.</p> <p>DG NEAR step by step financial circuit for payments in BS operations.</p> <p>Clear and unambiguous calculation methods for variable tranches are introduced in the financing agreements (e.g. amounts paid in proportion of the fulfilment of criteria and objectives set in a policy matrix).</p> <p>Risk assessment framework implemented by the Delegations and reviewed in the FAST for substantial or high-risk BS programmes.</p> <p>Beneficiary's obligation to confirm date of credit and exchange rate used.</p>	<p>100% of BS payments or substantial or high risks BS payments.</p>	<p>Economy: Estimation of cost of controls of monitoring.</p>

Stage 4 – Ex post controls

Payments for budget support are included in the population of the RER study undertaken each year by DG NEAR on a representative sample of closed contracts. Findings from the RER study are systematically followed up by DG NEAR, taking necessary actions for the recovery of non-eligible amounts where appropriate.

A – Ex-post controls and follow-up

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex- ante controls fail to prevent, detect and correct erroneous procedures, disbursements or fraud. The ex-post controls focus on the detection of residual errors.	Residual error rate study.	BS payments are included in the scope of the RER study (MUS sample).	Effectiveness: Residual error rate below tolerable threshold. Efficiency: Time to deliver RER results, on time for the assurance of the AAR. Economy: Estimation of cost of RER controls of grant operations.
	Review of sample transactions during supervision missions to Delegations.	Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.	Effectiveness: Number of supervision mission, number of SMART recommendations accepted and described in an action plan. Efficiency: Time to prepare supervision missions. Economy: Estimated cost of supervision missions.

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the results from ex-post controls lead to appropriate corrective measures (legality and regularity; anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The deficiencies, errors, and irregularities detected through ex-post controls are not addressed (timely).	Systematic registration of ex-post control outcomes to be implemented. Authorisation by AOSD.	Coverage: 100% of ex-post control outcomes <i>with a financial impact</i> . Findings of systemic errors might be extended to non-audited BS schemes with the same partner country.	Effectiveness: All RER detected are recorded in the audit module, followed up and closed. Efficiency: Time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions. Economy: Estimation of cost of follow up of financial recommendations.

6.2 Indirect Management

Indirect management is a method of implementation under which the final recipient receives EU funds through an agreement concluded with an intermediary entity to which the tasks of selecting the final recipients and managing the resulting contracts have been entrusted by the Commission. The recipient is either an Indirect Management Entrusted Entity (IMEE – RCS 5) such as an International Organisation or a Member State Agency; or an Indirect Management with beneficiary/ partner country (IMBC – RCS 4). For the reasons explained below, Cross-Border Cooperation (CBC) is included under IMBC.

6.2.1 Indirect management with beneficiary/ partner countries (RCS 4)

The Commission may entrust the implementation of EU funds to third countries (or to entities designated by them) under indirect management. The scope of delegation of the budget-implementation tasks may vary. There are 4 options of indirect management with third countries: (i) partial delegation, (ii) full delegation with programme estimates (the use of programmes estimates is being phased out), (iii) conferral of management powers and entrustment of budget implementation tasks under IPA II and IPA III (referred to as indirect management with IPA beneficiary countries) and (iv) pool funds for sector wide programmes (the latter is not currently used in ENI, NDICI or IPA).

Indirect management with a third country is, regardless the scope of delegation, a transfer of budget-implementation tasks from the Commission to the third country. The policy choices have been made by the Commission. The Commission remains politically responsible, within the framework of the discharge of the EU budget, for how the third country carries out the budget implementation tasks entrusted to it. For this reason, the Commission puts in place controls on the entity that carries out these tasks.

In particular, under the IPA instrument the entrustment is full, including payments, while under the ENI/ NDICI instrument, the entrustment to a beneficiary country is usually only partial as payments are still made directly by the Commission, except for limited imprest accounts schemes, under certain thresholds, in the framework of programme estimates (PE). For PE, such payments relate to the ordinary operating costs of the PE, direct labour and small size contracts.

It is important to note that budget support to a beneficiary/partner country is another way of transferring resources to a beneficiary/partner country. Budget support, however, is implemented directly by the Commission (direct management) and does not fall under indirect management (see RCS 3).

In line with the scope and methodology of the RER study, DG NEAR includes under the RCS4 all the Cross-Border Cooperation programmes, which are usually implemented under indirect management in the Enlargement (see section 6.2.1a below) and under shared management in the Neighbourhood (see the specific section 6.2.1.c).

6.2.1.a Indirect management with IPA beneficiary countries (RCS 4)

Under IPA IMBC, the entities designated by IPA beneficiary countries are entrusted by the Commission with the implementation of the IPA assistance. The Commission remains ultimately responsible for the EU budget, in line with Article 317 TFEU and informs the European Parliament and the Council of the operations carried out by the entities and persons in charge. This method of implementation relies on the (pre-assessed) conditions and systems of the third countries (complemented since 2016 by the RER) and the efficiency of these systems depends on the state of development of administrative capacity in the country concerned. This section covers as well the CBC programmes implemented under indirect management in the IPA countries.

All IPA beneficiary countries implementing the budget under indirect management are required to respect some ground rules such as ensuring sound financial management, the absence of conflict of interest, the respect of the principle of transparency and the setting up of an effective and efficient internal control system when implementing the EU budget. In addition, they shall provide to the Commission an annual management declaration, implementation reports and annual accounts followed by an audit activity report and opinion.

Stage 1 – Prior to contracting: Programming, evaluation and selection of proposals

In order to safeguard the financial interests of the Union, the IPA Framework Agreements signed with the IPA beneficiary countries require them to:

- a) set up and ensure the functioning of an effective and efficient internal control system;
- b) use an accounting system that provides accurate, complete and reliable information in a timely and regular manner clearly distinguishing costs accepted and payments made;
- c) provide for the structures and authorities referred to in Article 10(1) and (2) of the IPA II Framework Agreement being subject to an independent external audit, performed in accordance with internationally accepted auditing standards by an audit authority functionally independent of the structures and authorities concerned;
- d) apply appropriate rules and procedures for providing financing from IPA II assistance through grants, procurement and financial instruments.

The IPA beneficiary shall further:

- a) ensure the ex-post publication of information on recipients of IPA assistance;
- b) ensure a reasonable protection of personal data as laid down in Directive 95/46/EC of the European Parliament and the Council and Regulation (EC) No 45/2001 of the European Parliament and the Council.

Before the Commission signs a financing agreement entrusting the implementation of IPA assistance, it reviews the request by the National Authorising Officer and the established structures and authorities and, for the purposes of the ex-ante assessment pursuant to Article 154.1.3. of the Financial Regulation 2018/1046 (repealing the Financial Regulation 966/2012), obtains evidence that the requirements set out in points (a) to (d) of Article 12(3) and those of Annex B to the IPA Framework Agreement are fulfilled. This review may include on-the-spot verifications by the Commission. Moreover and as a rule, all contracts must be awarded and implemented in accordance with the procedures and standard documents laid down by the Commission for its external operations, in force at the time of the launch of the procedure in question (with ex-ante or ex-post control by the Commission).

Ex-ante control means that the EU delegations carry-out controls at regular steps during the procedure (for calls for tenders or proposals) and give their approval at all important stages and before the award of a contract, as detailed in the 'Procurement and Grants for European Union external actions – A practical Guide' (PRAG). This represents an important mitigating element in the overall assessment of the functioning of IPA management, control and supervision systems in the IPA beneficiary countries. In case where the approval cannot be granted, the corresponding activities are not eligible for IPA funding.

A - Preparation, adoption and publication of the Programming decision(s) (including choice of method of implementation) and signature of the respective financing agreement

Main control objectives: Ensuring that the Commission selects the implementation mode and subsequently the proposals/offers that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality and regularity) and prevention of fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Decision(s) do not adequately reflect the policy objectives, priorities. For IPA, the establishment (or prolongation) of the mandate of the beneficiary country is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity).</p>	<p>Hierarchical validation within the authorising department. Inter-service consultation, including all relevant DGs. Adoption by the Commission. Systems audits and/or verification missions (for IMBC under IPA): systematic and standard desk-review and risk-based field visit verification, ex-ante control by EU delegations.</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences. Coverage / Frequency: 100% Depth: systematic control of the necessary requirements</p>	<p>Effectiveness: Findings following verification by the Commission; consumption rate of commitment credits Economy: Cost of control for the programming phase.</p>

B - Selecting and awarding: Evaluation and selection of proposals/offers

Main control objectives: Ensuring that the best proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness) by IPA beneficiary countries; compliance (legality and regularity) and prevention of fraud (anti-fraud strategy) by IPA beneficiary countries.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the calls for proposals/tenders.</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers.</p>	<p>Assignment of staff (e.g. Task Managers).</p> <p>For IMBC, ex-ante controls by EU Delegations.</p>	<p>100%</p>	<p>Effectiveness: Appropriate planning of selection and award of contracts within the deadlines.</p> <p>Efficiency: Rejection rates⁶³.</p> <p>Economy: Cost of control for the evaluation phase.</p>

⁶³ Ratio between the number of rejections of tender, evaluation, and contracts documents submitted by National Implementing Agencies (IAs) for the Commission's ex ante control and the absolute number of submissions of documents for approval in the reporting year.

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

The national Contracting Authority establishes and signs agreements with the organisations /entities assessed and identified under stage 1. Standard agreement models are used for all EU-financed operations under IMBC. The endorsement of a contract by the Commission prior to its conclusion by the Contracting authority signals the Commission's agreement to the financing of the contract. In the event of a failure to comply with the procedures, the Commission may refuse its approval for a given transaction and thereby refuse EU funding for the transaction in question.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action. The recipient /contractor does not meet eligibility criteria or lack financial capacity to carry out the actions.	Assignment of staff (e.g. Task Managers). Standard and systematic verification missions, for IMBC ex-ante control by EU Delegations.	100% of the selected proposals / offers and recipients / candidates are scrutinised. Coverage: 100% of draft grant agreements / contracts.	Effectiveness: Contracting rates within the D+3 deadline. Efficiency: Rejection rates; derogations, prior approvals and other exceptions authorised. Economy: Cost of control for the contracting phase.

Stage 3 - Monitoring implementation

This stage covers the monitoring the operational, financial and reporting aspects related to the projects following the principles and using the controls laid down in the framework agreements. At IPA beneficiary countries level, the summary of the daily control framework is the following:

- The **Contracting Authority** performs management verifications before declaring expenditure to the National Fund, ex ante documentary checks on all payment claims and on the spot checks on sampled transactions;
- The **National Authorising Officer**, supported by the Management Structure, analyses the documentation and reports from the previous level of verification before certifying the legality and regularity of expenditure declared to the Commission. He/she takes steps to satisfy him/herself that adequate controls have been made by the Contracting Authority, including carrying out his/her own checks (such as

monitoring missions and risk based on the spot checks) when deemed necessary.

The **Audit Authority** has the responsibility to design an audit strategy to perform audits of the management, control and supervision systems and ex post audits of representative samples of operations, as well as complementary audits on high-risk operations where necessary. The Audit Authority provides the Commission an Annual Activity Report and an annual audit opinion on the functioning of the management, control and supervision systems, and, of the quality and effectiveness of the verification by contracting authorities and the management structure, and the error rate resulting from its audit of sampled transactions and the assurance provided by the NAO.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).	Operational monitoring in accordance with the responsibilities of the Commission. For high/very high projects this may include on the spot missions.	100% of the projects are monitored; Verification mission by Commission staff.	Effectiveness: Delivered output, sustainability. Efficiency: Irregularities reported by the National authorities; Verification recommendations by the Commission and audit findings by the NAO and Audit Authority. Economy: Cost of control for the monitoring phase.
	If needed: application of interruption of payments or penalties. Referring contractors to OLAF and management of reported cases of irregularities.	Depth: depends on results of ex ante controls / risk assessment.	

Stage 4 - Ex-Post controls⁶⁴

Closed contracts of operations in IPA IMBC are included in the population of the RER study of the DG.

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls (legality and regularity; anti-fraud strategy); ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	Specific statistically representative RER study for IMBC.	Methodology developed by an external auditor.	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR.</p> <p>Economy: Estimation of cost of RER controls of grant operations.</p>
The audit strategy focus on the detection of external errors (e.g. made by recipients) and do not consider any internal errors made by staff or embedded systematically in the own organisation.	Audit Authority to establish an audit strategy, performed by independent staff not involved in the operational and financial circuits.	The representative sample enables drawing valid conclusions about the entire population.	<p>Effectiveness: substantiated audit opinion by the audit authority.</p> <p>Economy: Estimation of cost of controls to review AA structure design and operating effectiveness.</p>

⁶⁴ As of year 2019, contracting in all IPA IMBC countries is also subject to full ex-ante control by the EU Delegations.

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 and 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	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely.	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits and Authorisation by the relevant AOSD	Coverage: Final audit results with a financial impact.	Effectiveness: All RER detected are followed up and closed. Efficiency: time to close audit module RER entries, amount recovered. Economy: Estimation of cost of follow up of financial recommendations.

6.2.1.b Indirect management with partner countries in the Neighbourhood region (RCS 4)

All third countries implementing the budget under indirect management are required to either have in place procedures which provide a level of assurance equivalent to the Commission's own (i.e. ensuring sound financial management, the absence of conflict of interest, the respect of the principle of transparency and the setting up of an effective and efficient internal control system) or they are requested to follow the Commission's own External Action procedures, by following the "Practical Guide on contract procedures for European Union external action (PRAG)".

In the latter case, all contracts must be awarded and implemented in accordance with the procedures and standard documents laid down by the Commission for its external actions, in force at the time of the launch of the procedure in question (with ex-ante control by the Commission at regular steps during the procedure). Ex-ante control means that the Commission must give its prior approval at all important stages in a contract award procedure, as detailed in the Practical guide to contractual procedures for EU external actions (PRAG).

The endorsement of a contract prior to its conclusion by the Commission signals the Commission's agreement to the later financing of the contract⁶⁵, provided that no errors in the procurement and grant award procedures are discovered later. In the event of a failure to comply with

⁶⁵ Contracts within a programme-estimate are only submitted by the partner country to the European Commission for endorsement if they entail derogations to standard provisions.

the procedures, the Commission may at any time refuse its approval for a given operation and thereby refuse EU funding for the operation in question.

In addition, the Commission exercises control through audits or verifications of ongoing and closed projects contracted as part of DG NEAR's annual audit and verification plans, so ex-post controls are also possible.

The EU financial interests are therefore safeguarded, in addition to all the other possible means offered by the Financial Regulations, by the Commission's ex-ante control of individual transactions as well as subsequent controls or audits and resulting recovery of any unduly disbursed funds where the agreed procedures have not been respected, or where the activities were not eligible for EU financing.

Despite the delegation to partner country to conduct procurement or grant procedures, as concerns payments, the entrustment to a partner country can either be full (when the partner country is authorised to directly make payments to contractors and grant beneficiaries out of an EU-funded account called "imprest account") or only partial (when payments requests are validated by the partner country, but finally made directly by the Commission). The full delegation is only possible in the context of so called Programme Estimates (PE), which may entail different implementation methods (e.g. procurement, grants) and different (partial and full) level of delegation⁶⁶. However, the use of PE is being phased out. In any case, the partner countries cannot be entrusted with the management of financial instruments or budgetary guarantees.

The overview of the specificities of indirect management with the countries of the neighbourhood region is presented in the table below by degree of delegation. There are two main options: (i) partial delegation and (ii) programme estimates. **The use of programmes estimates is being phased out**, while partial delegations are still in use.

⁶⁶ Most activities within a programme estimate are managed under indirect management, i.e. the partner country (or a body designated by it) acts as contracting authority, with partial (so-called specific commitments) or full (so-called imprest component) delegation. However, certain contracts (e.g. for expenditure verifications/audit and evaluation), will be implemented by the Commission acting as the contracting authority under direct management.

Degree of delegation	Operation	Programme Estimates	Partial Delegation
Full Delegation	<i>Procurement/ Grants</i>	Contracts below EUR 100 000 are subject to ex-post checks only. Contracts between EUR 100 000 and EUR 300 000 are also subject to ex-ante endorsement by the EUD.	<i>Not allowed</i>
	<i>Payments</i>	Payments for contracts below EUR 300 000 are executed by the partner country.	
Partial Delegation	<i>Procurement/ Grant</i>	All contracts above EUR 300 000 ("specific commitments") are subject to ex-ante endorsement by the EUD as well as ex-post checks.	Contracts are managed by the partner country, subject to ex-ante endorsement by the EUD, as well as ex-post checks.
	<i>Payments</i>	All payments for specific commitments are executed by the EUD.	All payments are executed by the EUD.
Direct Management	<i>Procurement</i>	Audits and Evaluation contracts are directly contracted by the EUD.	<i>Not applicable</i>

The following two sections provide more details on Partial delegation and Programme estimates in indirect management with the countries of the neighbourhood region.

6.2.1.b.1 Partial delegation

Responsibility for the procurement and grant award procedures is transferred to the partner country. The contracting authority assumes full responsibility for its actions and is accountable for them in any subsequent audit or investigation. In this scope of delegation, it is the Commission, and not the contracting authority, which makes all payments directly to the contractors and grant beneficiaries. Therefore, this delegation is partial: it does not include the delegation of the budget-implementation task of carrying out payments.

In several Neighbourhood countries twinning programmes are also implemented via indirect management, whereby the partner country acted as contracting authority for the grant contracts with Member States. The final choice of the twinning partner is left to the partner country's authorities. The procurement and contract are managed by the partner country, while the payments are processed by the EU Delegation. Therefore, all contracts under "partial delegations" are also named "endorsed procurement" or "endorsed grant".

The Commission's ex-ante control of the procurement and grant award procedures is defined in the PRAG (Practical Guide to Contract Procedures for EU External Actions). The endorsement of a contract prior to its conclusion by the Commission signals the Commission's agreement to the later financing of the contract, provided that no errors in the procurement and grant award procedures are discovered later. In

the event of a failure to comply with the procedures, the Commission may at any time refuse its authorisation for a given operation and thereby refuse EU funding for the operation in question.

6.2.1.b.2 Programme estimates (PE)

A PE is a work programme implemented by the partner country, which complements a corresponding Financing Agreement and usually covers the latter's lifetime. A single PE will therefore be multi-annual and it is subject to regular revision, including its extension, when required by the beneficiary country and if justified by the periodic financial reports. A programme estimate is designed to implement a project or programme covered by a financing agreement. It is a level-2 commitment that implements the level-1 commitment constituted by Commission Decision / Financing Agreement. Contracts awarded under a PE can never exceed EUR 300 000 (see table below).

The use of programmes estimates is being phased out. The last PE contracts were signed by DG NEAR in 2018. The End Date of Activity (EDAs) for the PEs ranges from 2015 to 2022.

The programme estimate is a mixed form of financial implementation that may include activities entailing different levels of delegation. It is the value of the contract to be concluded, as defined in the Programme Estimate Guide which determines which form of delegation is allowed. Certain service contracts, e.g. expenditure verification/audit and evaluation, will be implemented by the Commission in direct management. The programme estimate may also contain a component that the partner country executes directly using staff it employs or it recruited, so-called 'direct labour'. Finally, operating costs of the partner country's implementing structure may be eligible on conditions stipulated in the Programme Estimate Guide. The difference between these operating costs and direct labour is that the latter concern operational activities of the action while the former cover the administrative costs of managing the programme estimate.

The programme estimate's budget will usually include two components.

In all cases:

- a) the imprest component which will be implemented by the imprest administrator and the imprest accounting officer appointed by the partner country (it may also include direct labour and operating costs).

Where appropriate:

b) the part of the work programme which will be implemented:

- through specific commitments by the relevant representative of the partner country(ies) or public bodies commissioned (being payments made by the European Commission) and/or
- through procurement contracts managed by the European Commission as Contracting Authority under direct management, such as expenditure verification/audit and evaluation and framework contracts in the interest of the partner country.

As a rule, EU contractual and financial procedures are used and the contracting authority does not manage substantial amounts of EU funds.

The contracting authority uses EU procurement and grant procedures (except for covering administrative costs of the partner country's implementing entity), as reflected in the PRAG. If the procurement and/or grant rules of the implementing body of the partner country have been positively assessed by the Commission, the relevant body may use its own rules and procedures for contracts within the imprest component (this option is available but it has never been actually implemented).

Procurement award procedures above the threshold set in the Programme Estimate Guide and grant award procedures will be subject to ex-ante controls by the Commission.

Within an imprest component of a programme estimate, the payments under contracts (procurement, grants) and for regular operating costs and direct labour included within this imprest component will be carried out by the partner country or the body designated by it. Hence, the delegation in this case will be full. By consequence, the programme estimate indicates which contracts will be covered by the imprest component.

The partner country has to provide implementation and financial reports as well as expenditure verification reports - by default - on an annual basis. The programme estimate is thus the main document by which the Commission can verify the progress of the project carried out by the partner country under the terms of the financing agreement.

Stage 1 – Prior to Contracting

A - Identification and formulation of action to be financed including choice of instrument and implementation modality

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality & regularity) and ensures the proper type of support and modalities specific to each partner country.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.</p> <p>The establishment (or prolongation) of the mandate of the partner country is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity).</p>	<p>Hierarchical validation within the authorising department.</p> <p>Inter-service consultation, including all relevant DGs, if applicable.</p> <p>Verification of the programme estimate by the steering committee, where applicable.</p> <p>Adoption by the Commission.</p> <p>Systems audits and/or verification missions.</p> <p>Systematic and standard desk-review and risk-based field visit verification, ex-ante control by EU delegations.</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: systematic control of the necessary requirements</p>	<p>Effectiveness: Findings following verification by the Commission; consumption rate of commitment credits</p> <p>Economy: Cost of control for the programming phase.</p>

B – Planning, selecting and awarding

Main control objectives: Ensuring that the most promising proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness) by beneficiary countries; compliance (legality and regularity) and prevention of fraud (anti-fraud strategy) by beneficiary countries.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The planning and programming is not carried out in accordance with the applicable rules, established procedures and with the policy objectives and priorities.</p> <p>The needs are not well defined (operationally and economically) to meet the policy objectives.</p> <p>The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the applicable rules, established procedures, policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria.</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers.</p>	<p>Assignment of staff with explicit allocation of responsibility to individual officials (e.g. Task Managers).</p> <p>AO(S)D supervision and approval.</p> <p>Ex-ante controls by EU Delegations.</p> <p>Formal evaluation process.</p> <p>Declaration of absence of conflict of interests by the members of the evaluation committees.</p> <p>Exclusion decisions documented.</p> <p>Redress procedures.</p> <p>Publication of intended procedures/ programmes.</p> <p>Review and endorsement by the AO(S)D of the work programme to be implemented by a partner country.</p> <p>For the implementation of the imprest component of the programme estimate, appointments by the partner countries of the imprest administrator and the imprest accounting officer.</p>	<p>100%</p>	<p>Effectiveness: Appropriate planning of selection and award of contracts within the deadlines.</p> <p>Efficiency: Rejection rates.</p> <p>Economy: Cost of control for the evaluation phase.</p>

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The recipient /contractor does not meet eligibility criteria or lack operational or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>Assignment of staff with explicit allocation of responsibility to individual officials (e.g. Task Managers).</p> <p>For the implementation of the imprest component of the programme estimate, appointments by the partner countries of the imprest administrator and the imprest accounting officer.</p> <p>AOSD supervision and approval.</p> <p>Standard and systematic verification missions.</p> <p>Ex-ante control by EU Delegations.</p>	<p>100% of the proposal/ offers/ recipient/ candidates/ grant agreements/ contracts are scrutinised.</p> <p>Coverage: 100% of draft grant agreements / contracts.</p>	<p>Effectiveness: Contracting rates within the D+3 deadline.</p> <p>Efficiency: Rejection rates; derogations, prior approvals and other exceptions authorised.</p> <p>Economy: Cost of control for the contracting phase.</p>

Stage 3 - Monitoring implementation

This stage covers the monitoring the operational, financial and reporting aspects related to the projects following the principles and using the controls foreseen in the framework agreements.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).	Operational monitoring, financial checks and authorisations in accordance with the responsibilities of the Commission. For the implementation of the imprest component of the programme estimate, appointments by the partner countries of the imprest administrator and the imprest accounting officer. Expenditure verification reports. On the spot missions and in-depth controls for high/very high projects/ operations. Approval of the proposed amendments to the programme estimates.	Coverage: 100% of the projects are monitored; 100% of the payments are controlled. Verification mission by Commission staff.	Effectiveness: Delivered output, sustainability. Efficiency: Irregularities reported by the National authorities; Verification recommendations by the Commission and audit findings by the NAO and Audit Authority.
	If needed: application of interruption of payments or penalties, call of financial guarantees, referring contractors to OLAF and management of reported cases of irregularities.	Depth: depends on results of ex ante controls / risk assessment.	Economy: Cost of control for the monitoring phase.

Stage 4 - Ex-Post controls

Closed contracts of operations in IMBC are included in the population of the RER study of the DG.

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls (legality and regularity; anti-fraud strategy); ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	RER study of a representative sample of closed operations determines the effectiveness of ex-ante controls. Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.	Methodology developed by an external auditor.	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR.</p> <p>Economy: Estimation of cost of RER controls of grant operations.</p>

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 and 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	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely.	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits and authorisation by the relevant AOSD	Coverage: final audit results with a financial impact.	Effectiveness: All RER detected are followed up and closed. Efficiency: time to close audit module RER entries, amount recovered. Economy: Estimation of cost of follow up of financial recommendations.

6.2.1.c Cross-Border Cooperation (CBC) programmes in the Neighbourhood (RCS 4)

This section applies to the CBC programmes implemented in the Neighbouring partner countries. The CBC programmes implemented in the IPA beneficiary countries are covered in the previous section 6.2.1a. In this section, if not differently specified, CBC is intended for the programmes implemented in the Neighbourhood.

The CBC involves cooperation between the Member States and partner countries in region adjacent to their shared part of the external border of the European Union for the development of an area of prosperity and good neighbourliness. The CBC programmes are intended to:

- promote economic and social development in regions on both sides of common borders
- address common challenges in fields such as environment, public health and the prevention of and fight against organised crime
- ensure efficient and secure borders
- promote local cross-border “people to people” actions.

The CBC Programmes are usually implemented under shared management in the Neighbourhood. Despite the management mode, however, the contractual procedures applicable to the projects financed as part of the CBC are the ones applicable to the external actions. The implementation is entrusted to a local, national or regional authority jointly selected by all countries participating in the programme (Joint Managing Authority - JMA). In addition, payments from the Commission to the programmes are done only as pre-financings paid at the request of the JMAs. CBC programmes are adapted to the specificities of the EU external cooperation and are based on balanced partnership between

the participating countries on either side of a border: Member States and Neighbouring partner countries have an equal say in the programme decisions and projects receive funding only if implemented by partners on both sides. They are responsible, within the appointed Joint Monitoring Committee, for checking that funds are used in accordance with the rules and principles governing programme management.

In the Neighbourhood region⁶⁷, there are:

- 16 CBC programmes under ENI for the period 2014-2020. **In January 2020, they were transferred to DG Regional and Urban Policy.**
- 13 CBC programmes under the ENPI for the period 2007-2013 and still under DG NEAR's remit. Out of these 13 Programmes managed by DG NEAR, 12 are operationally closed while the remaining one is open only because of administrative issues related to the external audit of the accounts (this is preventing DG NEAR from establishing the final amount of eligible costs and close the programme). **For all the 13 CBC programmes, DG NEAR is not going to process any new payments.** Indeed, only clearings were carried out in 2020, 2021 and 2022.

Considering the above factors, the creation of a new separate RCS for CBC programmes in the Neighbourhood is not justified. Actually, CBC programmes can be assimilated to IMBC in IPA countries: in both cases, national authorities implement EU funds using their own administrative structures. Therefore, in order to avoid an excessive artificial split of its relevant control systems, DG NEAR has decided to include CBC programmes in the Neighbourhood region under the current RCS4, in line also with the scope and methodology of the RER study and together with the CBC programmes under IMBC with IPA countries, which are covered in the previous section 6.2.1.a.

For each CBC programme:

- a joint operational programme for the whole duration is defined by common agreement of all the participating countries and submitted to the Commission for adoption through a Commission decision.
The joint operational programme identifies the body entrusted by the participating countries to perform the role of Joint Managing Authority and describes the structure to be set up for the management of the programme, including details about the internal control systems to be put in place in line with best international practices.
The adoption of each joint operational programme by the Commission is the ex ante accreditation of the management and control structures set up by the Joint Managing Authority.

⁶⁷ Please note that there are as well CBC programmes in the IPA region, which are managed by DG REGIO.

- a financing agreement is agreed between the Commission and each participating country;
- a Joint Monitoring Committee, a Joint Managing Authority and a Joint Technical Secretariat are established.

In particular, the organisation of the JMA is based on international best practice in management and internal control ensuring that its operations comply with laws, other rules and principle of sound financial management.

As a rule, all contracts must be awarded and implemented in accordance with the procedures and standard documents laid down by the Commission for its external operations, in force at the time of the launch of the procedure in question. The assurance over the legality and regularity of operations that are conducted by Member States designated authorities is built on work carried out at different levels:

- Each year, the internal audit service of the JMA implements a control programme to check the internal circuits and ensure procedures have been correctly applied within the JMA.
- Each year, the JMA shall draw up an audit plan for the projects that it finances.
- Besides the external audits of the JMA undertaken by the administration of the country in which the JMA is established, the Joint Managing Authority shall call upon an independent public body or contract an independent approved auditor who is a member of an internationally recognised supervisory body for statutory auditing to carry out each year an ex post verification of the revenue and expenditure presented by in its annual financial report.
- Member States may set up a control system making it possible to verify the soundness of the expenditure declared for operations or parts of operations implemented on their territories.
- The Commission, OLAF, the European Court of Auditors and any external auditor authorised by these institutions may verify, by examining the documents or conducting on-the-spot checks, the use of Community funds by the Joint Managing Authority and the various project beneficiaries and partners.
- Closed contracts of operations in CBC are included in the population of the RER study of DG NEAR.

Stage 1 – Prior to Contracting

A - Preparation, adoption and publication of the Programming decision(s) – joint operational programmes

Main control objectives: Ensuring that the Commission selects the implementation mode and subsequently the proposals/offers that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality and regularity) and prevention of fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Decision(s) do not adequately reflect the policy objectives, priorities.</p> <p>The establishment (or prolongation) of the mandate of the joint managing authority is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity).</p>	<p>Hierarchical validation within the authorising department.</p> <p>Inter-service consultation, including all relevant DGs.</p> <p>Adoption of the joint operational programmes by the Commission which shall be taken as an ex ante accreditation by the Commission of the management and control structures.</p> <p>Establishment of the Joint Monitoring Committee, of the Joint Managing Authority and of the Joint Technical Secretariat.</p> <p>Systems audits and/or verification missions.</p> <p>Mid-term evaluation of the joint operational programme to be carried out by the Commission itself and which may lead to adjustments in the programme.</p> <p>Additional evaluation of the joint operational programme, or a part thereof, likely to be carried out at any moment by the Commission</p>	<p>Coverage / Frequency: 100%</p> <p>Depth: systematic control of the necessary requirements</p>	<p>Effectiveness: Findings following verification by the Commission; consumption rate of commitment credits</p> <p>Economy: Cost of control for the programming phase.</p>

B – Planning, selecting and awarding

Main control objectives: Ensuring that the most promising proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness) by beneficiary countries; compliance (legality and regularity) and prevention of fraud (anti-fraud strategy) by beneficiary countries.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The planning and programming is not carried out in accordance with the applicable rules, established procedures and with the policy objectives and priorities.</p> <p>The needs are not well defined (operationally and economically) to meet the policy objectives.</p> <p>The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the applicable rules, established procedures, policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria.</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers.</p>	<p>All projects financed as part of the CBC are subject to the contractual procedures applicable to external actions financed by the European Commission.</p> <p>Examination by the Commission of the joint operational programme in order to verify that it contains all the elements referred to in Article 4 of the CBC implementing rules and <i>inter alia</i> that the programme complies with the Community legislation applicable.</p> <p>Setting-up of an internal audit service of the JMA required to implement each year a control programme to check the internal circuits and ensure procedures have been correctly applied within the JMA.</p> <p>Joint Monitoring Committee's supervision and approval of the projects and of the amounts granted to them.</p> <p>The Commission is invited to each meeting of the Joint Monitoring Committee and is informed of the results of its deliberations. It may take part in all or part of each committee meeting on its own initiative, as an observer.</p> <p>The JMA is responsible for ensuring that decisions of the Joint Monitoring Committee comply with the applicable rules.</p> <p>A technical assistance service contract is signed by the Commission in order to help and accompany the Programmes in the correct application of the EC external action procedures.</p>	<p>100%</p>	<p>Effectiveness: Appropriate planning of selection and award of contracts within the deadlines.</p> <p>Efficiency: Rejection rates.</p> <p>Economy: Cost of control for the evaluation phase.</p>

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

The JMA establishes and signs agreements with the organisations assessed and identified under stage 1. **Main control objectives:** Ensuring that the actions and fund allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality and regularity); prevention of fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The recipient /contractor does not meet eligibility criteria or lack operational or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>Supervision of the selection process by the Joint Monitoring Committee.</p> <p>Prior approval of the Commission is required for: decisions on the selection criteria, final decision on projects and on the amounts granted to them, decisions of the Joint Monitoring Committee to not follow all or part the recommendations of the selection committee.</p> <p>Audit of the JMA annual accounts which certifies that stated expenditure has actually been incurred and is accurate and eligible.</p>	<p>100% of the proposal/ offers/ recipient/ candidates/ grant agreements/ contracts are scrutinised.</p> <p>Coverage: 100% of draft grant agreements / contracts.</p>	<p>Efficiency: Rejection rates; derogations, prior approvals and other exceptions authorised.</p> <p>Economy: Cost of control for the contracting phase.</p>

Stage 3 - Monitoring implementation

This stage covers the monitoring the operational, financial and reporting aspects related to the projects following the principles and using the controls foreseen in the framework agreements. The summary of the daily control framework is the following:

- At JMA level: ex ante financial verifications before declaring expenditure eligible and follow up of audits by external auditors. The accounts established by the JMA are subject to an annual external audit carried out by an independent organisation.
- At Commission level: the analysis is based on National Authority system audit reports; Independent public body/external auditor opinion on the annual accounts; relevant information from ECA and OLAF, any other information, formal or informal, acquired by the Commission in the context of day-to-day management of the programmes.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).</p>	<p>Projects financed by the JMA are subject to audits, on the basis of annual audit plans prepared by the JMA. The controls include examination of the documents and on-the-spot checks of a sample of projects selected by the JMA based on a random statistical sampling method and taking account internationally recognized audit standards (in particular having regard to risk factors related to the projects' value, type of operations, type of beneficiary or other relevant elements). The sample should be sufficiently representative to warrant a satisfactory level of confidence in relation to the direct controls carried out by the JMA on the existence, accuracy and eligibility of expenditure claimed by the projects.</p> <p>Yearly ex post verification of the revenue and expenditure presented by the JMA in its annual financial report by an independent public body or an independent approved auditor. The scope of the external audit shall cover the JMA's direct expenditure. The external audit report shall certify the statement of revenue and expenditure presented by the JMA in its annual financial report, and in particular it shall certify that stated expenditure has actually been incurred and is accurate and eligible.</p> <p>Expenditure verification reports at contract/ projects level.</p> <p>Member States may also set up a control system making it possible to verify the soundness of the expenditure declared for operations or parts of operations implemented on their territories, and the compliance of such expenditure and of related operations, or parts of those operations, with Community rules.</p> <p>If needed: application by the JMA of interruption of payments or penalties, call of financial guarantees, referring contractors to OLAF and management of reported cases of irregularities.</p>	<p>Coverage: 100% of the projects are monitored; 100% of the payments are controlled, representative sample of projects is audited.</p> <p>Depth: depends on results of ex ante controls / risk assessment.</p>	<p>Effectiveness: Delivered output, sustainability.</p> <p>Efficiency: Irregularities reported by the National authorities; Verification recommendations by the Commission and audit findings by the NAO and Audit Authority.</p> <p>Economy: Cost of control for the monitoring phase.</p>

Stage 4 - Ex-Post controls

Closed contracts of operations in CBC are included in the population of the RER study of the DG.

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls (legality and regularity; anti-fraud strategy); ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	RER study of a representative sample of closed operations determines the effectiveness of ex-ante controls. Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.	Methodology developed by an external auditor.	Effectiveness: Residual error rate below tolerable threshold. Efficiency: time to deliver RER results, on time for the assurance of the AAR. Economy: Estimation of cost of RER controls of grant operations.

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 and 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	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely.	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits and authorisation by the relevant AOSD	Coverage: final audit results with a financial impact.	Effectiveness: All RER detected are followed up and closed. Efficiency: time to close audit module RER entries, amount recovered. Economy: Estimation of cost of follow up of financial recommendations.

6.2.2 Indirect management with entrusted entities (RCS 5)

Under indirect management with entrusted entities, the implementation of the budget is entrusted by the Commission to this type of entity in the form of programmes or actions. Candidate entities to be entrusted with budget-implementation tasks (the candidate delegatee) must demonstrate a level of financial management and protection of the EU financial interests equivalent to that required when the Commission manages European Union funds. This is verified by carrying out an ex-ante assessment ("pillar assessment") for which the entities concerned must have been assessed positively.

Entrustment to EIB (European Investment Bank), EIF (European Investment Fund), International Financial Institutions (IFIs) and Development Financial Institutions (DFIs) is also covered by this RCS. This entrustment may cover the implementation of grants, the most common type of financial support, but also the implementation of financial instruments and budgetary guarantees:

- A Financial Instrument (FI) is a measure of financial support provided from the budget to address one or more specific policy objectives of the Union which may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments. A FI may, where appropriate, be combined with other forms of financial support from other donors. These measures of support all have as a common feature that they are reimbursable. Therefore, the FIs must be registered and valued in the general accounting. They must be registered as assets or liabilities in the balance sheet of the entity responsible, i.e. the General Budget of the European Union (GBEU) or any trust fund (TF).
- Budgetary guarantees (BG) are provided by the Commission, on behalf of the Union, to the EIB, IFIs and DFIs aiming at achieving Union's policy objectives. The contingent financial liability arising from the BGs under EFSD (2017-2020) and EFSD+ (2021-2027) is covered by a provisioning set aside in the Common Provisioning Fund (CPF), managed by DG BUDGET. The amount of provisioning is determined by the provisioning rate set out in the EFSD and NDICI-Global Europe regulations respectively, between 9% and 50%.

DG NEAR then manages:

- the budgetary guarantee agreements under the European Fund for Sustainable Development+ (EFSD+), in the form (i) of new guarantee agreements (EFSD+), (ii) of guarantee agreements which have been approved under EFSD (whose commitment period ended on 31 December 2020), but signed under EFSD+ ("EFSD+ carry-over") and (iii) of on-going guarantee agreements concluded by INTPA under EFSD and of which the responsibility is taken over from INTPA,
- the legacy of the EIB's External Lending Mandates (ELM – budgetary guarantees);

- the blending agreements supporting financial instruments under the Neighbourhood Investment Platform (NIP) and the Western Balkans Investment Facility (WBIF).

In particular, in 2022, three guarantee agreements under the EFSD+ have been concluded and registered in LIGA (Liquidity fund for Guarantee Agreement); in particular, one with EIB and two with EBRD. In addition, two guarantee agreements under EFSD implemented by EBRD have been taken over from INTPA as they relate to the Neighbourhood region. In 2022, no payments have been registered under EFSD/ EFSD+ but only under the legacy instrument ELM⁶⁸, covering both the Enlargement and Neighbourhood regions, which has been transferred from EIB to DG NEAR as of 1 August 2021 (EUR 194.3 m⁶⁹). In addition, concerning financial instruments, the amount of payments operated through fiduciary accounts amounted to EUR 16.6 m, mainly for the Enlargement area.

In general, the logic and the related risks and controls under FIs and BGs are not significantly different from all the other entrustments provided to IFIs, based on grants. Indeed, several projects include FIs but also other activities (such as technical assistance and investment grants). Therefore, considering all the above elements, in order to avoid an artificial excessive split of its RCSs, DG NEAR has decided to keep the entrustment related to FIs and BGs under RCS 5. This decision will be reviewed in 2023.

Stage 1 – Prior to Contracting

Eligible counterparts to be entrusted with implementation tasks have to demonstrate a level of financial management and protection of the EU financial interest equivalent to that of the Commission when it implements the Budget in direct management. This is verified by carrying out an ex-ante assessment, a pillar assessment of the entity. Pillars are the broad areas covered by this assessment. Following changes brought by the 2018 Financial Regulation and the subsequent adoption of a revised pillar assessment methodology on 17 April 2019, these are:

- Basic pillars (compulsory): (1) internal control, (2) accounting, (3) independent external audit;

⁶⁸ Transactions related to budgetary guarantee are processed in a specific off-budget company code in ABAC, called LIGA (Liquidity Fund for Guarantee Agreements).

⁶⁹ Please note that these transactions are disbursed through ABAC-LIGA and linked to the Common Provisioning Fund (CPF) following guarantee calls submitted by EIB in relation to defaulting beneficiaries/loan takers in Lebanon, Syria, Ukraine, Belarus and Russia. They are already captured under the CPF provisioning (in the same or previous years). Accordingly, for the purpose of the AAR, the amounts corresponding to budgetary guarantees should be reported only on the side of the provisioning of the CPF rather than on that of the guarantee calls paid out of the CPF.

- Operational pillars (optional): (4) grants (including certain aspects from the discontinued sub-delegation pillar), (5) procurement, (6) financial instruments and BGs;
- New pillars (compulsory): (7) exclusion from access to funding, (8) publication of information on recipients, (9) protection of personal data.

The section on BGs under pillar (6) and pillar (7) has been introduced in the revised pillar assessment methodology in 2019. IFIs and DFIs already pillar assessed for EFSD had to carry out for EFSD+ an update of their pillar assessment.

As regards BGs, the proposals for investment programmes (PIPs), made by eligible counterparts, are assessed taking into account the expert advice of the technical risk assessment group on the risk and banking-related aspects of the proposals. Following this technical screening by the Commission, the proposals are discussed with all eligible counterparts during Technical Assessment Meetings. Once a proposal is considered sufficiently mature, it is submitted to the EFSD+ Operational Boards for opinion (the commitment period of EFSD ended on 31 December 2020, only EFSD+ guarantee agreements are signed during the period 2021-2027). Following the opinion of the Operational Boards, the selected PIPs are adopted by a Commission decision.

As regards FIs, one or more Commission Decisions, based on priorities stemming from the regional indicative programmes and from policy dialogue with relevant partner countries, allocate financing to the blending facility or platform from the various regional envelopes. After this decision, the specific blending framework governance is used to select projects. Following the positive opinion of the relevant blending framework board, the related contribution agreements for FIs will be signed.

A – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 Internal Control Objectives.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy).</p>	<p>Ex-ante pillar assessment, conditional to granting budget autonomy. Hierarchical validation within the authorising department. Requiring justification and prior consent for any deviating financial rules. Postponing the budget autonomy. Obligation to notify any subsequent changes embedded in Board proceedings. Appropriate supervisory measures are foreseen to address potential weaknesses detected by the pillar assessment. Pillar assessment to be updated each time that there is a material change in the management and control systems of the eligible counterpart.</p>	<p>Coverage/frequency: 100% of entrusted entities/once by one DG appointed as lead, but valid for all Commission DGs. Depth may be determined after considering the <u>type or nature</u> of the entrusted entity and/or the <u>value</u> of the budget concerned.</p>	<p>Effectiveness: All pillar assessments finalized when opportunity and legal checks are validated. Efficiency: Time to assess the pillars of an entity. Economy: Estimation of cost of controls implemented by DG NEAR staff.</p>

B - Identification and formulation

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality and regularity) and ensures the proper type of support and modalities specific to each partner country

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The instrument and/or implementation modality does not adequately address the policy objectives set out in the applicable regulations and/or is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.</p>	<p>Quality Review NDICI Committee validates multiannual indicative plans (MIPs) and the choice of implementation modalities, under Commission's proposal. The areas of intervention for blending and BG under EFSD/EFSD+ (Strategic Orientations, investment windows) are submitted to Commission decision, after inter-services consultation and opinion from Strategic Board and Operational Board(s). Hierarchical validation (incl. at DG level) of annual work plan and delegation Agreements (CAFIS), including notably the ex-ante evaluation (required by FR art. 209). Inter-service consultation (including all relevant DGs, horizontal and operational). Opinion of advisory bodies and of Operational Board(s). Adoption by Commission Decision. A detailed assessment criteria grid is followed for the assessment of the Proposed Investment Programmes (PIPs). One or more technical assessment meetings (TAMs) held with eligible counterparts having submitted proposals. Assessment of financial risks carried out by independent risk experts. Ex ante evaluation (Article 209 of FR) for the corresponding financial instrument or budgetary guarantee, individually or as part of a programme containing explanations concerning the choice of the type of financial operation taking into account the policy objectives pursued and the associated financial risks and savings for the budget.</p>	<p>Coverage/frequency: 100%. Depth: full consideration of programming documents. Detailed assessment criteria grid and credit risk model agreed with DG Budget and DG ECFIN for BG.</p>	<p>Effectiveness Coverage of thematic and geographic priorities established in the investment programmes. Efficiency: Time to assess and select proposals. Economy: Estimation of cost of controls in the identification and formulation phases.</p>

Stage 2 – Contracting (i.e. Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement” / “guarantee agreement” / etc...)

DG NEAR establishes and signs agreements with the organisations assessed and identified under the previous stage. A standard agreement model is used for most of the EU-financed operations under indirect management with entrusted entities, except for agreements extending BGs, which are for the moment drafted on a case-by-case basis. Where relevant, specificities of eligible entities are addressed in framework agreements and, in some specific cases, through the use of separate templates (e.g. World Bank Group, EIB, EIF) or, in the case of guarantees, through agreements tailor-made for each situation based on the requirements set out in Art. 38 of the NDICI-Global Europe Regulation.

In particular, for the establishment of the financial and risk provisions in the guarantee agreements, as well as the pricing of the EU guarantee, DG NEAR takes into account the expert advice of the technical risk assessment group advising on risk and banking-related aspects of the proposals. In 2021 a joint Risk Management Unit for DG INTPA and DG NEAR was set up for this purpose. Its role is to assess and manage risks associated with the guarantee operations. It builds on close co-operation with partner financial institutions, by hosting risk experts and providing a collaborative platform for impartial and inclusive, high quality risk management function. The assessment is based on the Risk management framework, which sets out the guiding principles for the risk management of the External Action Guarantee. Prior to the signature by the Director General, the draft guarantee agreements are submitted to Inter-service consultation with all relevant DGs, including DG Budget and Legal Service.

Main control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality and regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy, alignment of interest); ensuring that contingent liabilities created at the signature of agreements on BGs do not expose the Commission to an unacceptable credit risk.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	The establishment of the agreements concerned (PAGoDAs, Delegation Agreements, Contribution Agreements, Guarantee Agreements, etc.) is submitted to hierarchical validation within the authorising department and to Inter-service consultation, including all relevant DGs.	Coverage: 100%. Frequency: once. If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.	Economy: Estimation of cost of controls of the mandate.
The Commission has not sufficient information from independent sources on the entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of reporting.	Agreements specify the control, accounting, audit, publication, etc. related requirements in strict observance of the EU Financial Regulation -ad hoc clauses in framework agreements - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF.	Coverage: 100%.	
The Commission receives insufficient or incorrect information related to the credit risk of the operations of the entity to be guaranteed.	The credit risk team is independently assessing, before and during the lifetime of the guarantee agreement, the credit risk for the Commission related to each operation or portfolio of operations, so that the risk is kept at an acceptable level.	Coverage: 100%. Frequency: several simulations before the signature of each agreement.	Economy: Estimation of cost of the credit risk team, including its IT systems and data.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The CAFIs (Contribution Agreement for Financial Instruments) are inadequate in coverage of operational and management provisions.</p> <p>The design of the accounting and reporting arrangements would not provide sufficient transparency (True & Fair View)</p> <p>Insufficient alignment of interests among the EU, the implementing partner, the financial intermediaries (if any) and the final beneficiaries.</p> <p>The remuneration of the implementing partner or the guarantee fee and the risk-sharing conditions are too generous to the implementing partner.</p>	<p>The template for the CAFI and the draft guarantee agreements are submitted to inter-services consultation, hierarchical validation and signature by the AO.</p> <p>The implementing partner accepts “skin in the game” (i.e. the financial alignment of interest between the EU and the partner by co-sharing the risk at the same level).</p> <p>Guarantee fee discounts are provided for the achievement of thematic or geographic priorities, which are the main objective of the support.</p> <p>Risk assessment carried out by independent risk experts.</p> <p>Pricing of the guarantee and financial conditions based on the risk assessment.</p> <p>NCJ/AML clauses are always included in contribution and guarantee agreements, subject to inter-services consultation.</p> <p>Rules for accounting, reporting and other steps of the implementation are specified in contractual provisions.</p>	<p>Coverage: 100% of CAFIs or guarantee agreements.</p> <p>Frequency/depth: at the signature of each guarantee agreement and related amendments.</p>	<p>Effectiveness: Terms and conditions in line with the guidelines established for FIs and for guarantee agreements by BUDG, INTPA, NEAR and ECFIN.</p> <p>Efficiency: Time to negotiate and sign guarantee agreements.</p> <p>Economy: Estimated costs of control.</p>

Stage 3 – Monitoring the implementation

All payment requests, recoveries and related reports are verified and approved by DG NEAR staff (ex-ante controls). Before any transaction is authorised, the operational and financial aspects are initiated and verified by two different (operational/financial) services.⁷⁰ This is the “four eyes” principle of the Financial Regulation, which DG NEAR, taking into account the specific high-risk environment of external aid actions, reinforces by requiring controls by two separate agents for each of these two stages. Checklists and types of controls are regularly reviewed and updated to respond to feedback from risk analyses and from field users as well as changes to the regulatory environment.

Additional verification missions to be carried out by external auditors can be contracted by DG NEAR on the basis of a risk analysis. The underlying financial risks of each guarantee agreement and their evolution through time are regularly assessed by the joint Risk Management

⁷⁰ These payment requests may be subject to additional ex-ante verifications contracted as part of NEAR’s annual audit plans by the Commission as deemed appropriate by the Authorising Officer by Sub-delegation.

Unit for DG INTPA and DG NEAR, supported by the technical risk assessment group, based on quarterly reports that are submitted by implementing partners for each guarantee agreement.

The agreements with EE contain the obligation to provide with every report, a Management Declaration following the template annexed to the contract. However, it is possible to agree with the Commission to send annually the Management Declaration covering all the Contribution and Delegation agreements signed with the Commission. In this case, the organisation sends within the year N (this could be either the calendar year or the financial year of the organisation) the Annual Management Declaration for year N-1 covering all contracts implemented in year N-1 (calendar year or financial year of the Organisation, as indicated in the Annual Management Declaration). This Management Declaration is valid until the end of year N+1 (calendar year or financial year of the Organisation), i.e. it serves as Management Declaration for payment requests/reports submitted until this point in time. In case the Management Declaration is missing or does not cover the relevant/correct period, the reports will be considered as incomplete and the respective payment can be suspended. The organisation shall indicate in every report submitted (either progress or final) whether the Management Declaration is attached to the report, or sent annually to Headquarters.

A - Operations: monitoring, supervision, reporting (“representation” / “control with or around the entity”).

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>Due to weak "modalities of cooperation, supervision and reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p> <p>The reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the Sound Financial Management objective (e.g. admin fees unjustifiably high)</p>	<p>Agreement specifying the control, accounting, audit, publication, etc. related requirements – <i>incl. the modalities on reporting back relevant and reliable control results.</i></p> <p>Monitoring or supervision of the entrusted entity (e.g. ‘regular’ monitoring meetings at operational level; <u>review of reported control results and any underlying management/audit reports</u>; representation and intervention at the board, scrutiny of annual report, etc.).</p> <p>Management review of the supervision results.</p> <p>Annual audit plans.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - reinforced monitoring of operational and/or financial aspects of the entity - intervention, e.g. via own audits on-the-spot, by IAS - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF. 	<p>Coverage: 100% of the entities are monitored / supervised.</p> <p>Frequency: meetings take place regularly depending on the delegated activities and delegated entities, reports submitted at least annually (depending of contractual provisions).</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity’s internal control information.</p>	<p>Effectiveness: KPIs related to the implementation of projects</p> <p>Efficiency: KPIs related to the implementation of the annual audit plans</p> <p>Economy: Estimation of cost of controls related to monitoring of implementation of operations.</p>

B – Commission contribution: payment or suspension/interruption.

Main control objectives: Ensuring that the Commission fully assesses the management situation and the financial risks at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality and regularity, sound financial management, anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Commission pays out the (next) contribution to the entrusted entity or default calls on guarantees, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Agreement specifying the control, accounting, audit, publication, etc. Related requirements – incl. reporting back. Management review of the supervision results. Ex-ante OV and FV, ‘in-depth’ if need be. Hierarchical validation of contribution payment and recovery of non-used operating budget subsidy Provisions in the guarantee agreements that specify the rights of “clawback” (payment reimbursement) of the Commission when cases of wrong calls or fraud are detected. The credit risk team is independently assessing, during the lifetime of the guarantee agreement, the credit risk for the Commission related to each operation or portfolio of operations, so that the risk is prevented from going beyond the acceptable threshold. If appropriate/needed: suspension or interruption of payments.</p>	<p>Coverage: 100% of the contribution payments. Frequency: usually annually but can be more frequent depending on the contractual provisions. Several simulations every six months or every year by the credit risk team during the implementation of BGs. The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity’s internal control information.</p>	<p>Efficiency: KPIs on implementation of audit plans, payments within contractual deadlines and on ineligible expenditure detected through ex post controls. Economy: Estimation of cost of controls related to audits and verifications or to the credit risk team.</p>
	<p>Annual Control Plans: Verification of expenditure are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.</p>	<p>Coverage: > 10% of ongoing or "recently" closed operations.</p>	

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>Potential downgrade of the Union's top credit rating due to a failure to honour a guarantee call within the agreed deadline.</p> <p>Failure to recover in time amounts due to the Union and assigned to the provisioning (e.g. guarantee fees, recovered amounts by implementing partners on defaulted operations).</p>	<p>Agreement specifying the claims and payments terms, the fees terms (rate, date due, deadlines) and the recovery conditions.</p> <p>Ex-ante OV and FV, 'in-depth' if need be.</p> <p>Alert system on deadlines for the payment of guarantee calls.</p> <p>Hierarchical validation of guarantee calls payments and recovery of amounts due.</p> <p>Clawback clause on amounts paid.</p>	<p>Coverage: 100% of financial transactions. Frequency: permanent.</p> <p>Depth: defined in applicable checklists.</p>	<p>Efficiency: KPIs on implementation of audit plans, payments within contractual deadlines and on ineligible expenditure detected through ex post controls.</p> <p>Economy: Estimation of cost of controls related to audits and verifications or to the credit risk team.</p>
<p>An unforeseen additional EU contribution is needed to replenish the CPF due to a fail to detect potential losses above the estimate of losses embedded in the provisioning rate, or because of an unforeseen major event, such as a war in borrowing countries.</p>	<p>Risk assumptions taken during the assessment of operations and their estimated risk profile are regularly verified and all the deviations recorded and assessed.</p> <p>Quarterly reports foreseen by the guarantee agreements include a full set of financial and risk data.</p> <p>Monitoring at portfolio level and for individual guarantee operations of the build-up of contingent liabilities and their risk over time, based on use of the credit risk model.</p> <p>Verification of the consistency of the actual risk profile of operations with the one initially estimated; identification of corrective actions where possible and if necessary.</p>	<p>Coverage: 100% of guarantee agreements.</p> <p>Frequency: quarterly and annually, can be more frequent if worrying patterns are detected.</p> <p>Depth full set of risk data and parameters requested from implementing partners.</p> <p>All CAFIs</p>	<p>Effectiveness No additional EU contribution to the provisioning requested within a horizon of less than 3 years.</p> <p>Efficiency Risk reporting dates met. Timely detection of abnormal risk patterns.</p> <p>Economy: Costs of control: staff costs of control will be estimated using approximations based on analyses of the organigram, job descriptions and programme/project portfolios</p>
<p>Excessive balances are held on fiduciary accounts and may generate negative interests to be paid by the Commission.</p>	<p>Strategies have to be put in place by partners entrusted with the implementation of FIs in order to minimize negative interest.</p> <p>Furthermore, instructions were addressed to AOs reminding them of the necessity to make sure that the payment of the EU contribution to the account is based on the disbursement forecast corresponding to the real operational needs, with an objective to minimise the balance and any related cost.</p>	<p>All payment requests for FIs.</p>	<p>staff costs of control will be estimated using approximations based on analyses of the organigram, job descriptions and programme/project portfolios</p>

Stage 4 - Ex-Post controls and Follow-up

Payments for operations in Indirect Management with entrusted entities are included in the population of the RER study undertaken each year for DG NEAR on representative sampling of closed contracts. Findings from the risk based audits and from the RER study are systematically followed up by DG NEAR, which takes necessary actions for the recovery of non-eligible expenditures where appropriate.

A - Reviews, audits, verifications 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 and 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 <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of residual errors.</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of ex-ante controls.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p> <p>Supervision missions to Delegations by independent staff not involved in the operational and financial circuits.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p> <p>Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.</p>	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR.</p> <p>Economy: Estimation of cost of RER controls of grant operations.</p> <p>Effectiveness: number of supervision mission, number of SMART recommendations accepted and described in an action plan.</p> <p>Efficiency: Time to prepare supervision missions.</p> <p>Economy: Estimated cost of supervision missions</p>

B - Implementing results from ex-post controls

Main control objectives: Ensuring that the results from the ex-post controls lead to effective recoveries (legality and 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	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely.	Systematic registration of control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.	Coverage: 100% of final audit results with a financial impact. Depth: findings of systemic errors are considered for corrections of other projects by the same organisation, taken into account for future projects.	Effectiveness: All RER detected are recorded in the audit module, followed up and closed. Efficiency: time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions. Economy: Estimation of cost of follow up of financial recommendations.

ANNEX 7: Specific annexes related to "Financial Management"

1. Controls supporting the achievement of the objectives

The controls put in place by DG NEAR management aim to provide reasonable assurance that all the five internal control objectives are achieved. They encompass all control components and are implemented either ex ante (all except the Residual Error Rate study) or ex post (the Residual Error Rate study only).

Manual of Procedures (MAP): it provides guidance on financial and legal issues relevant to the activities of DG NEAR. It gathers, in a single document/ place, all information on the applicable procedures in DG NEAR.

Financial circuits: the level of 'ex-ante' controls (before the approval of the AO(S)D) consists in the tight supervision and checks of all operational and financial aspects of transactions based on the financial circuit, complemented by comprehensive and detailed checklists. In line with the Financial Regulation, the financial circuits are defined by the Authorising Officer by Delegation (AOD) and described in NEAR MAP (Manual of Procedures). Before an operation is authorised, all aspects (both operational and financial) of the operation are verified by members of staff other than the one who initiated the operation. The person dealing with the verification is never subordinated to the initiator of the transaction. For the same file, the same person cannot do both initiation and verification ("four eyes" principle). In these circumstances, the roles of the operational function and the financial function are defined to avoid any overlap and confusion in responsibilities. Authorising officers by delegation are responsible for both the budgetary and legal commitments related to the operations.

Subdelegation and deputisation: DG NEAR's rules on subdelegation and deputisation complement its rules on financial circuits. These rules define all the functions within the DG and its EU Delegations/ Offices that are eligible to receive subdelegation of AOSD powers of signature. They set out the limitations applicable to the subdelegation of the authorising officer powers, the procedure for granting subdelegations and the principles applicable to the system of deputisation for a hierarchical superior and for a responsible authorising officer. These rules apply to operations under budget lines managed by DG NEAR, both in headquarters and in EU delegations. They also apply to the Trust Funds managed by the DG.

Sensitive functions: DG NEAR has adopted a policy on sensitive functions in line the Commission's guidelines. Genuinely sensitive posts are subject to mandatory rotation. The implementation of the policy is periodically reviewed in order to correct inconsistencies, register deviations and update the policy if necessary.

Contractual verifications launched by the beneficiaries and contractors: these mandatory expenditure verifications accompanying requests for payment are explicitly required in contractual documents. The terms of reference for such controls are aligned with those of financial verifications launched by the Commission. Auditors are requested to

deliver the list of all items checked. This aims to increase transparency, reliability and allow for re-performance.

Monitoring: it refers to the ongoing collection, analysis and use of quantitative and qualitative information about project/programme/overall budget execution progress and the results being achieved. It supports effective and timely management decision-making, learning by project/programme stakeholders, and accountability for results achieved and resources used. It can consist of a wide range of activities, such as:

- financial monitoring (such as Budgetary Execution Reports or Summary tables with details on initial credits; budget transfers; available credits; cumulative execution; forecast for the period);
- operational monitoring (such as analysis of project/programme reporting documents and data, attending project/programme Steering Committee meetings, reviews of budget support operations, meetings with project/programme teams, beneficiaries, public authorities and other stakeholders, project visits to review the status of implementation, results reporting exercises);

Both monitoring can be conducted based on and complemented by the various available dashboards and tools (KPI, data quality, portfolio management, MIS, OPSYS, etc.). In particular, DG NEAR monitors a group of key performance indicators (KPIs) grouped around three objectives:

1. Sound Financial Management and Effective Use of EC Resources;
2. Effectiveness of Internal Controls;
3. Effectiveness of Audit systems.

The KPIs are periodically reviewed and adapted, in agreement with DG INTPA. In addition, for each KPI, targets/benchmarks are set at the beginning of the year against which each entity managing funds within the DG (Delegation/Unit/Directorate) needs to deliver. The delivery by all entities contributes to the overall results of the DG and allows the detection of areas where follow up is required. The reports by the Authorising Officers by Sub-Delegation (AOSD) made at year-end (by Directors to the Director General) provide details on the results of KPIs in HQ as well as a summary of KPIs in the Delegations under the responsibility of the AOSDs.

Control plan: DG NEAR carries out a robust risk assessment at project-level at the beginning of each year, which is the basis of the control plan. The exercise covers all funds managed by DG NEAR in all management modes and including all type of operations, with exceptions established in the annual guidelines (for example, budget support operations are usually excluded since they follow their own specific risk assessment process, as well as actions implemented under IPA Indirect Management with Beneficiary Countries, which follow their own specific guidance). The objective is to have an additional layer of controls that the AOSD activates if he perceives specific risks. It consists in a list of financial verifications and operational controls.

The **financial verifications** are:

- a) **Contractual mandatory verifications launched by the Commission** (explicitly required in contractual documents). These are few in numbers and concern mainly the Southern Neighbourhood EUDs (Pegase, remaining programme estimates which are being discontinued) and occur mostly every year;
- b) **Risk based verifications** (based on perceived risks, at the level of contract/ project that are not already mitigated by a contractual control). Since 2018, financial audits have been replaced by expenditure verifications focusing on legality/regularity of expenditure reported rather than on delivering an 'opinion'. These verifications can be coupled in specific cases with system verifications (which focus on the design and/or operating effectiveness of an entity's internal control system). In indirect management with International Organisations, verifications consist in agreed upon procedures, where controls are strictly determined in agreements such as Financial and Administrative Framework Agreements (FAFAs) and in which auditors issue 'reports on factual findings'.

All financial verifications are listed in an **Audit Plan** validated by the Financial Assistance Steering Committee (FAST) Committee and are monitored until all recommendations are followed up.

The **operational controls** are

- c) **On the spot checks**: they complement monitoring by verifying contract / project deliverables on the spot, along with aspects of legality and regularity, to support the operational visa ('certified correct') or, in indirect management, to provide supplementary assurance, that the monitoring and controls of the national authorities / entrusted entities to support their payment visas can be relied upon. On the spot checks can include an operational and a contractual/financial dimension, in which case they involve both operational and contracts and finance staff.
- d) **Results-Oriented Monitoring (ROM)**: monitoring outsourced to external contractors to acquire an independent view on the performance and results of EU funded projects and programmes. It makes reference to four criteria (relevance, efficiency, effectiveness, sustainability). External monitors assess project performance based on the OECD DAC (Development Assistance Committee) criteria and make use of data collected through a short-term monitoring mission. This provides information to support monitoring/evaluation/verification and management decision at project/programme level. It is regulated by a specific handbook, which is regularly updated by DG INTPA and DG NEAR.
- e) **Evaluations**: systematic, independent and objective assessments of on-going or completed projects, programmes or policies, their design, implementation and results. Evaluations are performed by independent, external experts who scrutinize an intervention against defined criteria such as relevance, efficiency, effectiveness, sustainability, coherence, impact and EU added value (OECD DAC and European Commission Better Regulation evaluation criteria).

Strategic evaluations analyse strategies from design to implementation, assessing the results of spending (projects and programmes) and non-spending (policy dialogues) activities. They are conducted at several levels: country, region, multi-country, sector and instrument. They are planned on a multi-annual basis, managed by HQ and conducted by external evaluators.

Project and programme evaluations provide knowledge on specific programmes and actions and feed the strategic evaluations. These evaluations are planned annually and are included in the Control Plan of the DG. They are managed by EU operational managers in Delegation/HQ and conducted by external evaluators.

Controls in Indirect Management with Entrusted Entities: The Commission may entrust budget implementation tasks in indirect management to entrusted entities (IMEE) that demonstrate a level of financial management and protection of the EU's financial interest equivalent to that of the Commission. This ability is verified by carrying out an ex-ante **pillar assessment** of the entity. These assessments are supervised either by DG NEAR or other Commission services. It is a sine qua non condition to sign agreements with these entities, but is not an ex-ante validation of the legality/regularity of future costs to be submitted to the Commission.

International Organisations and National Agencies need to undergo pillar assessments, pursuant to the Financial Regulation to be able to sign contribution agreements under indirect management. These assessments aim to check whether the European Commission can entrust budget implementation tasks to entities that demonstrate a level of financial management and protection of the EU's financial interest equivalent to that of the Commission.

The Commission implements Financial Instruments (FIs)⁷¹ and Budgetary Guarantees (BGs)⁷² through indirect management by entrusting the implementation of actions to third parties, such as EIB, International Financial Institutions (IFIs) and Development Financial Institutions (DFIs). These entities are subject as well to pillar assessments.

In addition, entrusted entities, including International Financial Institutions, have the obligation from the Delegation and Contribution Agreements to submit periodic **Management Declarations and/or Control or Audit Opinion**. These include also the annual reports and progress reports for financial instruments and guarantee agreements.

⁷¹ A Financial Instrument (FI) is a measure of financial support provided from the budget to address one or more specific policy objectives of the Union which may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments. A FI may, where appropriate, be combined with other forms of financial support or other donors.

⁷² Budgetary guarantees are guarantees granted by the Commission, on behalf of the Union, to the EIB, IFIs and DFIs aiming at achieving Union's policy objectives. The contingent financial liability arising from the EFSD (2017-2020) and EFSD+ (2021-2027) budgetary guarantees is covered by a provisioning set aside in the Common Provisioning Fund (CPF), managed by DG Budget. The amount of provisioning is determined by the provisioning rate set out in the EFSD and NDICI-Global Europe regulations respectively, between 9% and 50%.

The management declarations from the International Financial Institutions cover also the European Western Balkans Joint Fund (EWBJF) grants.

Controls on FIs and BGs⁷³: proposals made by eligible counterparts for investment programmes (PIPs) to be covered by the budgetary guarantees are assessed taking into account the expert advice of the technical risk assessment group on the risk and banking-related aspects of the proposals. In 2021 a joint Risk Management Unit for DG INTPA and DG NEAR was set up for this purpose. Its role is to assess and manage risks associated with the guarantee operations. It builds on close co-operation with partner financial institutions, by hosting risk experts and providing a collaborative platform for impartial and inclusive, high quality risk management function. The assessment is based on the Risk management framework, which sets out the guiding principles for the risk management of the External Action Guarantee.

Following this technical screening by the Commission, the proposals are discussed with all eligible counterparts during one or more Technical Assessment Meetings. Once a proposal is considered sufficiently mature, it is submitted to the EFSD+ Operational Boards for opinion (the commitment period of EFSD ended on 31 December 2020, only EFSD+ guarantee agreements are signed during the period 2021-2027). Following the opinion of the Operational Boards, the selected PIPs are adopted by a Commission decision.

As regards FIs, one or more Commission Decisions, based on priorities stemming from the regional indicative programmes and from policy dialogue with relevant partner countries, allocate financing to the blending facility or platform from the various regional envelopes. After this decision, the specific blending framework governance is used to select projects. Following the positive opinion of the relevant blending framework board, the related contribution agreements for FIs will be signed.

Controls in Indirect Management with Beneficiary or Partner countries: The Commission can entrust budget implementation tasks in indirect management to beneficiary or partner countries. Before signing a financing agreement, DG NEAR carries out system verifications in order to assess the effective and efficient functioning of the control system in the beneficiary country in accordance with the requirements set in the FR and the applicable regulation, transposed in a framework agreement signed with each beneficiary or partner country. These verifications constitute the key element giving assurance to the AOSD on the readiness of the entrusted structures. These systems are reassessed on a periodic basis. Additional assurance is obtained by ex-ante/ex-post controls in procurement and grant processes, review of the system/transactional audits of the beneficiary country's audit authority, the review of the management declarations, reports, and control results from management/audit authorities, the review of the reports on control results from management authorities for Cross Border Cooperation (CBC) programmes and the clearance of accounts procedure.

⁷³ Please note that part from the guarantee agreements signed under the EFSD and EFSD+, DG NEAR also manages the legacy of the EIB's External Lending Mandates (ELM), as well as the legacy agreements supporting financial instruments under the Neighbourhood Investment Platform (NIP) and the Western Balkans Investment Facility (WBIF).

Residual Error Rate (RER) study: it enables the effectiveness of the overall control framework to be evaluated, and forms an important part of the information at the Director General's disposal when signing the Declaration of Assurance. Residual Errors are those that have evaded all prevention, detection and correction controls in the existing control framework. The RER study is an agreed upon procedure, which reports on factual findings. The RER study is not an audit providing an audit opinion. However, the DG reaches its own conclusions based on the auditor's report of factual findings.

The RER indicator is designed to identify residual errors which have not been detected by the ex-ante controls and conclude on the effectiveness of the internal control system, particularly in respect of the risks related to legality and regularity. When the RER is below the materiality threshold of 2%, it is a strong signal that the controls put in place at all levels of the DG are effective. Moreover, besides the overall error rate, the RER study reveals the common types of errors and therefore helps to avoid them in the future.

The RER methodology is regularly updated in order to take into account also the recommendations of the Court of Auditors and the IAS. The methodology takes into account the multiannual nature of DG NEAR's programmes, as the sample is based on contracts closed during a pre-defined period.

Moreover, as of 2019, following a high error rate identified in grants under direct management, the number of checks is increased in this particular area and more precise guidelines on checking second-level procurement is given to the RER contractor. These checks provide additional and corroborative information on the types of error in grant contracts.

In its Annual report for 2021, the ECA addressed a recommendation related to the RER study to DG NEAR: to **disclose the closed contracts not included in the RER population**, from which the sample is drawn.

The criteria for excluding "old contracts" from the RER population are strict and set in the RER methodology:

- contracts characterised by no operational activity in the **last eight years** and/or
- contracts on which no controls in the **last five years** were implemented.

The exclusion of the old contracts does not affect the representativeness of the sampled population, or the resulting error rates, as the RER ex post controls are performed on a sample of closed contracts, not on the whole population. There will always be a part of closed contracts not subject to the RER ex post control. Moreover, the information coming from ex post controls of old contracts would be of little value, as old contracts were implemented under rules and regulations no longer in application. Finally, after the end of the implementation period, beneficiaries are obliged to keep supporting documentation up to 5 or 8 years, depending on the contract. This time limitation would hinder the possibility to carry out the controls on old contracts and result in a number of transactions not contributing to the calculation of the error rates.

The old contracts not included in the RER population for the 2022 study were three: a service contract and two grants (overall contracted value EUR 2.27 million).

In addition, in 2022, DG NEAR suspended the RER ex post controls for 77 contracts (overall contracted value EUR 500 million) implemented in Ukraine, Russia and Belarus, due to the political situation following the Russian unprovoked and unjustified invasion of Ukraine and the subsequent impossibility to communicate with and obtain cooperation from the national authorities and the majority of beneficiaries in these countries. The 40 contracts implemented in Ukraine represent 89% of the value of the contracts temporarily excluded (EUR 445 million). The contracts closed between September 2021 and August 2022 related to Ukraine, Russia and Belarus will be included in the RER population once the political situation allows DG NEAR to resume the ex post controls.

The 2022 RER study included the individual TAIEX 6 contracts, which were excluded from the 2021 RER study because they were found as not completely closed at the time of sampling: these contracts were operationally closed in previous years, while the main commitment was closed only at the end of 2021.

Supervision missions: they represent a management tool at the level of Directors. They provide assurance to the AOSD, as well as insight into the Delegations'/ Offices' capacity to manage EU external assistance and to achieve their goals. Each Delegation/ Office is visited according to a Multiannual Plan defined by the Geographical Directorates, in cooperation with the Contract and Finance Units. A minimum frequency is defined in the related Process Manual. The output of the supervision mission is the final report and its recommendations. The Delegations/ Offices are responsible for preparing an action plan and for the timely implementation of the recommendations. A follow up is performed within 6 months and 12 months of the final report.

Risk Management: DG NEAR established a robust risk management policy and developed internal guidelines in order to adapt the risk management process to the risk specificities of the DG. Risks are identified and assessed using the impact/ likelihood model. The impact is the potential consequence should the risk materialise; it can be both quantitative and qualitative in nature. The likelihood is the estimated probability that the risk will occur. The identification and assessment of risks in DG NEAR is performed at two levels:

- at directorate level, in order to encompass the operational, financial and policy aspects;
- at DG level to include an overall and strategic perspective and select only the risks which are relevant for the whole DG.

Critical and significant risks at directorate level are recorded in the respective directorate risk registers. Risks which are critical and significant at DG level are included in the DG NEAR risk register. For all risks to be mitigated, an action plan is established and its implementation is followed-up and monitored.

Anti-Fraud Strategy: DG NEAR has developed and implemented its own anti-fraud strategy (AFS) since 2014, on the basis of the methodology provided by OLAF. Its implementation is being monitored and reported on to the Commissioner and to management at least twice a year. The AFS is complemented by a Manual which provides a consolidated source of information regarding anti-fraud procedures and practices (e.g. reporting an irregularity or a potential fraud). DG NEAR also contributes to the Commission anti-fraud strategy and its action plan.

Exceptions, non-compliance events, derogation, prior approvals, events to be reported, confirmation of instructions: DG NEAR ensures a system tracking, monitoring and reporting of deviations from established processes and procedures⁷⁴, of options foreseen in the procedures requiring a formal approval for their use⁷⁵ and of confirmation of instructions (Art 92.3 Financial Regulation)⁷⁶.

Controls performed by external bodies: controls are also performed by the:

- Internal Audit Service (IAS): the IAS audits the management and control systems that exist within the Commission and the EU agencies and provides independent and objective assurance on their adequacy and effectiveness. On request of management, it also offers consulting activities. Audits performed by the IAS may lead to observations and recommendations addressed to DG NEAR. In addition, the Internal Auditor of the Commission releases every year the limited conclusion on the state of internal control and the observations and recommendations reported by the IAS;
- European Court of Auditors (ECA): the ECA is the external auditor of the EU Budget and EDFs. The ECA performs two types of audit:
 1. Financial audits aim at controlling the reliability of the accounts and at checking the legality and regularity of the underlying transactions. ECA conclusions and opinion (i.e. the Declaration of Assurance or DAS) are reflected in its annual reports on budget, including possibly also recommendations to DG NEAR.

⁷⁴ Deviations from the established framework of processes and procedures can take the form of derogations, exceptions and non-compliance events. Derogations are deviations from established processes and procedures that are explicitly allowed by the applicable rules but nevertheless require adequate justification. They are approved by the competent authority before action is taken (ex-ante). Exceptions follow the same principle but relate to deviations that are not specifically allowed by the applicable rules. They are also given ex-ante. Non-compliance events are deviations or gaps in existing controls which are detected or discovered after the action was taken (ex-post). They can also consist of breaches of existing regulatory and/or contractual provisions. They do not regularise the identified breaches or internal control weaknesses in any case, they serve to acknowledge that they were identified and that they are properly reported.

⁷⁵ Prior approvals and events to be reported are activation of options explicitly allowed by the established processes and procedures. Prior approvals require a specific request with adequate justification and ex-ante approval by the responsible competent authority. Events to be reported also entail the approval by the competent authority but this is given in a supporting document (evaluation reports for calls for tenders/proposals, financing agreements, basic acts, declaration of crisis, etc.). They don't deserve therefore a specific request. They are meant to keep a statistical record of these cases and unlike the rest of categories; they are encoded in CRIS in a simplified manner with a single ENCOD visa.

⁷⁶ An authorising officer by delegation or sub-delegation who receives a binding instruction which he or she considers to be irregular or contrary to the principle of sound financial management, in particular because the instruction cannot be carried out with the resources allocated to him or her, shall inform the authority from which he or she received the delegation or subdelegation about that fact in writing. If the instruction is confirmed in writing and that confirmation is received in good time and is sufficiently clear, in that it refers explicitly to the points that the authorising officer by delegation or subdelegation has challenged, the authorising officer by delegation or subdelegation shall not be held liable. He or she shall carry out the instruction, unless it is manifestly illegal or constitutes a breach of the relevant safety standards.

2. Performance audits usually examine whether the EU funds have been used in an effective and efficient way in connection to a wide range of topics. ECA conclusions are reflected in its special reports, including possibly also recommendations to DG NEAR.
- the Commission's Accounting Officer in the framework of the validation of local financial management systems;
 - OLAF (European Anti-Fraud Office). OLAF conducts independent investigations into fraud and corruption involving EU funds and into serious misconduct by EU staff and members of the EU institutions. The results of the investigations can include recommendations addressed to DG NEAR.

In case of issues and deficiencies identified by external bodies, DG NEAR establishes the appropriate actions to remediate them and ensure the necessary follow-up of the related recommendations.

2. Reports on Financial Management and Internal Control

The main reports produced are the following:

- Monthly financial reports;
- The Management Plan 2022 of the Directorate General;
- The Management Plan 2022 of the Delegations;
- Reports by the Authorising Officers by Sub-Delegation (AOSD) made at year end (by Directors to the Director General), detailing the results of Key Performance Indicators (KPIs) in HQ as well as a summary of KPIs in the Delegations under the responsibility of the AOSDs. These reports also include the statement of assurance signed by each Director, in addition to information about significant control weaknesses or other key issues;
- The External Assistance Management Reports (EAMRs) prepared by the delegations, with the statement of assurance signed by each Head of Delegation. As per Financial Regulation, this statement includes information on the efficiency and effectiveness of the internal control systems put in place in the Delegations, as well as information on the management of the operations sub-delegated to them, thus providing their assurance to the relevant Director in accordance with the sub-delegation received;
- The AOSD report of the EU Trust Fund in response to the Syrian Crisis and North of Africa window of the EU Emergency Trust Fund for Africa;
- The reports from authorising officers in other DGs managing budget appropriations via cross sub-delegations;
- Ad hoc reports from the Management Information System (MIS) (on risk assessment, financial forecasts);
- The inventory of findings and recommendations for Indirect Management with Beneficiary Countries (IMBC) in support of the decision of entrustment;
- The management declarations, reports, and control results from management/audit authorities under IMBC;
- The reports on control results from management authorities for Cross Border Cooperation (CBC) programmes;
- The pillar assessment reports: International Organisations and National Agencies need to undergo pillar assessments, pursuant to the Financial Regulation to be able to sign delegation agreements under indirect management. These assessments aim to check whether the European Commission can entrust budget implementation tasks to entities that demonstrate a level of financial management and protection of the EU's financial interest equivalent to that of the Commission;
- The management declarations from International Organisations and Member States agencies. Management declarations from the International Financial Institutions cover the European Western Balkans Joint Fund (EWBJF) grants;
- The annual reports and progress reports for financial instruments;
- The supervision mission reports on Delegations visited during the year;
- The follow-up of supervision mission performed in the year(s) before;
- The 2022 RER study;

- The reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 Financial Regulation);
- The report on the implementation of OLAF financial recommendations to OLAF and DG BUDG;
- The report on OLAF cases and on the implementation of the DG Anti-Fraud Strategy to the Commissioner, to the DG and to senior management;
- The periodic follow-up and reporting on the implementation of the action plans for AAR reservations, from the DG Risk Register and in relation to previous internal control deficiencies;
- The observations and recommendations reported by the ECA and the IAS;
- The limited conclusion of the Internal Auditor on the state of internal control and the observations and recommendations reported by the Internal Audit Service (IAS);
- The accounting Officer's reports on the validation of local financial management systems;
- The mid-year internal control assessment issued by the Director RMIC.
- The contribution by the Director in charge of Risk Management and Internal Control (RMIC), including the results of internal control monitoring at the DG level.

3. Table on the DG NEAR estimated “cost of controls”

NEAR	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR	EC total costs	Related payments Made	Ratio (%) (a)/(b)	EC total costs	Total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
Grants in Direct Management	24 961 688.76 €	872 188 773.59 €	2.86%	671 681.15 €	231 854 637.65 €	0.29%	25 633 369.91 €	2.94%
Procurement in Direct Management	12 017 852.04 €	252 087 481.68 €	4.77%	289 407.45 €	30 988 745.03 €	0.93%	12 307 259.48 €	4.88%
Budget Support	20 056 259.39 €	1 398 659 394.52 €	1.43%	472 757.38 €	125 845 238.42 €	0.38%	20 529 016.77 €	1.47%
Indirect Management with Beneficiary Countries	7 626 637.16 €	459 498 710.89 €	1.66%	452 454.17 €	127 003 836.52 €	0.36%	8 079 091.33 €	1.76%
Indirect Management with Entrusted Entities	27 216 542.20 €	1 570 463 683.95 €	1.73%	654 829.70 €	303 800 895.47 €	0.22%	27 871 371.89 €	1.77%
Others not related to a RCS	5 142 254.09 €	138 445 167.76 €	3.71%	115 205.26 €	28 000 000.00 €	0.41%	5 257 459.35 €	3.80%
OVERALL total estimated cost of control at EC level for expenditure	97 021 233.63 €	4 691 343 212.39 €	2.07%	2 656 335.10 €	847 493 353.09 €	0.31%	99 677 568.74 €	2.12%

NB. The absolute values are presented in EUR.

In line with previous years, the verification of expenditure is considered in DG NEAR to be ex ante control, while only the RER study is considered ex post. For HR related costs, DG NEAR assumes that ex ante control represents 98 % of total control and ex post 2 %. Evaluation costs have been included only if related to a specific project/ contract, in line with the Commission guidelines. Costs of controls are attributed to each RCS using a weighting key - 80 (total payments)/ 20 (number of contracts) – in case a direct attribution cannot be performed. Tasks and costs not attributable to any RCS can be attributed to Others. Costs are linked to all the payments made in 2022 under EC Budget and EUTF MADAD (excluding Contributions to CPF and to EU Trust Funds).

4. Results of the control and risk analysis for the relevant control systems (RCSs)

The section below provides further details about the results in terms of control and risk analysis for the relevant control systems (RCS).

A. Direct Management

Under Direct Management, funds are channelled to the final recipients through contracts signed directly by the Commission as the contracting authority. Under Direct Management, the control environments are Grants in Direct Management (RCS 1); Procurement in Direct Management (RCS 2); Budget Support (RCS 3). In addition, the Pegase mechanism to channel Direct Financial Support to the Palestinian institutions includes a specific set of controls (which has been reviewed in recent years by ECA) and for this reason is not considered under Direct Management.

RCS 1: Grants in Direct Management

Under Direct Management, funds are made available to the final recipients through contracts signed directly by the Commission as the contracting authority. Under Grants (RCS 1), the control results and risk analysis are the following:

- With a residual error rate for grants that has been above the materiality threshold of 2% in the previous recent years (2017: 2.80%, 2018: 2.26%, 2019: 2.65%, 2020: 3.34%), DG NEAR assesses that there is an inherent risk related to grants in its portfolio. However, grants are a key modality to implement DG NEAR's policy objectives through reaching out, amongst others, to smaller, local and grass-roots non-governmental organisations in fields such as civil society development, human rights or media. In most countries covered by DG NEAR, the space in which civil society organisations operate has been shrinking over the years, with increasing restrictions on their establishment, operations, development and independence contributing to additional difficulties in managing EU-funded projects. DG NEAR's willingness to accept risks when it comes to grants in direct management is therefore higher than for other implementation modalities because of their importance to the achievement of its policy objectives. The risk is inherent in the nature of the activities.
- Furthermore, the grant reimbursement mechanism is based on eligible actual costs and reimbursement claims submitted by the beneficiaries. Root causes of errors in grants are mainly due to misunderstanding or misinterpretation of the relatively complex contractual provisions. In several instances, they relate to the lack of safeguarding of the financial documentary evidence after project completion or the lack of response to the RER auditors. Grants are mostly implemented by non-profit organisations based in partner countries. These entities sometimes lack the necessary expertise for the rigorous application of the general and specific conditions of the grant contracts.
- Considerable efforts have been made in 2022 and in previous years to address the causes of errors and these will continue to have a positive impact in 2023. For example:

- DG NEAR continued to enhance the analysis and awareness on the types of errors. A detailed analysis of the typology of errors was sent to all Authorising Officers by Sub-delegation, who were asked to monitor and enhance the controls on the implementation of grants;
- Information sessions (kick-off meetings) with (new) grantees were organised to explain their contractual obligations and provide clear information on the most frequent sources of errors in grant management;
- A detailed instruction note was sent to all Delegations (in 2021 and continued to be applied in 2022), including a comprehensive list of additional measures to be undertaken in the management of grants;
- Additional information sessions were organised to raise awareness of the main types of errors, the lessons learnt and the controls to be enhanced in order to prevent them
- Monthly meetings with the Head of Finance and Contracts in the EUDs and HQ took place, to ensure coordination and to raise awareness of key processes including the sampling of grants supporting documents;
- the Finance and Contracts SharePoint spaces included a dedicated part on best practices and guidance on grant contract management;
- the two DG NEAR Contracts and Finance units, covering the Neighbourhood and Enlargement regions respectively reinforced their cooperation, leading to harmonised approaches towards same grantees and information sharing on problematic cases, common audits, etc.
- As a result, the indicative residual error rate for RCS1 (based only on the grants included in the main sample) is 1.40% while the residual error rate derived from the grants tested in the additional grant sample (statistically representative since selected from a population of grants under direct management) within the RER study is 1.35%.

RCS 2: Procurement in Direct Management

Control results and risk analysis:

- Contractual procedures are transparent, well established, and main contractors are very familiar with them.
- Review of the results of ECA reports of recent years shows that procurement operations have a low risk.
- This is confirmed by the result of the 2022 RER study, which identified few errors in procurement contracts. The indicative residual error rate calculated for this RCS is 0.32% in 2022 and has been consistently below 2% in the last three years.

RCS 3: Budget Support in Direct Management

Control results and risk analysis:

- Review of the results of recent ECA reports shows that budget support operations have a very low risk.
- This is confirmed by the result of the 2022 RER study, which identified few errors. The indicative residual error rate calculated for this RCS is 0.26% and has been consistently very low in the last three years.

- The system of ex ante controls, including the high-level steering mechanism put in place by DG NEAR for budget support operations, which prevents any disbursement from being made unless all required pre-conditions and targets have been met, significantly reduces the risk associated with these transactions.

B. Indirect Management

Under indirect management, the final recipient receives EU funds through a contract signed with an intermediary to which the Commission has entrusted the tasks of selecting the final recipients and managing the resulting contracts (budget-implementation tasks). The recipient is either an Indirect Management Entrusted Entity (IMEE), such as an International Organisation or Member State Agency, or an Indirect Management Beneficiary/ partner Country (IMBC). In particular, Cross-Border Cooperation (CBC) programmes are included under IMBC. The significant control environments identified and described below are then those of IMBC (RCS 4) and IMEE (RCS 5).

RCS 4: Indirect management with beneficiary/ partner countries (IMBC)

Control results and risk analysis:

- The indicative residual error rate for the RCS IMBC is 0.82% in 2022 and has been consistently below 2% in the last three years.
- The 2022 RER study includes a representative sample of IPA (enlargement) transactions under IMBC. The result of the study shows the residual error rate for IMBC-IPA is 0.06%.
 - DG NEAR receives annual management declarations, annual audit activity reports and annual audit opinions from all IPA beneficiary countries⁷⁷.
 - In order to safeguard the financial interest of the Commission, the internal control systems of all IPA beneficiary countries are assessed annually by DG NEAR to support the entrustment decisions.
 - In 2022, there were full ex ante controls by the EU Delegations over procurement and grant procedures managed under IMBC.
- RCS 4 also covers indirect management in the neighbourhood, including Cross-Border Cooperation.
 - In the neighbourhood, partner countries are entrusted with budget implementation. The delegation can be partial, when the Commission makes payments, or complete, when partner countries make payments to contractors and grant beneficiaries. This way of working is referred as programme estimates. Programme estimates are being phased out.
 - The Commission puts in place controls on the entities and persons that carry out these tasks. All third countries implementing the budget under indirect management are required to either have in place procedures which provide a level of assurance equivalent to the Commission's own (i.e. ensuring sound financial management, the absence of conflict of interest, the respect of the principle of transparency and the setting up of an effective and efficient internal control

⁷⁷ All the documents received cover the year 2022.

system) or they are requested to follow the Commission's own External Action procedures, by following the "Practical Guide on contract procedures for European Union external action (PRAG)".

- In the programming period 2007-2013, DG NEAR was responsible for Cross-Border Cooperation programmes between EU Member States and Neighbourhood countries. In January 2020, the ongoing CBC programmes under ENI were transferred to DG Regional and Urban Policy. The previous programmes under ENPI are being closed, hence only clearings were processed in the last three years (no new payments).
- The assurance over the legality and regularity of operations that are conducted by Member States designated authorities, in accordance with their own rules, is built on work carried out at two levels:
 - At Joint Managing Authority level, the daily control framework includes ex ante financial verifications before declaring expenditure eligible and follow up of audits by external auditors. The annual report is audited by the national audit authority of the host country.
 - At Commission level, the analysis is based on National Authority system audit reports; Audit Authority opinion on the annual accounts; relevant information from ECA and OLAF, any other information, acquired by the Commission in the context of day-to-day management of the programmes.

RCS 5: Indirect management with entrusted entities

Control results and risk analysis:

- The RER study includes a sample of IMEE transactions (Main rate).
- The 2022 indicative residual error rate calculated for this RCS is 1.93%. Since 2017, the RCS 5 has consistently registered level of errors below 2%.

DG NEAR received annual management declarations at project level⁷⁸ from the entities it works with under indirect management, unless the latter have agreed with the Commission to send an Annual Management Declaration covering all contracts implemented in the previous year. The management declarations from the International Financial Institutions also cover the European Western Balkans Joint Fund (EWBJF) grants.

A key factor when assessing DG NEAR's relationship with International Organisations (IOs) are certain peculiarities in the field of financial and operational reporting. Reports submitted by some IOs do not necessarily allow for an in-depth assessment of the reported

⁷⁸ Delegation Agreements contain the obligation to provide a Management Declaration following the template annexed to the contract with every report. However, it is possible to agree with the Commission to send annually the Management Declaration covering all the agreements signed with the Commission. In this case, the organisation sends within the year n (this could be either the calendar year or the financial year of the organisation) the Annual Management Declaration for year n-1 covering all contracts implemented in that year. This Management Declaration is valid until the end of year n+1, i.e. it serves as the Management Declaration for payment requests/reports submitted until this point in time.

expenditure, due to differences (identified and acknowledged through the positive assessment of the relevant pillars) between the accounting systems and costs structure of these organisations and those of the Commission.

Based on the above elements, DG NEAR puts in place the following measures:

- Carry out an in-depth analysis of the major errors.
- Continue clarifying and simplifying rules, procedures, agreement templates, and framework agreements that apply to its relations with IOs. As of April 2020, the ToR for verifications of IOs were streamlined and unified with those for expenditure verification of grants and service contracts.
- Remain involved in a global assessment of terms of reference and verification missions with all UN Agencies and other External Actions DGs to implement the verification clause as set in the new FAFA⁷⁹.
- Undertake regular in-house analysis of non-financial findings stemming from verification missions to international organisations.

C. Expenditure not covered by a specific RCS

Besides Administrative Expenditure, the main categories of expenditure not covered by a specific RCS are represented by PEGASE programme and the Contributions to EU Trust Funds and to the Common Provisioning Fund⁸⁰.

Pegase

The protracted crisis situation linked to the stagnation of the Middle East Peace Process continues to require specific temporary support measures to contribute to maintaining the viability of the two-state solution. One measure is the PEGASE Direct Financial Support (DFS) programme, designed to support the building of a Palestinian state in a highly secured and controlled way. The programme helps the Palestinian Authority (PA) in the delivery of essential public services to the Palestinian population.

Through PEGASE, the EU has contributed substantially to the recurrent expenditure of the PA national budget, with systematic, predictable and unconditional contributions.

PEGASE is mainly active in three areas, namely:

- Contribution to the payment of salaries and pensions to the PA civil servants in Palestine (West Bank and Gaza Strip) - (PEGASE "Civil Servants and Pensioners" (CSP)

⁷⁹ Financial and Administrative Framework Agreement. A Common Understanding on the use of verification ToRs, clarifying the sampling procedures and supporting documents, also entered into force as of April 2020.

⁸⁰ A residual category of "other contracts/ payments" cover few administrative arrangements, service level agreements and contribution agreements with other Commission's Departments, EU bodies or international institutions (namely the Office of the High Representative in Bosnia and Herzegovina), which cannot be allocated under one of the Relevant Control Systems. They overall represent 0.3% of the payments performed in 2022.

window). A part of this amount will only be disbursed if the PA meets agreed benchmarks for reforms.

- Contribution to the provision of social allowances to poor and vulnerable families in the West Bank and the Gaza Strip (PEGASE Cash Transfer Programme (CTP) window).
- Contribution to the payment of invoices of six East Jerusalem hospitals to which the Ministry of Health refers medical cases for the provision of specialised health care services (PEGASE "East Jerusalem hospitals" (EJH) window).

The European Commission also uses PEGASE to support the resilience of the Palestinian agricultural and industrial sectors, in both the West Bank and Gaza.

Rigorous safeguard systems are in place to ensure the efficient, effective and predictable support to Palestinians, while protecting the interests of donors participating in PEGASE by ensuring that funds are disbursed with full transparency and accountability. Payments to final beneficiaries (i.e. civil servants, pensioners, poor families, hospitals) are made by the PA after the prior authorisation of the Commission. To this end, robust ex ante verifications are carried out including in-depth screenings to identify eligible beneficiaries and/or invoices based on prior agreed eligibility criteria. Ex post control activities confirm that funds have been duly disbursed to the eligible beneficiaries.

Every payment made by the European Commission, e.g. to support the payment of salaries or of pensions, of the social allowances or of the referrals' bills for the East Jerusalem Hospital, is accompanied by a financial contribution of the Palestinian Authority.

Following a recommendation issued by the European Court of Auditors, in 2018 the EU started applying a system of incentives to PEGASE CSP, specifically by linking part of the disbursements to real progress by the PA on public finance management reform, or other key policy areas jointly agreed by the PA and the EU.

DG NEAR contributions to the EU Trust Fund – Syria and to the EU Emergency Trust Fund for Africa

The Commission retains full responsibility for the establishment and the management of EU Trust Funds (TF) for external actions; it sets up the TF and chairs its board (composed of representatives of the Commission and of the donors).

The TFs are managed in full compliance with the applicable provisions of the Financial Regulation, and in particular the principles of sound financial management, transparency, proportionality, non-discrimination and equal treatment.

The EU TFs operate in the general system of internal control defined by the Commission. The rules and procedures developed by DG NEAR for the management and implementation of its operations are equally applicable to the EUTF.

Once approved by the Operational Board, actions are implemented in accordance with the implementing procedures provided for in the applicable Commission rules and regulations. The TFs' accounts are subject to an annual external audit.

The TF Managers take into account reports and recommendations of the different control bodies, notably the IAS and ECA, to provide an assessment of the effectiveness of risk management, control and governance processes, in addition to the results of the audits carried out at the level of contractors/beneficiaries.

The Director General of DG NEAR is Delegated Authorising Officer for the EU Regional Trust Fund in Response to the Syrian Crisis. Related activities and expenditure are therefore reported in the Annual Activity Report of DG NEAR, allocated to Relevant Control Systems and covered by the Declaration of Assurance signed by the Director-General.

The Director General of DG NEAR also receives a co-delegation from DG INTPA for the North of Africa window of the EU Emergency Trust Fund for Africa. DG NEAR prepares an annual report to DG INTPA on the co-delegation and related activities and expenditure are therefore reported in the Annual Activity Report of DG INTPA.

DG NEAR contribution to the Common Provisioning Fund (CPF)

Budgetary guarantees (BG) are provided by the Commission, on behalf of the Union, to the EIB (European Investment Bank), International Financial Institutions (IFIs) and Development Financial Institutions (DFIs) aiming at achieving Union's policy objectives. The contingent financial liability arising from the BGs under EFSD (2017-2020) and EFSD+ (2021-2027) is covered by a provisioning set aside in the Common Provisioning Fund (CPF), managed by DG BUDGET and operational since January 2021.

DG NEAR registered for the first time in 2022 contributions to the CPF. The CPF manages the safety buffers (provisions) for budgetary guarantees and financial assistance programmes underpinned by the Union budget in one common portfolio. The provisions held in the CPF constitute the capital buffer for absorbing claims arising from project defaults or other losses experienced by implementing partners in respect of investment operations or from financial assistance loans supported by EU guarantees. The amount of provisioning is determined by the provisioning rate set out in the EFSD and NDICI-Global Europe regulations respectively, between 9% and 50%. For the purpose of the AAR of DG NEAR, the contributions to the CPF represent in terms of legality and regularity a zero risk internal transfer, as all the elements of the transactions are determined by DG BUDG.

5. European Court of Auditors

During the second half of 2022, the ECA launched a follow up audit following the Special Report 25/2019 on the **data quality in budget support** and a follow up audit on the Special Report 9/2019 **EU support to Morocco**. For the first audit, the ECA assessed all the recommendations as fully implemented or implemented in most respects, hence it will be closed soon. The second one is still ongoing.

In 2022, the ECA published its Annual report on performance and **three Special Reports** concerning DG NEAR policies were published:

- SR no. 01/2022: EU support for the rule of law in the Western Balkans
- SR no. 17/2022: External consultants at the European Commission
- SR no. 27/2022: EU support to cross-border cooperation with neighbouring countries

The Commission has (fully or partially) accepted all recommendations and the corresponding action plans have been adopted.

In December 2022, DG NEAR reported full implementation of the actions under its lead to address the nine recommendations stemming from the Special Report 01/2022 on **the EU support on the rule of law in the Western Balkans**. For the other two Special Reports (17/2022 and 27/2022) the recommendations were addressed respectively to DG BUDG and DG REGIO.

In addition, **five performance audits** involving DG NEAR were in progress, including an audit for which DG NEAR was in the lead, **Facility for Refugees in Turkey**.

DG NEAR is also associated to four audits:

- Recovering EU funds;
- EU financial architecture;
- European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa (the 'EUTF for Africa'); and
- Programming of development aid.

'Facility for Refugees in Turkey'

The ECA launched a new performance audit in November 2022, with a focus on the assessment of whether the Facility for Refugees in Turkey provides effective and efficient support for refugees and their host communities. Part of the audit is also a follow-up assessment of the development and emergency aid actions implemented after the performance audit carried out by ECA in 2018. In 2022, the Commission has facilitated the ECA's fact-finding and preliminary work on this audit. The publication of the ECA's Special Report is expected in November 2023.

‘Recovering EU funds’

The ECA launched a new performance audit in September 2022 to assess whether the Commission has ensured that the system to recover irregular expenditure from beneficiaries of EU funds is effective. The audit covers four main areas of EU spending: cohesion, agriculture, internal and external policies of the EU. During 2022, the Commission has facilitated the ECA’s work at the fact-finding stage of their audit. The publication of the ECA’s Special Report is planned for November 2023.

‘EU financial architecture’

The ECA launched the performance audit on the EU financial architecture in the second quarter of 2021, with a view to assess whether the current EU financial architecture, including the EU budget and other EU financial mechanisms, is adequate for funding the EU policies. During 2021 and 2022, the Commission facilitated the ECA’s work at the preliminary, planning, and fieldwork stages of their audit. The ECA published this Special Report on 1 March 2023.

‘EUTF for Africa’

The ECA launched this performance audit in November 2022, with a view to assess whether projects implemented through the EU Trust Fund for Africa have achieved their intended results while respecting basic human rights. During 2022, the Commission has been facilitating the ECA’s work at the planning stage of their audit. The publication of the ECA’s Special Report is planned for the first quarter of 2024.

‘Programming of development aid’

The ECA launched this performance audit in the last quarter 2021, with a view to assess the methodology applied by the Commission and the EEAS to allocate the NDICI funds, including the assessment of situation and needs prior to selection of the areas of cooperation and the provisions for results-oriented monitoring of the NDICI programming documents. During 2022, the Commission has been facilitating the ECA’s work at the planning and implementation stages of their audit. The publication of the ECA’s Special Report is planned for the second quarter of 2023.

6. Internal Audit Service audits – overview of the open critical or very important recommendations

Three audits were completed between February 2022 and January 2023:

- Audit on **complementarity and cooperation mechanisms between the ETF and the EC services**
- Audit on **External Investment Plan – EFSD guarantee** and
- Audit on **contractual expenditure verifications**.

The first one concluded with one very important recommendation, addressed to the main auditee (DG EMPL); DG NEAR will contribute to the implementation of the corresponding action. The main objective of this action is to clarify the ETF's mandate in terms of countries where ETF can perform its activities.

The audit on **External Investment Plan – EFSD guarantee** contains four very important recommendations, **all addressed to DG INTPA as leading service**. DG NEAR will contribute to the implementation of the corresponding actions. The recommendations are related to:

- Governance (the responsibilities of the governance bodies are not sufficiently defined or do not cover all required responsibilities/functions);
- Assurance building (delays in assessment of the risk management capacities of the IFIs; limited use of IFI's annual management declarations due to their agreed submission deadlines, which nevertheless are allowed by FR);
- Guarantee agreement clauses (which do not always ensure the proper and coherent application of: a) the principle of additionality; and b) the claim and recovery procedures);
- Performance monitoring and reporting (the reporting on certain key objectives is not yet done and the framework for data collection is not yet set up).

The action plan was adopted by DG INTPA in March 2023 and the actions fully address the findings and recommendations raised by the IAS. As associated service, DG NEAR will contribute to the implementation of some actions.

In the framework of the audit on **contractual expenditure verifications**, the IAS formulated two very important recommendations:

- one concerns the objective and design of CEV as a control (Finding No 3) and
- the other is about the monitoring and feedback on the contractual expenditure verifications (Finding No 5).

The audited services have not agreed with the rating of the finding No 3.

The audited services considered that the issues identified by the IAS do not expose them to a high risk because there is a CEV process in place, even if it requires some improvements

(such as clarifying guidance). Moreover, the weaknesses identified are mitigated by checks carried out by the EU delegations before payment and the results of the multi-annual residual error rate show error rates below 2%.

The IAS maintained its rating as very important as the issues identified lead to non-compliance with the ISRS 4400 standard, which may result in external auditors not performing the necessary checks and not detecting irregular expenditure. The weaknesses in the design detected by the audit are, in the IAS opinion, the main root cause of the limited reliability of some CEV reports, on which the finance and contracts teams rely when processing the payment requests.

DG NEAR acknowledged the weaknesses in the design detected by the audit but regrets that the IAS did not provide sufficient evidence proving, first of all, the limited reliability on the ensemble of CEV and secondly the cause-effect relation between this and the identified weaknesses. Therefore, while these weaknesses are considered very important in the design of the CEV, in the view of DG NEAR, they do not represent a high risk at DG level.

The audited DGs have rejected the finding No 5.

This recommendation requested DG NEAR to implement a new common feedback mechanism/ arrangement to ensure the continuous improvement of the CEV controls. Same recommendation, but separately, was addressed to DG INTPA and FPI. While DG NEAR, together with DG INTPA and FPI, are committed to improving monitoring and feedback on CEV process, they could not agree with the specific actions envisaged by the IAS and in particular its first point: recording the basic information on CEV results and cost in the newly developed repository. This specific measure is considered to be not cost effective and the resulting workload would be disproportionate to the possible outcome in terms of improvement of the CEV control. Moreover, the DGs' assurance building is based not only on CEV, but also on other pillars such as the residual error rate (RER) study and the statement of assurance audits by the European Court of Auditors.

Concerning the specific recommendations issued, the IAS found that they corresponded to the findings identified, which were not rejected by the auditees, and which, in the IAS opinion, represent the way to improve the system. Therefore, the IAS did not agree to reformulate this specific action. At the same time, the IAS did not provide any estimation of the costs involved in implementing such measures or other elements to prove their cost-effectiveness.

Even if this recommendation has been considered by the IAS as fully rejected, DG NEAR recognised it as an area to be improved, even if not representing a high risk or a major control deficiency. Hence, the audited DGs will:

- clarify the objective of the CEV;
- revise the template risk assessment, the sampling methodology for the external auditors and the terms of reference for CEV;
- add the reference in the terms of reference to the guidance on EU expenditure eligibility rules, expenditure verification procedures, risk assessment and sampling.

The action plan has been adopted in March 2023.

The actions to address the IAS recommendations from previous years are being implemented, and the reporting on the corresponding action plans is up-to-date. There are no very important or critical recommendations overdue for more than 6 months.

One recommendation, formulated during the audit on annual audit plans and closed by the IAS in 2022, was considered by the auditors as not fully implemented (referred to as 'rejected' in the IAS conclusion on the state of internal control). In fact, DG NEAR has implemented the biggest part of the recommendation in question. The not fully implemented part of the recommendation is the following: 'establishing more ambitious targets to ensure full completion of the annual audit plan within the three-year implementation timeframe'. DG NEAR has established more ambitious targets for all KPIs, including the one related to the completion of the Audit Plan issued in the year N-2 (currently KPI26), however it was considered by the IAS as not ambitious enough. DG NEAR considers that it has set the highest reasonably achievable target, which is also in line with the one that DG INTPA uses. The remaining residual risk is considered to be minor and has been accepted.

KPI Analysis

Summary

Results at DG level

In 2022, 25 out of 29 KPIs have met the targets. This corresponds to an overall success rate of 86%, which is an improvement compared to the result of 82% in 2021. In some cases the global performance of DG NEAR has improved and exceeded the good results already achieved in 2022. In particular, KPI2 (Accuracy of initial annual financial forecast for contracts), KPI3 (Accuracy of initial annual financial forecast for decision) and KPI9 (the percentage of primary interventions completed on time) turned from orange to green this reporting period.

Overall, these results indicate continuity in the improvement of DG NEAR performance in financial management and control.

Sound financial management and Effective Use of EC Resources:

14 out of 16 KPIs have met the target. The over-performance of KPI1, i.e. measuring the accuracy of DG NEAR's initial payment forecast, was largely due to the additional assistance to address the immediate needs emerging from the Russian unprovoked and unjustified invasion of Ukraine (+EUR 646 million) and an unforeseen increased contribution to the Common Provisioning Fund (CPF) (+EUR 454 million). In particular:

- The long-term economic development and the reform orientation of Ukraine have been facing a tremendous challenge since Russia invaded the country on 24 February 2022 in an unprecedented act of unjustified and unprovoked aggression. In addition to the immense human suffering, the on-going war in Ukraine has caused already tremendous damage to the physical infrastructure (roads, bridges, factories, etc.) and to the residential and communal buildings (housing units, schools, hospitals, etc. The invasion has also caused a massive human exodus, with more than 8 million internally displaced persons and more than 6 million refugees. This resulted in EUR 646 million of additional payments made in 2022 that could not be foreseen in the beginning of the year, when the forecasting was done
- The increased contribution to the Common Provisioning Fund (CPF) from the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI) is related to the front-loading of the payment schedule to reduce the amounts to be paid in the following years and next MFF.

The new KPI15 (Reduction of the backlog for the expired Recovery Orders awaiting an action from the AO) was slightly below the target of at least 40% (reaching 36%). This result can mainly be explained by difficult and lengthy recoveries with complex legal ramifications. In addition, the KPI15 is new and its continuous monitoring should lead to better future results.

Effectiveness of internal control systems:

6 out of 7 KPIs were met, demonstrating that an appropriate internal control environment and risk management systems are in place. Only KPI23 (Undue payments prevented by ex-ante controls as a % of the claimed amount) was not met, while improving in respect of 2021. With 1.63%, this fell below the target of at least 2%.

Regarding the results achieved for this KPI, it should be noted that a significant part of the DG's payments relates to methods of implementation, such as Indirect Management with Beneficiary Countries and with Entrusted Entities or Budget Support, where ineligible costs are rarely found by ex-ante controls. For example, for Budget Support operations, the payments can be temporarily suspended until the conditions are met, and no ineligible cost is encoded.

Furthermore, contractors and other partners are regularly and carefully guided in the financial management of contracts and preparation of financial reports and are informed about best control practices. This results in better quality reports and implementation that reduces the potentially ineligible costs to be identified by ex-ante controls.

Effectiveness of audit systems:

5 out of 6 KPIs have met the target. KPI27 (ineligible amounts identified by audits as a percentage of the audited amount) did not meet the set benchmark of at least 2% with a value of 1.52%. Just like for KPI 23, this does not necessarily reflect negatively on the audit systems but confirms that effective and efficient measures are already in place at Delegation level to prevent the occurrence of ineligible costs. Moreover, this KPI depends as well on the contract portfolio composition as some contracts have a very low possibility to identify a high value of ineligible amounts.

KPI Name ⁸¹		KPI result 2022	Annual Target/Benchmark	KPI result 2021
A - Sound financial management and efficient use of EC resources				
K01	Accuracy of initial annual financial forecast for payments	139.30% ▼	Between 90% and 110%	92.79% ▲
K02	Accuracy of initial annual financial forecast for contracts	108.87% ▲	Between 90% and 110%	111.37% ▲
K03	Accuracy of initial annual financial forecast for decisions	101.36% ▲	Between 90% and 110%	73.00% ▼
K04	RAL absorption period	2.71 ▲	Less than 4 years	3.56 ▼
K05	Time to Grant	35.76 ▲	Not more than 90 days	41.24 ▲
K06	% Of primary interventions ⁸² with red traffic light for implementation progress	2.32% ▲	Not more than 10%	2.42% ▲
K07	% Of primary interventions with a red traffic light for achieving results	2.73% ▲	Not more than 10%	2.97% ▼
K08	% Of completed primary interventions with green flag traffic light for achieving results	89.92% ▲	At least 80%	85.95%
K09	% Of primary interventions completed on time	35.01% ▲	At least 35%	23.57%
K10	Reduction of Old Pre-financing	41.51% ▼	At least 40% ⁸³	51.23% ▲
K11	Expired Contracts as a % of the contract portfolio	9.75% ▲	Not more than 13% ⁸⁴	10.38% ▲
K12	Reduction of Old RAL	40.66% ▲	At least 35%	36.79% ▲
K13	% Of payments paid within the contractual deadline	95.94% ▲	At least 90%	93.75% ▲
K14	% Of invoices registered within 7 days	95.48% ▲	At least 90%	94.13% ▲
K15 ⁸⁵	Reduction of the backlog for the expired Recovery Orders awaiting an action from the AO	36.23%	At least 40%	N/A
K16	Use of INTPA/NEAR staff and respect of the flexibility arrangements	100.00% =	At least 95%	100.00% =

⁸¹ Explanation of the table: The arrows indicate the trend compared to the previous reporting period in terms of improvement (upwards) or deterioration (downwards). Missing arrow means that the KPI was being assessed for the first time in given year.

⁸² Primary Intervention replaced the notion of “project” in the KPIs. A Primary Intervention is a way to define a coherent set of activities and results structured in a logical framework format. It allows to group actions or contracts for a more effective performance monitoring. It can be one action or several actions or one contract or several contracts, depending on the logical framework scope.

⁸³ The target of KPI10 has been changed from “at least 35%” to “at least 40%” in 2022.

⁸⁴ The target of KP11 has been changed from “at least 15%” to “at least 13%” in 2022.

⁸⁵ New KPI introduced in 2022.

B – Effectiveness of internal controls				
K17	ICF – Control Environment	93.45% ▼	At least 80%	96.36% ▲
K18	ICF – Risk Assessment	94.32% ▼	At least 80%	96.14% ▲
K19	ICF – Control Activities	94.55% ▼	At least 80%	95.15% ▲
K20	ICF – Information and Communication	96.06% ▼	At least 80%	96.67% ▲
K21	ICF – Monitoring Activities	95.91% ▼	At least 80%	96.82% ▲
K22	% Of primary interventions visited by Commission staff and/or the HoD, by primary intervention value	85.23% ▲	At least 80%	81.43% ▼
K23	Undue payment prevented by ex-ante controls	1.63% ▲	At least 2%	1.44% ▲
C – Effectiveness of audit systems				
K24	% contracted of the Annual Audit Plan: year N	92.02% ▲	At least 70%	81.02% ▲
K25	% implementation of the Annual Audit Plan: year N-1 ⁸⁶	79.17% ▲	At least 70%	72.10% ▲
K26	% implementation of the Annual Audit Plan: year N-2 ⁸⁷	92.73% ▲	At least 80%	85.45% ▼
K27	Ineligible amounts identified by audits as a % of the audited amount	1.52% ▼	At least 2%	1.90% ▼
K28	% reduction of expired unclosed audits	76.98% ▲	At least 50% ⁸⁸	47.56% ▲
K29	% of timely follow up action of audit ineligible amounts	54.68% ▲	At least 40% ⁸⁹	45.66%

⁸⁶ KPI 25 is the satisfactory implementation of the previous year's Audit Plan, measured as the percentage of planned audits that have been implemented. In this case, an audit is considered to have been implemented when the draft audit report has been received.

⁸⁷ KPI 26 is the satisfactory implementation of the Audit Plan of 2020, measured as the percentage of planned audits that have been implemented. In this case, an audit is considered to have been implemented when the final audit report has been received.

⁸⁸ The target of KPI28 has been changed from “at least 40%” to “at least 50%” in 2022.

⁸⁹ The target of KPI29 has been changed from “at least 35%” to “at least 40%” in 2022.

Priorities for 2023

At DG NEAR level, 4 out of 29 KPIs did not meet the benchmark set.

KPI 1 – Accuracy of initial annual financial forecast for payments

In 2022, the KPI value was 139.30%, which did not meet the target range of 90%-110%. In total, 12 out of 22 Delegations did not meet this target range. 3 of these Delegations did not meet the bottom benchmark of 90%, mainly because of delays in the approval process of contracts due to various reasons (e.g. political crisis, decision of HQ, withdrawal of other parties involved or technical issues which were not timely solved). The remaining 9 Delegations exceeded the top benchmark of 110%, mainly because of unforeseen last-minute contracts and exceptional commitments shown by the key beneficiaries and implementing partners to speed up the contracting process. The Russian unprovoked and unjustified invasion of Ukraine also had a major impact on the 2022 results. Both Ukraine's performance and all surrounding neighbouring countries were affected by this situation.

Delegations will take a precautionary approach in the 2023 forecasting exercise to reflect the lessons learned so far. Additionally, they will re-launch and finalise the aforementioned procedures to ensure the disbursement of the previously forecasted amounts and ensure reinforced monitoring of KPI 01. A more accurate risk assessment in terms of ascertained implementation progress, speed and external elements that could affect the implementation will be carried out during the financial forecasting exercise

KPI 15 – Reduction of the backlog for the expired Recovery Orders awaiting an action from the AO

This new KPI was introduced in 2022 and reached a value of 36.23%, not meeting the benchmark of at least 40%. This KPI indicates the results of an accounting quality exercise to reduce the backlog of the expired Recovery Orders awaiting an action from the Authorising Officer, measured as the number of files (ROs) that were treated during the year compared to the initial number of files on the 1st of January. At the start of 2022, 69 ROs were pending AO action (representing an initial amount of EUR 13.59 million), while the untreated number of the ROs pending AO action at the end of the reporting period was 44 (equal to an open amount of EUR 7.70 million).

This result can mainly be explained by difficult and lengthy recoveries with complex legal ramifications. Several Delegations are in the process of waiving debts on the Recovery Orders after performing expenditure verifications and ex ante checks. There are also several ongoing processes of settlement with the organisations involved in contracts with Delegations. KPI15 is new. It will certainly help Delegations and HQ Units in monitoring of pending Recovery Orders and improve their performance.

KPI 23 – Undue payment prevented by ex-ante controls

At DG NEAR level, the percentage of ineligible amounts identified by ex-ante controls at the end of 2022 is 1.63% (EUR 77.60 million undue payments prevented against a total amount of EUR 4,773 million that was subject to verification), which is below the benchmark set at 2%. However, this is a slight improvement compared to 2021, where the KPI was at 1.44%. 16 out of 22 Delegations did not meet this target. This is mainly due to the eligibility and quality of the invoiced or reported amounts and to the diligent controls carried out to prevent the occurrence of ineligible costs, which confirms the efficiency and effectiveness of the controls in place. Moreover, the contract portfolio consists of different types of contracts, some of which have a very low possibility to identify a high value of ineligible amounts given the nature of these contracts (e.g. payments and clearings with indirect management usually do not result in ineligible amounts as the contractors are pillar-assessed or supply contracts rarely lead to significant ineligible expenditure).

In 2023 Delegations will continue to ensure that an adequate allocation of resources is in place to allow the exercise of performing thorough checks on transactions and reports submitted by grant beneficiaries.

KPI 27 – Ineligible amounts identified by audits as a % of the audited amount

In 2022, DG NEAR achieved 1.52% on this KPI (EUR 22.21 million ineligible expenditure amounts on a total expenditure audited amount of EUR 1,457 million), which is below the target of at least 2%. Compared to 2021, the KPI has decreased, coming from a value of 1.90% (EUR 23.13 million ineligible expenditure amounts on a total expenditure audited amount of EUR 1,219 million). The absolute value of ineligible expenditure amounts identified is in line, but the total expenditure audited amount has increased with EUR 238 million. 14 out of 22 Delegations did not meet the benchmark, mainly because of the same reasons highlighted in KPI 23 as both KPIs are highly interrelated.

Based on the analysis, different causes and corrective actions have been identified by the Delegations. They will focus on the improvement of the four KPIs which did not reach their targets in 2022. They will try to solve the problems of certain contracts which negatively influence the outcome of the KPIs. However, improving the results will also depend on other important factors like the evolution of political conflicts, the COVID-19 pandemic and natural disasters.

The Delegations will keep providing information and support to their project partners in combination with monitoring visits and on-the-spot checks to mitigate the financial risk during the project implementation.

Results at Delegation level

% of green KPIs	2020		2021		2022	
	# of EUD	%	# of EUD	%	# of EUD	%
Total Delegations	22		22		22	
80% and more	14	64% ▼	12	55% ▼	13	59% ▲
60% and more	20	91% ▼	20	91% =	21	95% ▲
Less than 60%	2	9% ▼	2	9% =	1	4% ▲

Overall Green KPI Result	2020	2021	2022
Albania	92%	85%	89%
Algeria	78%	65%	70%
Armenia	83%	70%	75%
Azerbaijan	91%	80%	85%
Belarus	61%	54%	52%
Bosnia & Herzegovina	92%	81%	81%
Egypt	78%	77%	85%
Georgia	83%	81%	85%
Israel	57%	78%	79%
Jordan	71%	62%	82%
Kosovo	75%	65%	79%
Lebanon	54%	41%	86%
Moldova	96%	89%	82%
Montenegro	88%	89%	89%
Morocco	96%	69%	79%
North Macedonia	92%	84%	89%
Palestine	83%	78%	86%
Serbia	91%	85%	75%
Syria	78%	78%	70%
Tunisia	96%	85%	82%
Türkiye	83%	81%	82%
Ukraine	96%	81%	67%

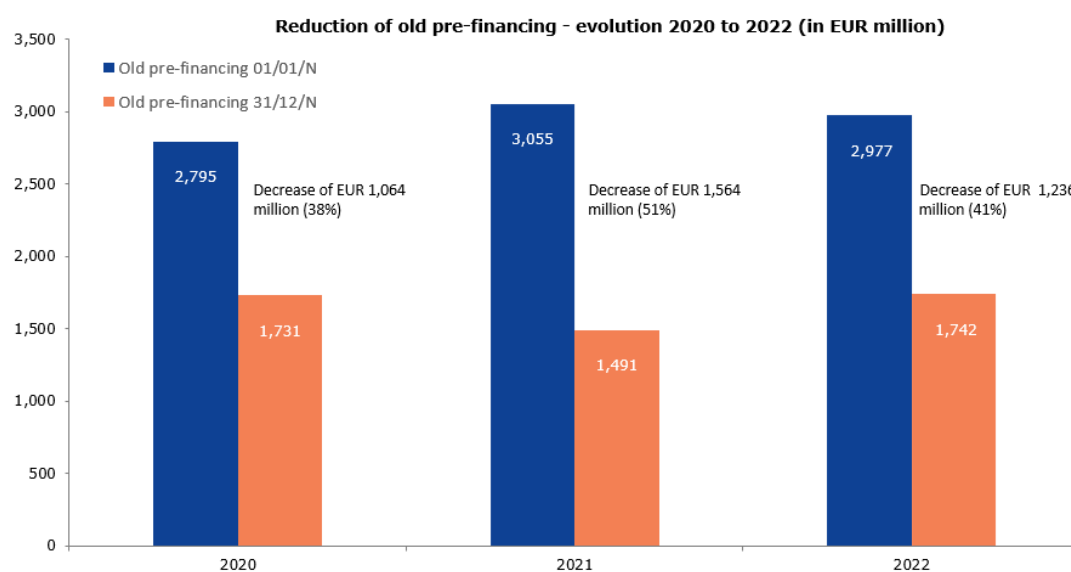
KPI Name		2022 EAMR	Annual Target/Benchmark	2021 EAMR
A – Sound financial management and efficient use of EC resources				
K01	Accuracy of initial annual financial forecast for payments	140.90% ▼	Between 90% and 110%	99.39% ▲
K02	Accuracy of initial annual financial forecast for contracts	116.24% ▼	Between 90% and 110%	103.60%
K03	Accuracy of initial annual financial forecast for decisions	N/A	Between 90% and 110%	N/A
K04	RAL absorption period	2.81 ▼	Less than 4 years	3.49 ▼
K05	Time to Grant	37.35 ▲	No more than 90 days	42.39 ▲
K06	% of primary interventions with red traffic light for implementation progress	2.65% ▲	Not more than 10%	2.78% ▼
K07	% of primary interventions with a red traffic light for achieving Results	3.03% ▲	Not more than 10%	3.66% ▼
K08	% of completed primary interventions with green flag traffic light for achieving results	89.86% ▲	At least 80%	84.29%
K09	% of primary interventions completed on time	32.60% ▲	At least 35%	23.71%
K10	Reduction of Old Pre-financing	37.66% ▼	At least 40%	46.85% ▲
K11	Expired Contracts as a % of the contract portfolio	9.26% ▲	No more than 13%	9.72% ▲
K12	Reduction of Old RAL	44.43% ▲	At least 35%	35.27% ▲
K13	% Of payments paid within the contractual deadline	96.01% ▲	At least 90%	94.41% ▲
K14	% Of invoices registered within 7 days	96.44% ▲	At least 90%	94.76% ▲
K15	Reduction of the backlog for the expired Recovery Orders awaiting an action from the AO	36.36%	At least 40%	N/A
K16	Use of DEVCO/NEAR staff and respect of the flexibility arrangements	100.00% =	At least 95%	100.00% =
B – Effectiveness of internal controls				
K17	ICF – Control Environment	93.45% ▼	At least 80%	96.36% ▲
K18	ICF – Risk Assessment	94.32% ▼	At least 80%	96.14% ▲
K19	ICF – Control Activities	94.55% ▼	At least 80%	95.15% ▲
K20	ICF – Information and Communication	96.06% ▼	At least 80%	96.67% ▲
K21	ICF – Monitoring Activities	95.91% ▼	At least 80%	96.82% ▲
K22	% Of primary interventions visited by Commission staff and/or the HoD, by primary intervention value	84.28% ▲	At least 80%	82.97% ▼
K23	Undue payment prevented by ex-ante controls	2.06% ▲	At least 2%	2.17% ▲

C – Effectiveness of audit systems				
K24	% Contracted of the Annual Audit Plan: year N	90.57%▲	At least 70%	82.35%▼
K25	% Implementation of the Annual Audit Plan: year N-1	81.31%▲	At least 70%	75.98%▲
K26	% Implementation of the Annual Audit Plan: year N-2	92.54%▲	At least 80%	87.19%▼
K27	Ineligible amounts identified by audits as a % of the audited amount	1.21%▼	At least 2%	1.44%▼
K28	% Reduction of expired unclosed audits	79.21%▲	At least 50%	53.71%▲
K29	% Of timely follow up action of audit ineligible amounts	60.49%▲	At least 40%	45.73%

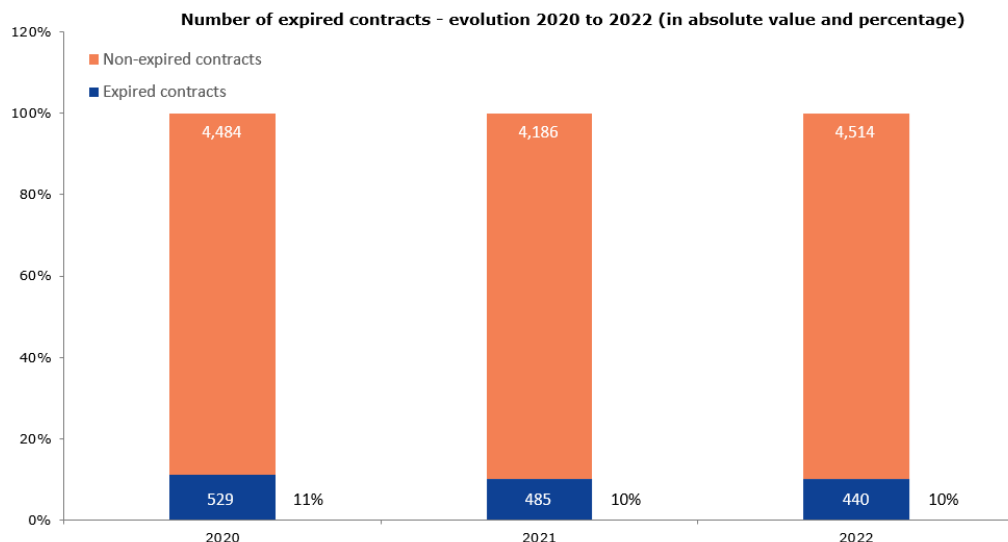
Results at KPI level

- **KPI 1** - Accuracy of initial annual financial forecast for payments - did not meet the target range of 90%-110%. In 2022, DG NEAR achieved 139.30% of its annual financial forecast for payments (EUR 6,004 million out of a total of EUR 4,310 million forecasted), compared to 92.79% in 2021 and 113.69% in 2020.
- **KPI 2** - Accuracy of initial annual financial forecasts for contracts - did meet the target range of 90%-110%. In 2022, DG NEAR achieved 108.87% of its financial forecasts for contracts (EUR 5,005 million out of a total of EUR 4,597 million forecasted), compared to 111.37% in 2021 and 120.45% in 2020.
- **KPI 3** - Accuracy of initial annual financial forecasts for decisions - In 2022, DG NEAR achieved 101.36% of its financial forecast for decisions (EUR 7,522 million against a total of EUR 7,421 million forecasted), meeting the KPI benchmark set between 90%-110%. In 2021, DG NEAR realised 73.00% of its financial forecasts for decisions (EUR 3,663 million against a total of EUR 5,017 million).
- **KPI 4** - The KPI on RAL absorption period met the target benchmark of less than 4 years for the second consecutive year. The KPI value is at 2.71 years, which is a great rectification compared to previous year, when the KPI value was at 3.56 years.
- **KPI 5** - The average time to grant - met the target benchmark of no more than 90 days. In 2022, DG NEAR signed grant agreements or notified grant decisions within 35.76 days, which is an improvement of 5.48 days compared to 2021. Given the special situation caused by the COVID-19 crisis, this is actually a very good result.
- **KPI 6 and KPI 7** - are forward looking and risk-based indicators calling for attention on primary interventions not performing as expected (primary interventions with red or orange traffic lights). The actual performance on these KPIs is within the target of maximum 10% of primary interventions flagged “red”, with respectively 2.32% and 2.73%. Both KPIs have improved compared to prior year (KPI 6 -2.42% and KPI 7 2.97% in 2021). In addition to the usual benchmarks on the primary interventions flagged “red” for KPI 6 and KPI 7, the EAMRs report on moderately problematic primary interventions (“orange” flagging). While the number is higher than the primary interventions flagged “red”, they provide an indication of primary interventions ambitions in terms of results.

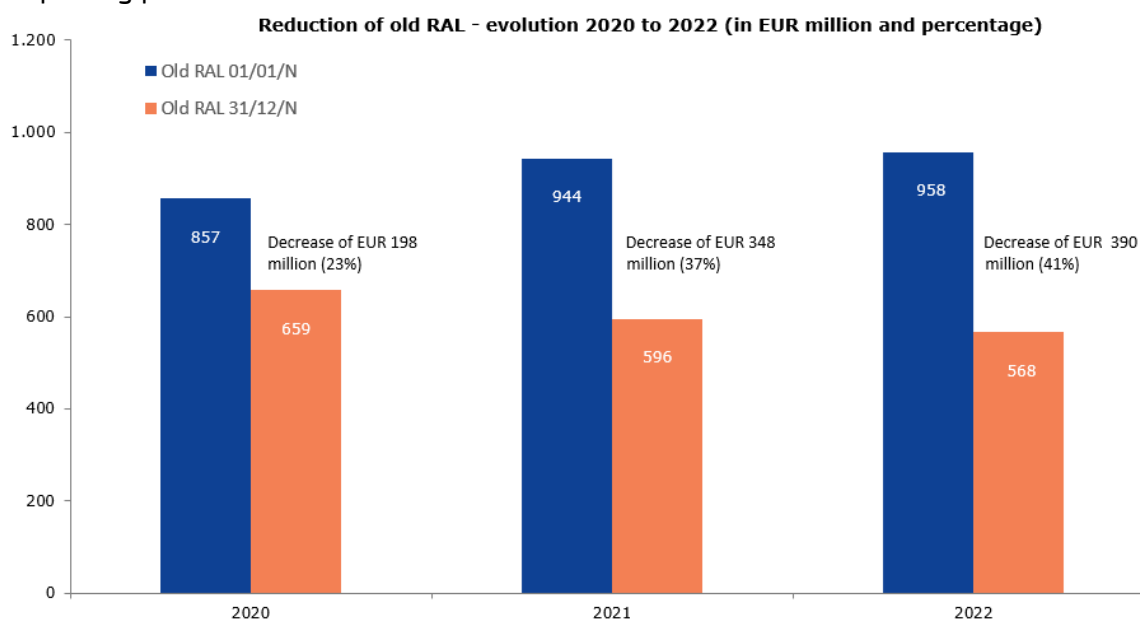
- **KPI 8** - 89.92% completed primary interventions with green flag traffic light for achieving results, meeting the target benchmark of at least 80%. This is an improvement compared to previous year (85.95% in 2021).
- **KPI 9** – % of primary interventions completed on time - with a value of 35.01%% in the reporting period, meets the target of at least 35%.
- **KPI 10** - DG NEAR has managed to decrease old pre-financing by 41.51%, which is a deterioration compared to previous year, when the KPI value was at 51.23%. This decrease causes the benchmark of 40% to be just met in 2022. The graph below illustrates the evolution of reduction of old pre-financing in percentage and in absolute amount.



- **KPI 11** - Since 2019, great efforts have been made to reduce the backlog of old contracts, which resulted in a positive evolution of KPI 11. The benchmark of less than 13% has been met for the third consecutive year. In 2022, DG NEAR was able to decrease the number of expired contracts as a percentage of the total contract portfolio to 440 contracts, which corresponds to 9.75%. This percentage is in line with the percentages of the reporting period of 2021 (10.38%) and 2020 (10.55%). The graph below illustrates the evolution in terms of percentage and numbers.



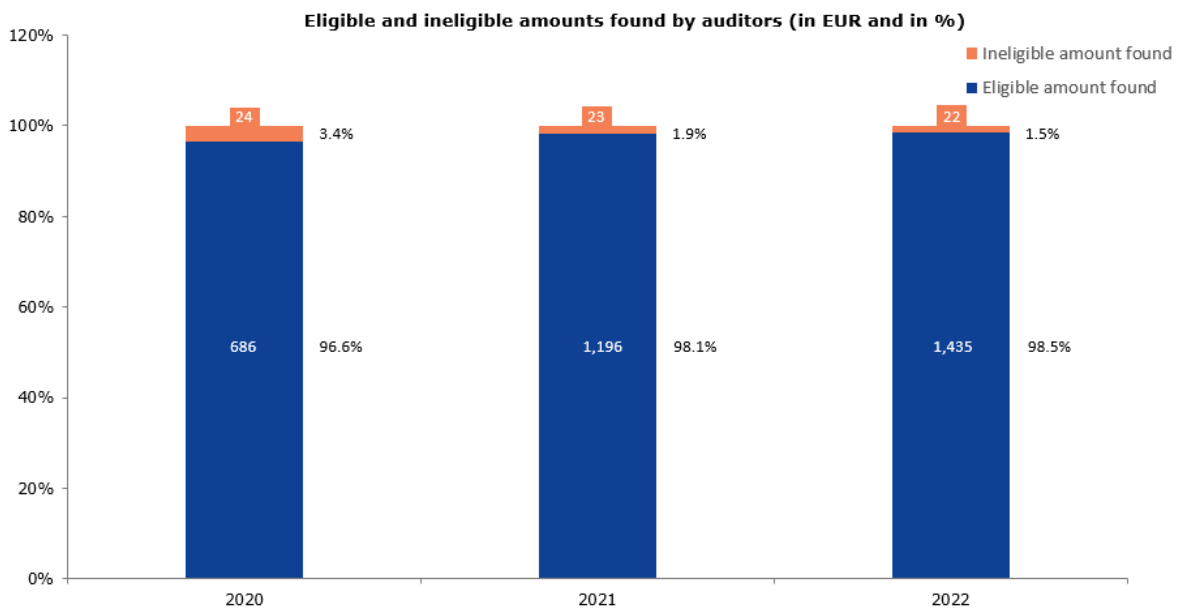
- KPI 12** - Building further on the good results of previous years, DG NEAR has managed to reach the benchmark in 2022 with a KPI value of 40.66%. The graph below shows the evolution of reduction of Old RAL in absolute value and in percentage over the last 3 reporting periods.



- KPI 13** - In 2022, DG NEAR was able to reach 95.94% of payments paid within the contractual deadline, which meets the benchmark of at least 90%. This KPI is slightly improved compared to 2021 (93.75%) and 2020 (92.94%).
- KPI 14** - Regarding the timely registration of invoices (i.e. within 7 days), DG NEAR maintained the excellent results of the previous years, meeting the benchmark of at least 90% with a value of 95.48%. There is even a slight improvement compared to the previous two reporting periods (2021: 94.13% and 2020: 93.60%).
- KPI 15** - Reduction of the backlog for the expired Recovery Orders awaiting an action from the AO - is a new KPI with a value of 36.23% in the reporting period. This KPI did

not meet the target of at least 40%. 53% of the Delegations did not meet this benchmark.

- **KPI 16** - In line with the results of 2020 and 2021, DG NEAR has 100% satisfactory cooperation with EEAS in delegations in 2022, based on the respect of the flexibility arrangements regarding the use of DG NEAR staff.
- **KPI 17 to 23** - Except for KPI 23, all KPIs related to the Effectiveness of Internal Control Systems have been met at DG NEAR level in 2022. For KPI 23, the undue payments prevented by ex-ante controls as a percentage of the total invoiced amount is equal to 1.63%, which is slightly below the benchmark of at least 2%. 73% of the Delegations did not meet this benchmark. However, this is still an improvement compared to 2021, where the value for this KPI was 1.44%.
- **KPI 23 to 29** - Except for KPI 27, all KPIs related to Effectiveness of the Audit System have met their target at DG NEAR level in 2022. KPI 27 – Ineligible amounts identified by audits as % of the audited amount - decreased compared to the previous year and fell below the benchmark target of at least 2%. In 2021, 1.90% was identified by the auditors, while in 2022 this was only 1.52%. The graph below illustrates the evolution of this KPI over the past three years.



At Delegation level, 14 out of 22 Delegations did not meet the benchmark of at least 2% for KPI 27 in 2022. Overall, the Directorate General’s results on the various KPIs prove that sound financial management is in place and internal controls and audit systems functions are effective.

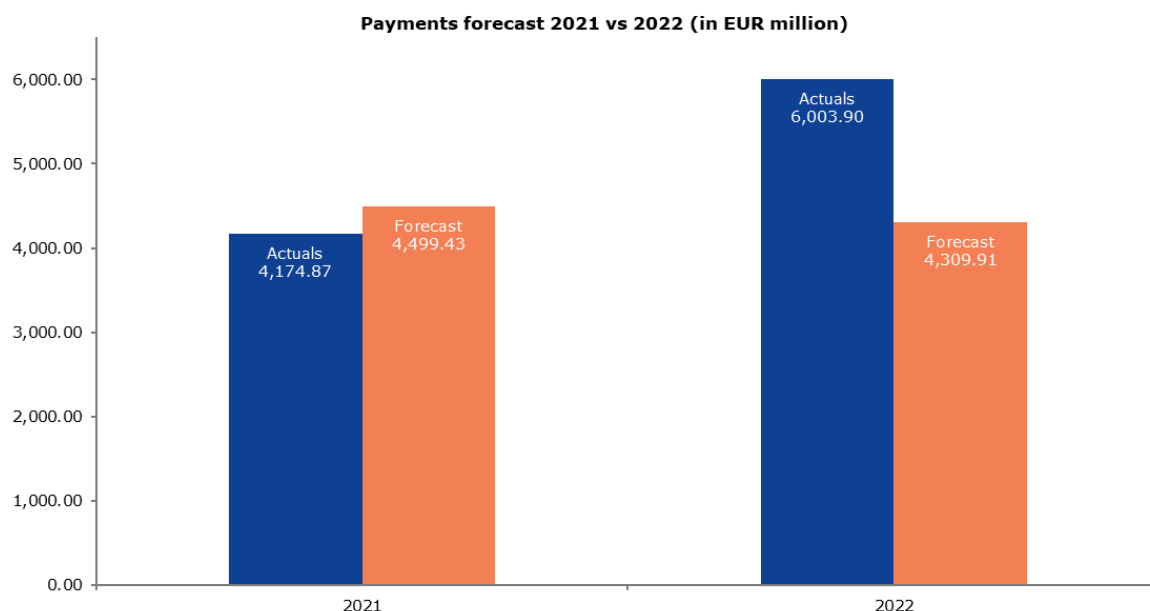
Detailed analysis

KPI 1 – Accuracy of initial annual financial forecast for payments

In 2022, DG NEAR achieved 139.30% of its financial forecasts for payments (EUR 6,003.90 million out of a total of EUR 4,309.91 million forecasted), not meeting the KPI benchmark set between 90% and 110%. In 2021, DG NEAR achieved 92.79% of its annual financial forecast for payments (EUR 4,175 million out of a total of EUR 4,499 million forecasted), meeting the KPI benchmark of between 90% and 110%.

For the results per Directorate, refer to the table below.

139.30% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA ⁹¹	Total
KPI Value (in %)	246.88%	123.83%	137.80%	85.51%	96.01%	67.50%	342.5%	107.87%	94.52%	139.30%
Actuals (in EUR million)	996.83	2,453.47	406.67	769.96	172.52	1.65	912.47	201.19	89.13	6,003.90
Forecasts (in EUR million)	403.78	1,981.29	295.11	900.40	179.69	2.44	266.39	186.52	94.30	4,309.91
Variance (in EUR million)	593.05	472.18	111.56	-130.44	-7.17	-0.79	646.09	14.68	-5.17	1,693.98



⁹¹ Trust Fund North of Africa

- **KPI not calculated**⁹²: 5 HQ Units (NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 05)
- **Target met**: 10 Delegations (Montenegro, Azerbaijan, Serbia, Albania, Israel, Palestine, Algeria, Jordan, Armenia, Lebanon) and 7 HQ Units (TF NoA, NEAR DGA2 01, NEAR C 02, NEAR A 01, TF MADAD, NEAR B 03, NEAR D 01)
- **Target not met**: 12 Delegations (Bosnia & Herzegovina, Syria, Republic of North Macedonia, Morocco, Belarus, Kosovo, Georgia, Türkiye, Tunisia, Moldova, Egypt, Ukraine) and 10 HQ Units (NEAR B 02, NEAR R 03, NEAR D 05, NEAR A 03, NEAR C 03, NEAR A 04, NEAR C 01, NEAR B 01, NEAR A 05, NEAR A 02)

Payments forecast – KPI value outside the target of between 90%-110%				
Delegation/HQ Unit	KPI	ACTUALS (in EUR million)	FORECASTS (in EUR million)	VARIANCE (in EUR million)
NEAR B 02	57.07%	57.72	101.15	-43.43
NEAR R 03	67.50%	1.65	2.44	-0.79
NEAR D 05	70.31%	210.16	298.92	-88.76
Bosnia & Herzegovina	72.25%	82.20	113.78	-31.57
Syria	85.14%	27.22	31.96	-4.75
North Macedonia	85.80%	41.38	48.22	-6.85
NEAR A 03	89.62%	3.65	4.07	-0.42
Morocco	112.38%	132.97	118.32	14.65
Belarus	115.18%	18.18	15.78	2.40
NEAR C 03	115.95%	6.04	5.21	0.83
Kosovo	118.07%	69.09	58.51	10.57
Georgia	121.05%	72.83	60.16	12.67
Türkiye	125.66%	954.65	759.72	194.93
Tunisia	128.65%	325.03	252.65	72.38
NEAR A 04	133.19%	9.03	6.78	2.25
NEAR C 01	144.85%	60.18	41.55	18.63
NEAR B 01	176.27%	185.46	105.21	80.25
Moldova	240.60%	128.58	53.44	75.14
NEAR A 05	251.52%	949.09	377.34	571.75
Egypt	270.24%	218.65	80.91	137.74
NEAR A 02	305.74%	28.66	9.37	19.29
Ukraine	344.74%	910.82	264.21	646.61

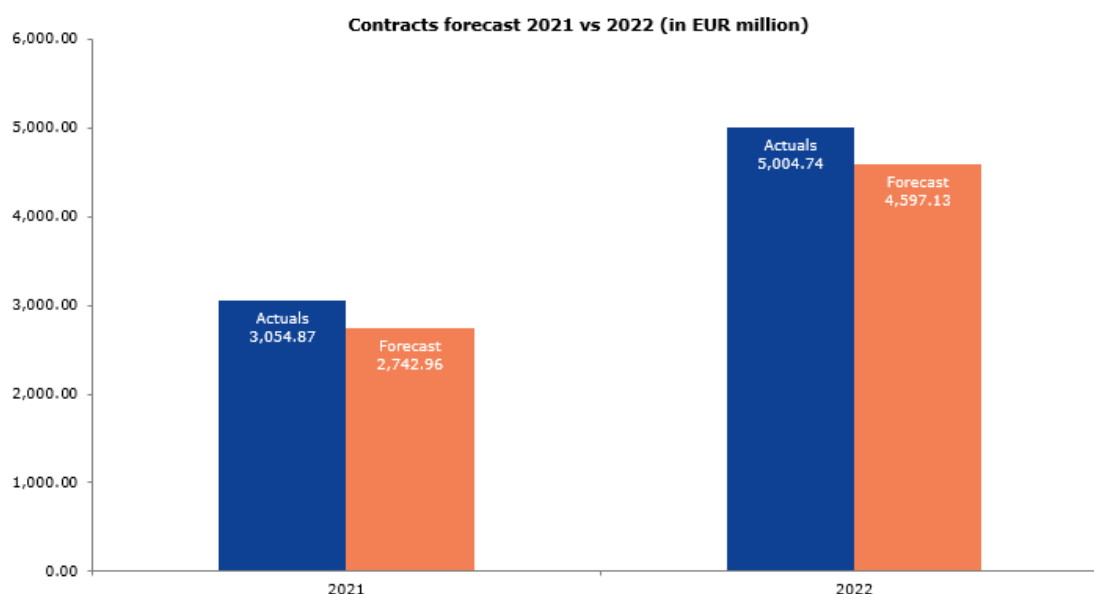
⁹² “KPI not calculated” means that certain KPI had no value for some entities in 2021 and were therefore not calculated. This comment is valid for the whole analysis.

KPI 2 – Accuracy of initial annual financial forecast for contracts

In 2022, DG NEAR achieved 108.87% of its financial forecasts for contracts (EUR 5,005 million out of a total of EUR 4,597 million forecasted), meeting the KPI benchmark set between 90% and 110%. In 2021, DG NEAR achieved 111.37% of its financial forecasts for contracts (EUR 3,055 million against a total of EUR 2,742 million forecasted for contracts) not meeting the target of under 110%. DG NEAR Trust Funds did not forecast new contracts signature for 2022.

For the results per Directorate, refer to the table below.

108.87%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in %)	234.53%	82.83%	105.83%	96.18%	140.92%	379.91%	375.33%	N/A	N/A	108.87%
Actuals (in EUR million)	113.85	1,922.04	272.24	1,503.36	202.92	2.39	987.60	N/A	0.36	5,004.74
Forecasts (in EUR million)	48.54	2,320.47	257.23	1,563.14	144.00	0.63	263.13	N/A	N/A	4,597.13
Variance (in EUR million)	65.30	-398.43	15.01	-59.78	58.92	1.78	724.47	N/A	0.36	407.61



- **KPI not calculated:** 9 HQ Units (NEAR A 05, NEAR B 01, NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 05, NEAR TF MADAD, NEAR TF NoA)
- **Target met:** 9 Delegations (Tunisia, Armenia, Republic of North Macedonia, Morocco, Serbia, Georgia, Montenegro, Palestine, Azerbaijan) and 4 HQ Units (NEAR A 04, NEAR D 01, NEAR D 05, NEAR A 02)
- **Target not met:** 13 Delegations (Albania, Türkiye, Egypt, Bosnia & Herzegovina, Algeria, Jordan, Kosovo, Syria, Israel, Belarus, Lebanon, Moldova, Ukraine) and 9 HQ

Units (NEAR B 02, NEAR C 01, NEAR C 02, NEAR C 03, NEAR B 03, NEAR A 03, NEAR DGA2 01, NEAR A 01, NEAR R 03)

In the table below, all Delegations/HQ Units are presented with a variance larger than EUR 10 million and a KPI value outside the 90%-110% benchmark.

Contracts forecast – KPI value outside the target of between 90%-110% and variance larger than EUR 10 million				
Delegation/HQ Unit	KPI	ACTUALS (in EUR million)	FORECASTS (in EUR million)	VARIANCE (in EUR million)
Ukraine	375.33%	987.6	263.13	724.47
Türkiye	66.60%	604.8	908.12	-303.32
NEAR B 02	45.33%	106.89	235.8	-128.91
Lebanon	188.66%	199.3	105.64	93.66
NEAR DGA2 01	140.92%	202.92	144	58.92
NEAR A 05	0.00%	58.36	0	58.36
Moldova	244.90%	87.06	35.55	51.51
NEAR C 01	51.02%	27.88	54.65	-26.77
Albania	56.02%	32.36	57.76	-25.4
Bosnia & Herzegovina	78.27%	91.13	116.42	-25.29
Jordan	87.48%	134.12	153.32	-19.2
NEAR C 02	68.24%	40.34	59.12	-18.78
Belarus	185.19%	29.01	15.66	13.34
Syria	127.85%	54.56	42.68	11.89
Morocco	95.82%	260.22	271.57	-11.35

KPI 3 – Accuracy of initial annual financial forecast for decisions

In 2022, DG NEAR achieved 101.36% of its financial forecast for decisions (EUR 7,420.72 million against a total of EUR 7,420.72 million forecasted), meeting the KPI benchmark set between 90%-110%. In 2021, DG NEAR realised 73.00% of its financial forecasts for decisions (EUR 3,663 million against a total of EUR 5,017 million).

KPI 3 can only be calculated on a Directorate level in 2022 as the forecasts on Decisions level are done centrally at the HQs. On Delegation level, there is no forecast of future decisions done. For an overview of the performance on Directorate level, refer to the table below.

101.36% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in %)	105.82%	99.17%	101.62%	104.15%	100.00%	100.00%	100.17%	N/A	N/A	101.36%
Actuals (in EUR million)	999.28	3,092.94	693.54	1,494.83	222.00	1.70	1,017.70	N/A	N/A	7,521.99
Forecast (in EUR million)	944.33	3,118.85	682.51	1,435.32	222.00	1.70	1,016.00	N/A	N/A	7,420.72
Variance (in EUR million)	54.95	-25.92	11.03	59.51	0.00	0.00	1.70	N/A	N/A	101.27

KPI 4 – RAL Absorption Period

Once a new project is decided, the amount necessary for covering the related expenditure for the entire duration of the project (usually 3 to 6 years) is put aside by the Commission ("commitment"). The RAL absorption period is the implementation capacity estimated as the number of years needed to pay the full amounts committed.

When dividing the RAL amount at the end of the year by the annual amount of payments made during the year, it should arrive at an implementation period of less than 4 years which is considered normal considering the multi-annularity of EU projects. Please note that KPI 4 related to RAL absorption is not benchmarked at HQs Units level. The benchmark is only applied at Delegation and DG levels. This is explained by the contracts of centrally managed decisions which are usually managed by different entities.

The paid amount is attributed to these entities whereas the decided amount that is left to be contracted is attributed to the unit managing the decision. As a result, the KPI calculation for these units is not relevant and the benchmark cannot be applied.

The RAL absorption is a snapshot of the situation of each Delegation at the end of the year.

It can be exceptionally high at one point of time as a result of a combination of high financial amounts committed during the year (for example, as a result of an emergency) and low level of payments performed during the reporting year. In these cases, the RAL absorption period will quickly improve, as the amount of payments will increase month after month.

The global result for DG NEAR at year-end 2022 stands at 2.71 years, which marks the KPI as green as it is lower than the benchmark of 4 years. Expressed in amounts, this is EUR 6,010 million of payments done in 2022 against EUR 16,297 million of RAL. In 2021, the global RAL Absorption Period of DG NEAR was slightly worse at a level of 3.56 years (EUR 4,251 million of annual payments against EUR 15,117 million of RAL).

For the results per Directorate, refer to the table below.

2.71 years ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in years)	0.16	3.27	3.90	6.39	2.39	4.24	0.75	1.88	1.27	2.71
RAL amount (in EUR million)	158.80	8,028.85	1,583.82	4,921.05	412.51	7.80	686.36	379.70	118.28	16,297
Annual amount of payments (in EUR million)	997.20	2,453.99	406.60	770.12	172.52	1.84	912.47	202.46	93.25	6,010
Variance (in EUR million)	-838.40	5,574.85	1,177.22	4,150.93	239.99	5.96	-226.11	177.24	25.02	10,286

At Delegation level, the TOP 5 and BOTTOM 5 Delegations, based on the KPI result, are as follows:

TOP 5 Delegations	KPI result
Ukraine	0.75 year
Moldova	1.73 years
Palestine	1.98 years
Egypt	2.53 years
Tunisia	2.59 years

BOTTOM 5 Delegations	KPI result
Republic of North Macedonia	10.06 years
Algeria	8.18 years
Belarus	6.99 years
Morocco	6.09 years
Armenia	5.41 years

- **Target met at Delegation level:** 11 Delegations (Albania, Azerbaijan, Bosnia & Herzegovina, Egypt, Palestine, Israel, Jordan, Moldova, Tunisia, Türkiye, Ukraine)
- **Target not met at Delegation level:** 11 Delegations (Republic of North Macedonia, Algeria, Armenia, Belarus, Kosovo, Georgia, Lebanon, Montenegro, Morocco, Serbia, Syria)

KPI 5 – Average Time to Grant

In 2022, DG NEAR signed grant agreements or notified grant decisions within 35.76 days, which is below the target of no more than 90 days. The KPI has improved with about 5.5 days compared to 2021, coming from an average time to grant of 41.24 days.

The table below gives an overview of the KPI 5 values and the average delay for signing agreements or notifying grant decisions by Directorate.

35.76 days ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in days)	N/A	37.76	33.78	35.14	N/A	N/A	N/A	N/A	N/A	35.76
Days taken	N/A	1,850	608	3,549	N/A	N/A	N/A	N/A	N/A	6,007
Grants	N/A	49	18	101	N/A	N/A	N/A	N/A	N/A	168

At Delegation level, the TOP 5 and BOTTOM 5 Delegations, based on the KPI result, are as follows:

TOP 5 Delegations	KPI result
Serbia	14.86 days
Republic of North Macedonia	17.80 days
Egypt	18.00 days
Kosovo	19.00 days
Armenia	21.17 days

BOTTOM 5 Delegations	KPI result
Montenegro	63.27 days
Palestine	61.83 days
Türkiye	59.14 days
Moldova	53.67 days
Albania	50.78 days

- **KPI not calculated:** 5 Delegations (Algeria, Azerbaijan, Belarus, Syria, Ukraine) and 19 HQ Units (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 03, NEAR B 04, NEAR C 01, NEAR C 02, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)
- **Target met:** 17 Delegations (Serbia, Republic of North Macedonia, Egypt, Kosovo, Armenia, Morocco, Tunisia, Georgia, Lebanon, Israel, Jordan, Bosnia & Herzegovina, Albania, Moldova, Türkiye, Palestine, Montenegro) and 3 HQ Units (NEAR B 02, NEAR D 01, NEAR D 05)

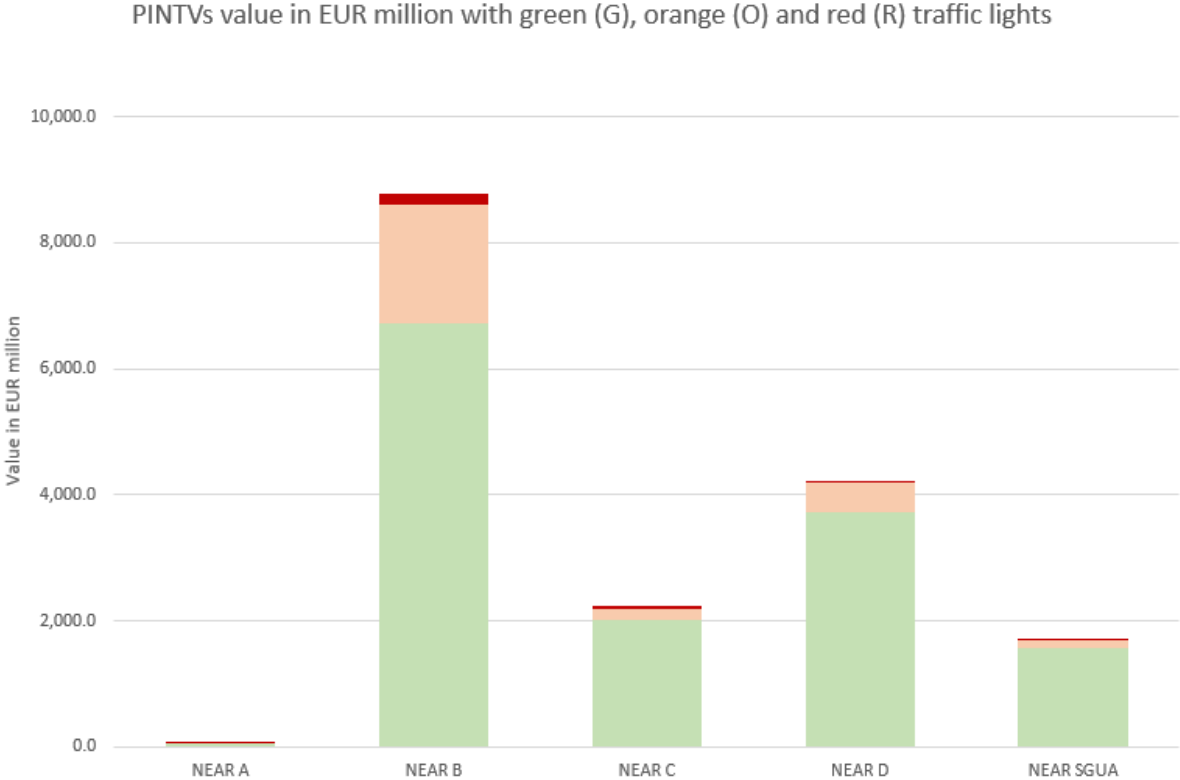
KPI 6 – % of primary interventions with red traffic light for implementation progress

DG NEAR met the benchmark of “no more than 10 % primary interventions with a red traffic light” with a score of 2.32% compared to 2.42% in 2021.

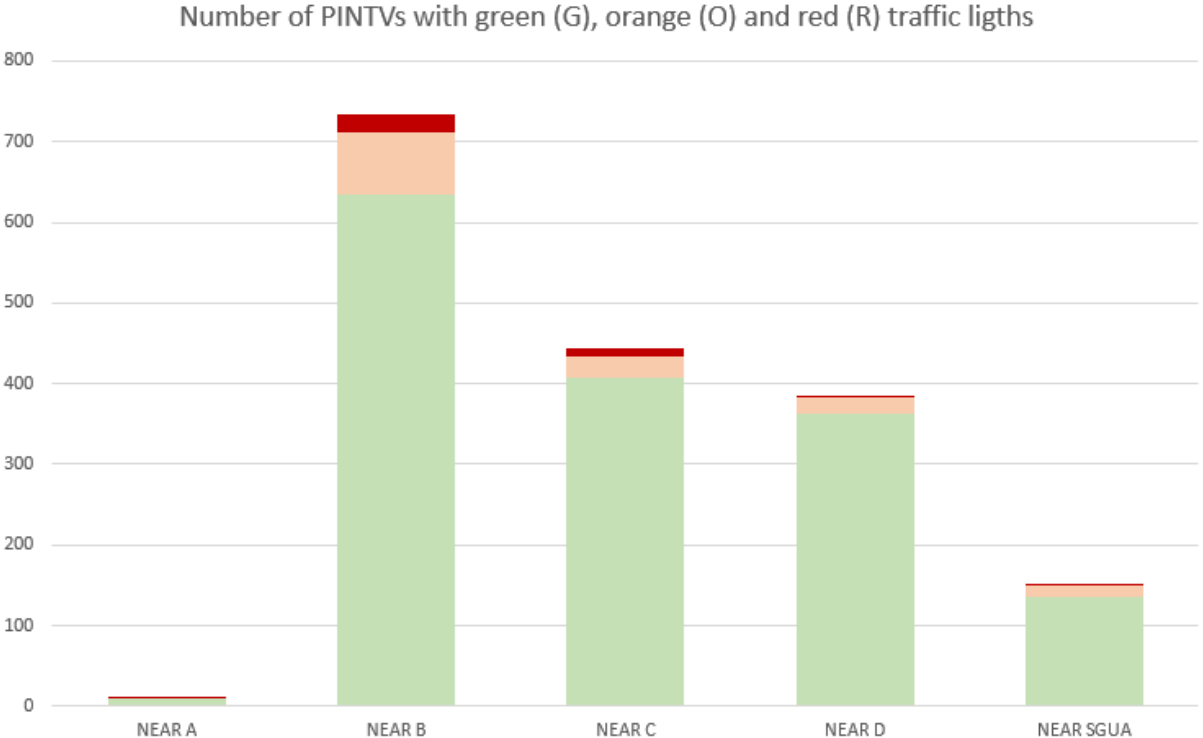
2.32% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI result	9.09%	3.13%	2.48%	0.78%	N/A	N/A	1.32%	N/A	N/A	2.32%
PINTVs with red traffic light for implementation progress	1	23	11	3	N/A	N/A	2	N/A	N/A	40
All PINTVs	11	734	444	386	N/A	N/A	152	N/A	N/A	1,727
PINTVs value with red traffic light (in EUR million)	1	166	50.16	27.50	N/A	N/A	13.46	N/A	N/A	258.12
Total PINTVs value (in EUR million)	67.20	8,769	2,243	4,209	N/A	N/A	1,714	N/A	N/A	17,000.79
Contextual indicator	1.49%	1.89%	2.24%	0.65%	N/A	N/A	0.79%	N/A	N/A	1.52%

- **KPI not calculated:** 12 HQ Units (NEAR A 01, NEAR A 04, NEAR A 05, NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)
- **Target met:** 20 Delegations (Albania, Azerbaijan, Israel, Montenegro, Republic of North Macedonia, Serbia, Bosnia and Herzegovina, Ukraine, Morocco, Moldova, Palestine, Egypt, Lebanon, Türkiye, Tunisia, Kosovo, Armenia, Georgia, Syria, Jordan) and 9 HQ Units (NEAR A 02, NEAR B 01, NEAR B 02, NEAR C 01, NEAR C 02, NEAR C 03, NEAR D 01, NEAR D 05, NEAR B 03)
- **Target not met:** 2 Delegations (Belarus, Algeria) and 1 HQ Unit (NEAR A 03)

The graph below shows the total primary interventions value (in EUR million) with green (G), orange (O) and red (R) traffic lights for Implementation Progress per directorate.



The graph below shows the number of primary interventions (PINTVs) with green (G), orange (O) and red (R) traffic lights for Implementation Progress per directorate.



Out of a total number of 1,727 primary interventions with a total value of EUR 17,001 million, 1,550 (89.75%) received a green traffic light for a total value of EUR 4,099 million (82.93%).

137 primary interventions (7.93%) were flagged orange with a total value of EUR 2,644 million (15.55%) and 40 primary interventions (2.32%) were flagged red with a total value of EUR 258.12 million (1.52%).

KPI 7 – % of primary interventions with a red traffic light for achieving results

KPI 7 is calculated based on the following two questions for each primary intervention:

7.1. What is the likely level that the primary interventions will achieve in terms of output targets (< 75% = red; 75% - 90% = orange; > 90% = green)?

7.2. What is the risk that - regardless of any outputs achieved - the intended outcome of the primary intervention will not be achieved (high = red; medium = orange; low = green)?

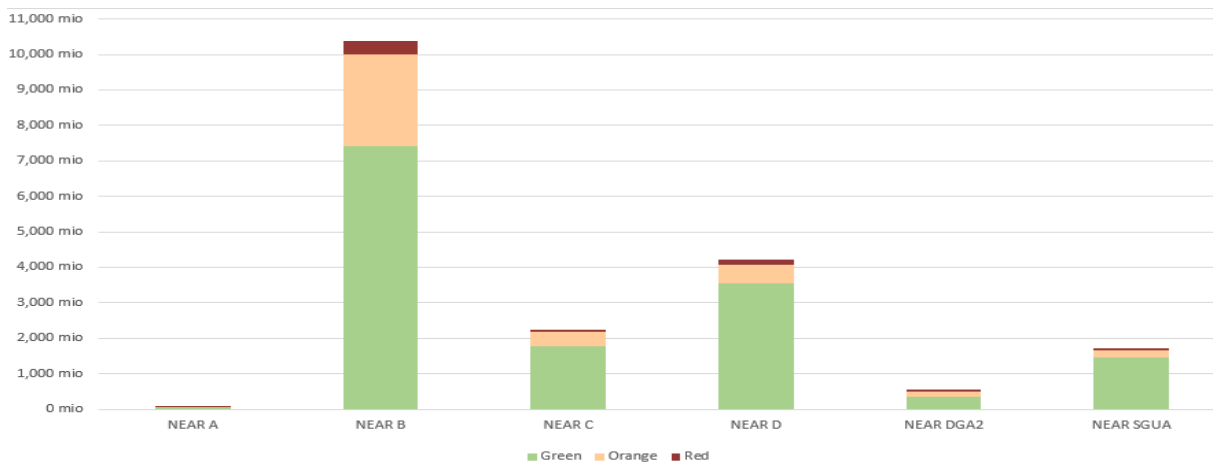
The traffic light corresponds to the least favourable of the answers to these two questions. DG NEAR met the benchmark of “not more than 10% of primary interventions with a red traffic light” with a score of 2.73% in 2022, which is a slight increase compared to 2021 (2.97%).

2.73%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI result (in %)	9.09%	2.98%	2.93%	1.81%	2.82%	N/A	2.63%	N/A	N/A	2.73%
Number of primary interventions with red traffic light for achieving objectives	1	24	13	7	2	N/A	4	N/A	N/A	51
All primary interventions	11	806	444	386	71	N/A	152	N/A	N/A	1,870
Primary intervention value with red traffic light (in EUR million)	1.00	386.45	62.66	123.80	59.02	N/A	65.03	N/A	N/A	697.98
Total primary intervention value (in EUR million)	67.20	10,380	2,243	4,209	555.34	N/A	1,714	N/A	N/A	19,168
Contextual indicator	1.49%	3.72%	2.79%	2.94%	10.63%	N/A	3.79%	N/A	N/A	3.64%

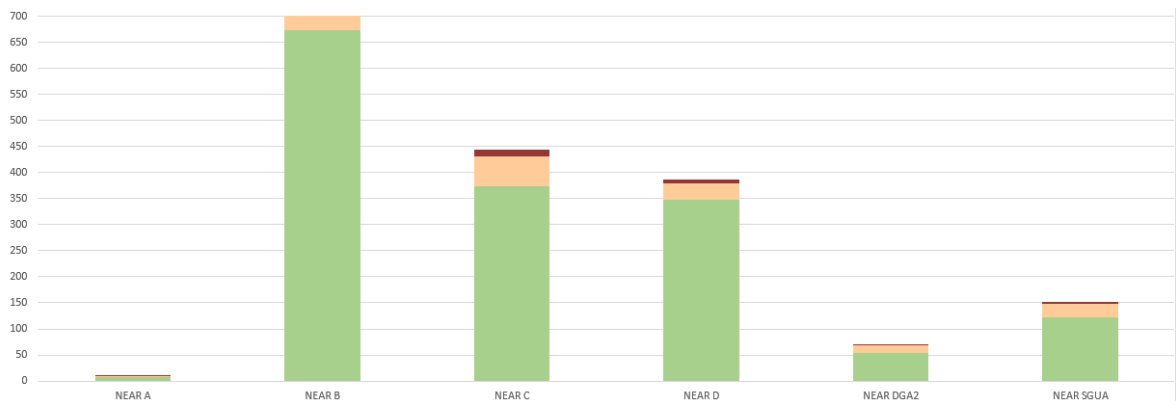
- **KPI not calculated:** 11 HQ Units (NEAR A 01, NEAR A 04, NEAR A 05, NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)

- **Target met:** 21 Delegations (Albania, Azerbaijan, Israel, Montenegro, Republic of North Macedonia, Serbia, Palestine, Bosnia & Herzegovina, Moldova, Egypt, Ukraine, Lebanon, Morocco, Syria, Tunisia, Armenia, Türkiye, Georgia, Jordan, Algeria, Kosovo) and 10 HQ Units (NEAR A 02, NEAR B 02, NEAR C 01, NEAR C 03, NEAR D 01, NEAR D 05, NEAR C 02, NEAR DGA2 01, NEAR B 01, NEAR B 03)
- **Target not met:** 1 Delegation (Belarus) and 1 HQ Unit (NEAR A 03)

The graph below shows the total primary intervention value (in EUR million) with green (G), orange (O) and red (R) traffic lights for “Achieving Objectives” per Directorate.



The graph below shows the number of primary interventions with green (G), orange (O) and red (R) traffic lights for “Achieving Objectives” per directorate.



Out of the total number of primary interventions (1,870) with a total value of EUR 19,168 million:

- 1580 (84.49%) received a green traffic light for a total value of EUR 14,636 million (76.36%)
- 239 primary interventions (12.78%) were flagged orange with a total value of EUR 3,834 million (20.00%)
- 51 primary interventions (2.73%) were flagged red with a total value of EUR 697,976 million (3.64%)

The table below shows the 10 Delegations having the highest value of problematic (orange and red) primary interventions (in EUR million).

Delegations	Total value of portfolio (in EUR million)	Green primary interventions (in EUR million)	Orange primary interventions (in EUR million)	Red primary interventions (in EUR million)	Problematic primary interventions (orange or red in EUR million)
Türkiye	3,411.66	2,172.39	1,047.57	191.70	1,239.27
Tunisia	1,175.91	647.52	520.43	7.96	528.39
Palestine	787.31	402.25	382.57	2.50	385.07
Republic of North Macedonia	523.53	253.58	269.95	0.00	269.95
Jordan	1,099.37	849.51	192.67	57.20	249.87
Ukraine	1,713.74	1,468.45	180.26	65.03	245.29
Albania	448.87	231.27	217.60	0.00	217.60
Morocco	958.43	773.50	169.27	15.65	184.93
Georgia	482.44	331.02	129.77	21.65	151.42
Egypt	890.63	745.04	124.28	21.31	145.59

The table below shows the 10 Delegations having the highest number of problematic (orange and red) primary interventions.

Delegations	Total number of primary interventions	Total number of green primary interventions	Total number of orange primary interventions	Total number of red primary interventions	Total number of problematic primary interventions	Total value of problematic primary interventions (in EUR million)
Ukraine	152	123	25	4	29	245.29
Tunisia	102	75	24	3	27	528.39
Armenia	71	51	17	3	20	111.05
Georgia	111	93	14	4	18	151.42
Jordan	82	64	14	4	18	249.87
Morocco	71	56	13	2	15	184.93
Türkiye	91	76	11	4	15	1,239.27
Palestine	99	87	11	1	12	385.07
Egypt	90	79	9	2	11	145.59
Bosnia & Herzegovina	86	77	8	1	9	16.80

The table below shows the 10 Delegations having the highest percentage in total value (EUR million) of problematic (orange and red) primary interventions.

Delegations	Green primary interventions (in EUR million)	Orange primary interventions (in EUR million)	Red primary interventions (in EUR million)	Problematic primary interventions (orange or red in EUR million)	Total value of portfolio (in EUR million)	% of problematic primary interventions value
Republic of North Macedonia	253.58	269.95	0.00	269.95	523.53	51.56%
Palestine	402.25	382.57	2.50	385.07	787.31	48.91%
Albania	231.27	217.60	0.00	217.60	448.87	48.48%
Tunisia	647.52	520.43	7.96	528.39	1,175.91	44.93%
Armenia	154.76	93.69	17.36	111.05	265.81	41.78%
Kosovo	179.08	5.04	122.80	127.84	306.92	41.65%
Belarus	47.95	18.98	13.49	32.47	80.42	40.38%
Türkiye	2,172.39	1,047.57	191.70	1,239.27	3,411.66	36.32%
Georgia	331.02	129.77	21.65	151.42	482.44	31.39%
Syria	74.14	28.85	2.00	30.85	104.99	29.38%

The table below shows the 15 green primary interventions with the largest EU contribution (in EUR million).

Country/Unit	Title of primary intervention	EU contribution (in EUR million)	Budget Support Y/N
Ukraine	Reducing vulnerabilities and enhancing food security through support to conflict affected populations and agricultural production in Ukraine.	566.00	Y
Türkiye	PINTV: Promoting Integration of Syrian Kids into the Turkish Education System (PIKTES)	400.00	Y
Türkiye	Promoting Inclusive Education for Kids in the Turkish Education System (PIKTES)+	300.00	Y
Türkiye	PINTV: Supporting Migrant Health Services in Turkey	210.00	Y
Türkiye	Conditional Cash Transfer for Education (CCTE) IV	210.00	Y
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework - Connectivity 2018-2019	207.26	Y
Palestine	PEGASE DFS 2018, 2019, 2020	202.50	Y
NEAR D 05	Additional support to the Regional Housing Programme (RHP)	202.35	Y
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework Connectivity 2019-2020	184.60	Y
Türkiye	Part II EC - World Bank Partnership Program for Europe and Central Asia Programmatic Single-Donor Trust Fund - (No. TF072780) Education Infrastructure for Resilience Activities in Turkey	150.00	Y
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework - Connectivity 2016 part 2	145.50	Y
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework - Connectivity 2015-2016	144.90	Y
Morocco	Cadre d'intervention du programme intégré d'appui à la formation et à l'éducation au Maroc (PIAFE)	140.00	Y
Palestine	PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2021	138.00	Y
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework - Connectivity 2020	136.00	Y

The table below shows the 15 orange primary interventions with the largest EU contribution (in EUR million).

Country/Unit	Title of primary intervention	EU contribution (in EUR million)	Budget Support Y/N
Türkiye	Education for all in times of crisis II	255.00	Y
Türkiye	Improving the living standards of the most vulnerable refugees through basic needs support (C-ESSN)	245.00	Y
Republic of North Macedonia	IPA II 2014-2020 Multi-annual action programme on environment, climate change and transport, North Macedonia	225.87	Y
Türkiye	Construction and rehabilitation of water supply, waste water and solid waste systems and related soft measures to improve water management efficiency	214.82	Y
Tunisia	Décaissement TF/TV PAGE 2021-22	183.00	Y
Türkiye	Municipal Services Improvement Project	140.18	Y
Ukraine	Eastern Europe Energy Efficiency and Environment Partnership Fund	90.46	Y
Albania	EU4Schools	75.00	Y
Türkiye	EU TF - T004 – Delegation agreement “Technical assistance and investment support for the municipal resilience facility (MRF)” with EIB	71.81	Y
Morocco	Hakama II	62.00	Y
Türkiye	Agricultural Employment Support for Refugees and Turkish Citizens through Enhanced Market Linkages Project	50.22	Y
Tunisia	Contrat de performance de réforme sectorielle - PARJ3	50.00	Y
Tunisia	Objectif Transition Énergétique	50.00	Y
NEAR C 02	EU support for vaccine deployment in the Eastern Partnership	42.00	Y
Tunisia	Convention de Délégation avec l'AFD - Initiative Pilote de Développement local Intégré	39.50	Y

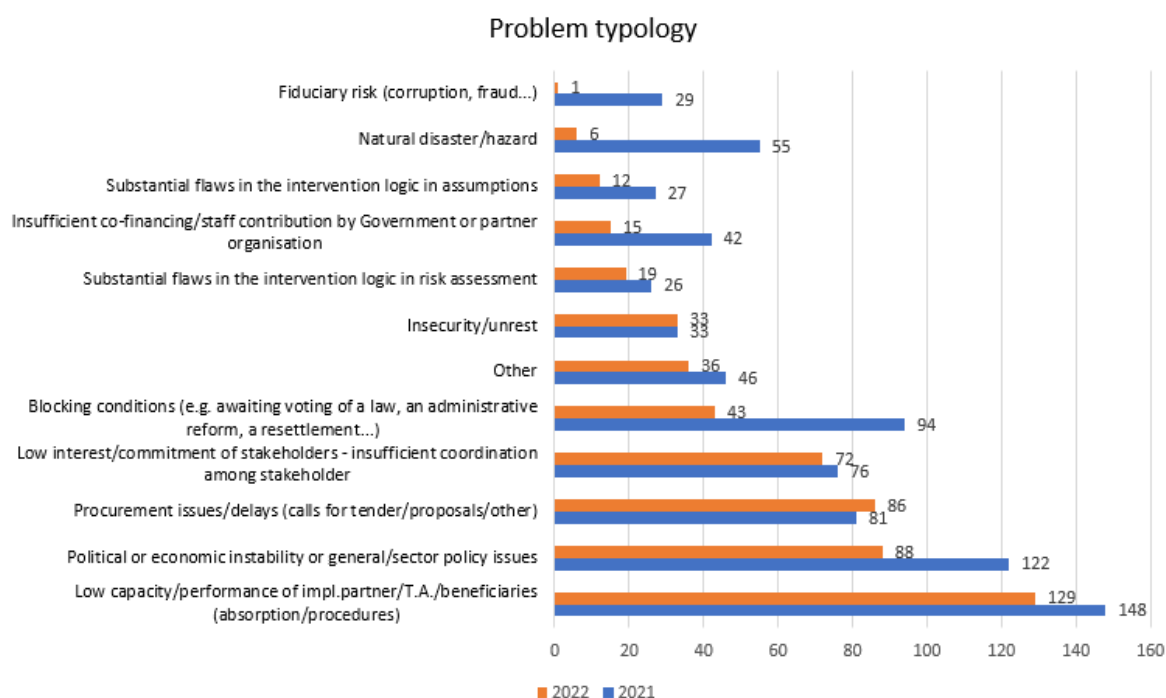
The table below shows the 15 red primary interventions with the largest EU contribution (in EUR million)

Country/Unit	Title of primary intervention	EU contribution (in EUR million)	Budget Support Y/N
Türkiye	Education for all in Times of Crisis III	100.00	Y
Türkiye	Strengthening Health Care Infrastructure for All (SHIFA)	90.00	Y
Jordan	EU Support to the National Solid Waste Management Strategy - Infrastructures and Capacity building component (AFD)	55.30	Y
NEAR B 01	EU TF - EUTF T04.149 "ENHANCING RESILIENT LIVELIHOODS AND FOOD SECURITY OF HOST COMMUNITIES AND SYRIAN REFUGEES IN JORDAN AND LEBANON THROUGH THE PROMOTION OF SUSTAINABLE AGRICULTURAL DEVELOPMENT" - FAO WFP IFAD	44.42	Y
NEAR DGA2 01	T05-EUTF-NOA-LY-04 (T05.213) Support to Integrated border and migration management in Libya - Phase 1	42.22	Y
Ukraine	Ukraine Transport Connectivity - Interchange Improvement and ITS	36.92	Y
Lebanon	EU TF - T004 - CREATION OF LEVEL 2 COMMITMENT FOR CONTRIBUTION AGREEMENT "WATER AND WASTEWATER PROGRAMME FOR HOST COMMUNITIES AND SYRIAN REFUGEES IN LEBANON" WITH AFD 23 000 000 EUR T04.206	23.00	Y
Kosovo	Sector Reform Contract for Public Administration Reform	22.00	Y
Egypt	Egypt Grid Reinforcement Project	20.47	Y
NEAR DGA2 01	T05-EUTF-NOA-LY-07 (T05.1637) Support to Integrated border and migration management in Libya - Phase 2	16.80	Y
Morocco	Convention de contribution - Programme de soutien à l'insertion économique des jeunes dans trois régions pilotes du Maroc	15.30	Y
Ukraine	Investment Support to Ukraine Ternopil Bypass	14.65	Y
Lebanon	Provision of waste water services for vulnerable populations in Lebanon	10.74	Y
NEAR C 02	The Eastern Partnership European School	8.98	Y
Georgia	Georgia Hazardous Waste	8.34	Y

The table below shows the main problem typologies for the primary interventions flagged orange or red on KPI 6 and/or 7. Please note that Delegations can indicate between 1 and 5 problem typologies per problematic primary intervention.

Problem Typology	Orange		Red		Orange or red	
	Count	%	Count	%	Count	%
Low capacity/performance of implementing partner/T.A./beneficiaries (absorption/procedures)	103	47.69%	26	48.15%	129	47.78%
Political or economic instability or general/sector policy issues	74	34.26%	14	25.93%	88	32.59%
Procurement issues/delays (calls for tender/proposals/other)	69	31.94%	17	31.48%	86	31.85%
Low interest/commitment of stakeholders - insufficient coordination among stakeholder	54	25.00%	18	33.33%	72	26.67%
Blocking conditions (e.g. awaiting voting of a law, an administrative reform, a resettlement...)	33	15.28%	10	18.52%	43	15.93%
Other	25	11.57%	11	20.37%	36	13.33%
Insecurity/unrest	25	11.57%	8	14.81%	33	12.22%
Substantial flaws in the intervention logic in risk assessment	13	6.02%	6	11.11%	19	7.04%
Insufficient co-financing/staff contribution by Government or partner organisation	12	5.56%	3	5.56%	15	5.56%
Substantial flaws in the intervention logic in assumptions	10	4.63%	2	3.70%	12	4.44%
Low capacity/performance of implementing partner/T.A./beneficiaries (absorption/procedures)	103	47.69%	26	48.15%	129	47.78%
Political or economic instability or general/sector policy issues	74	34.26%	14	25.93%	88	32.59%
Total number of primary interventions	216		54		270	

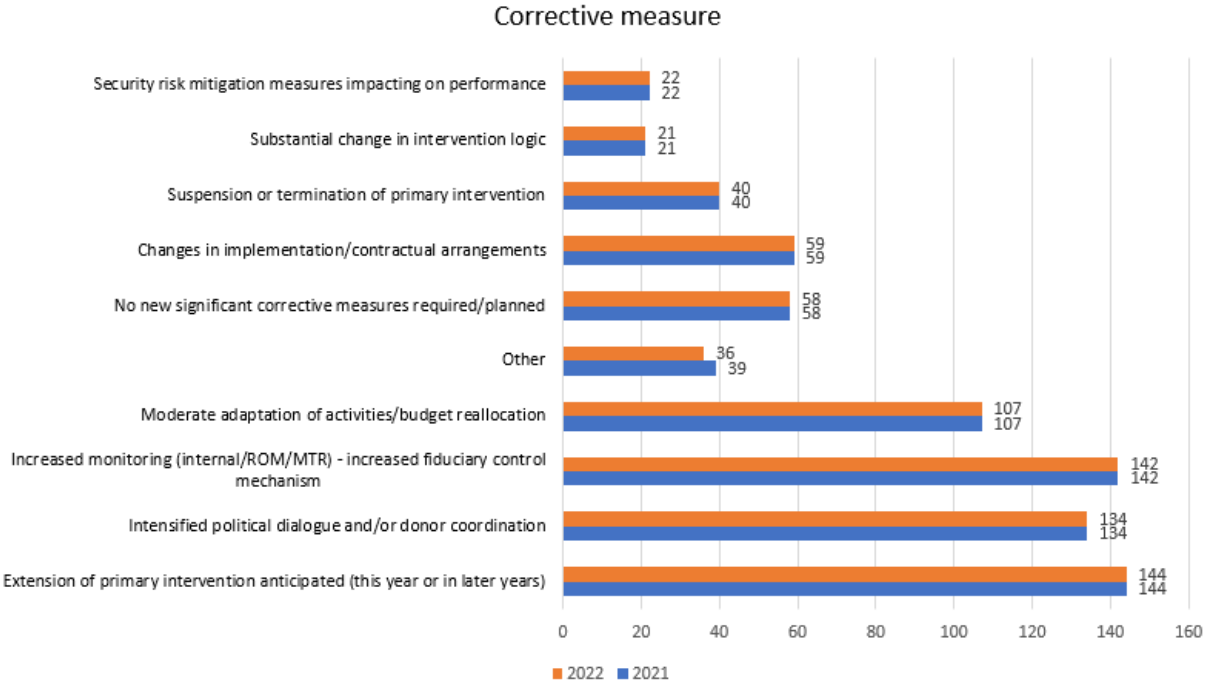
The chart below shows the comparison between 2021 and 2022 by problem typologies for problematic primary interventions.



The table below shows the main corrective measures for the primary interventions flagged orange or red on KPI 6 and/or 7. Please note that Delegations can indicate between 1 and 5 corrective measures per problematic primary intervention.

Corrective Measures	Orange		Red		Orange or red	
	Count	%	Count	%	Count	%
Extension of primary intervention anticipated (this year or in later years)	96	44.44%	23	42.59%	119	44.07%
Intensified political dialogue and/or donor coordination	87	40.28%	15	27.78%	102	37.78%
Increased monitoring (internal/ROM/MTR) - increased fiduciary control mechanism	88	40.74%	13	24.07%	101	37.41%
Moderate adaptation of activities/budget reallocation	85	39.35%	15	27.78%	100	37.04%
Changes in implementation/contractual arrangements	34	15.74%	10	18.52%	44	16.30%
No new significant corrective measures required/planned	23	10.65%	9	16.67%	32	11.85%
Other	18	8.33%	5	9.26%	23	8.52%
Substantial change in intervention logic	8	3.70%	9	16.67%	17	6.30%
Suspension or termination of primary intervention	6	2.78%	11	20.37%	17	6.30%
Security risk mitigation measures impacting on performance	9	4.17%	4	7.41%	13	4.81%
Total number of primary interventions	216		54		270	

The chart below shows the comparison between 2021 and 2022 by corrective measures for problematic primary interventions. As can be seen on the chart, the proportions of the different corrective measures are in line with previous year.



Financial Memorandums

Financial Memorandum (FM) types of contracts consist of local contracts managed by the Beneficiary Countries. Information on those local contracts is not available in CRIS IT system. For the 2022 EAMR exercise a special algorithm was prepared to facilitate the assessment of Financial Memorandums by the IPA Delegations. Each local contract per Financial Memorandum, that was ongoing during the year 2022, was assessed by the Delegation separately using the same rules as for other primary interventions in the primary intervention list and then a weighted average was used to asses Financial Memorandum globally.

Below tables show for each IPA Delegation the total value of FMs compared with local contracts still active in 2022 as well as the assessment made in relation to KPI 6, 7 and 8, and a global assesment for each FM.

In 2022, there are no Financial Memorandums in the primary intervention lists for Albania, Bosnia & Herzegovina, Kosovo, Montenegro and Türkiye.

Republic of North Macedonia

Primary Intervention Reference	Primary Intervention Title	Primary Intervention Amount	KPI 6 assessment	KPI 7 + 8 assessment
CTR383610	Country Action Programme for the former Yugoslav Republic of Macedonia for the year 2015 - Objective 1 (IMBC)	6,825,719	100.00%	100.00%
CTR394213	Country Action Programme for the former Yugoslav Republic of Macedonia for Year 2016 - Objective 1 (IMBC)	7,109,905	100.00%	100.00%
CTR403253	Annual Action Programme for the Former Yugoslav Republic of Macedonia for the Year 2017 - Objective 1 (IMBC)	5,834,173	100.00%	100.00%
CTR410822	Annual Action Programme for the former Yugoslav Republic of Macedonia for the year 2018	6,101,614	100.00%	100.00%
CTR418027	Annual Action Programme for the Republic of North Macedonia for the Year 2020 - Objective 1	2,363,985	100.00%	100.00%

Serbia

Decision	Decision Title	Total value	KPI 7 assessment	KPI 8 assessment
2017/040-500	Country Action Programme Serbia IPA 2017 - Objective 2 - Energy	93,251,104.56	95.00%	77.00%
2013/023-621	Serbia National Programme IPA 2013 (Decentralised part)	32,618,155.76	88.00%	88.00%
2015/038-442	Annual Action Programme Serbia IPA 2015 - Objective 2 - Indirect management	74,994,399.75	95.00%	80.00%
2020/042-262	Part I of Annual Action Programme for the Republic of Serbia for the year 2020 - objective 1	2,594,259.33	95.00%	95.00%
2017/040-499	Country Action Programme Serbia IPA 2017 - Objective 2 - Environment	47,588,123.46	94.00%	94.00%
2018/041-527	Annual Action Programme 2018 Serbia - Objective 2 - Environment, energy and climate action	88,367,289.00	95.00%	95.00%
2017/040-498	Country Action Programme Serbia IPA 2017 - Objective 1 - Indirect Management	3,249,210.00	88.00%	91.00%
2014/032-799	Serbia National Programme IPA 2014 (Competitiveness and growth part)	1,822,766.76	88.00%	88.00%
2018/041-249	Annual Action Programme 2018 Serbia - Objective 1	3,620,641.00	95.00%	95.00%
2019/041-420	IPA 2019 allocation for the Cross-Border Cooperation Programme Serbia-Bosnia and Herzegovina	1,317,650.02	95.00%	95.00%
2017/038-202	IPA 2017 allocation for the Cross-Border Cooperation Programme Serbia-Bosnia and Herzegovina	1,306,471.97	80.00%	80.00%
2017/039-827	CBC Serbia-the former Yugoslav Republic of Macedonia 2016-2017 Allocation for 2017	265,679.00	95.00%	95.00%

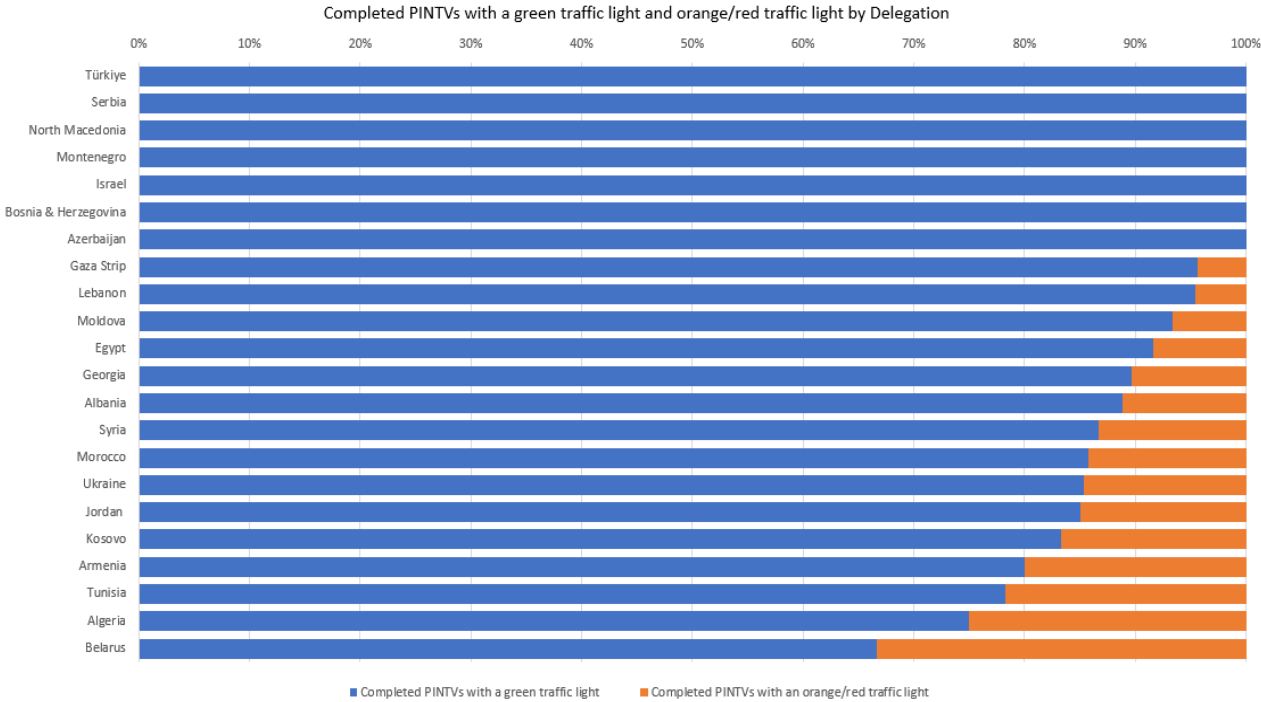
KPI 8 – % of completed primary interventions with green flag traffic light for achieving results

KPI 8 measures the successful completion of primary interventions, calculated as the percentage of Primary Intervention List interventions that reached the end of their period of operational activities during the reporting year and that received a green traffic light for achieving objectives for the year. This KPI was introduced in 2021.

At DG NEAR level, 89.92% of all completed primary interventions were completed with a green traffic light, which means the KPI met the benchmark of at least 80%. This is an improvement compared to last reporting period, in which the KPI amounts to 85.95%.

For the results per Directorate, refer below.

89.92% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAG	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in %)	80.00%	91.30%	88.10%	93.26%	85.71%	N/A	85.37%	N/A	N/A	89.92%
Primary Interventions completed with green traffic light	4	189	111	83	24	N/A	35	N/A	N/A	446
All completed primary interventions	5	207	126	89	28	N/A	41	0	N/A	496



- **KPI not calculated:** 12 HQ Units (NEAR A 01, NEAR A 04, NEAR A 05, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)
- **Target met:** 19 Delegations (Azerbaijan, Bosnia & Herzegovina, Israel, Montenegro, Republic of North Macedonia, Serbia, Türkiye, Palestine, Lebanon, Moldova, Egypt, Albania, Georgia, Syria, Morocco, Jordan, Kosovo, Ukraine, Armenia) and 8 HQ Units (NEAR A 03, NEAR B 01, NEAR B 02, NEAR B 03, NEAR C 02, NEAR D 01, NEAR D 05, NEAR DGA2 01)
- **Target not met:** 3 Delegations (Belarus, Algeria, Tunisia) and 2 HQ Units (NEAR C 01, NEAR A 02)

In the tables below, we have sorted the TOP 5 and BOTTOM 5 Delegations based on the number of primary interventions completed with a green traffic light.

TOP 5 Delegations	PINTV with green traffic light completed in 2022	All PINTV completed in 2022	KPI result
Bosnia & Herzegovina	24	24	100.00%
Israel	24	24	100.00%
Azerbaijan	16	16	100.00%
Montenegro	13	13	100.00%
Republic of North Macedonia	1	1	100.00%

BOTTOM 5 Delegations	PINTV with green traffic light completed in 2022	All PINTV completed in 2022	KPI result
Armenia	1	1	42.38%
Belarus	2	2	52.63%
Syria	3	4	84.03%
Kosovo	6	9	84.84%
Tunisia	8	9	85.77%

In the tables below, we have sorted the TOP 5 and BOTTOM 5 Delegations based on the value of the primary interventions completed with a green traffic light (in EUR million).

TOP 5 Delegations	PINTV with green traffic light completed in 2022 (in EUR million)	All PINTV completed in 2022 (in EUR million)	%
Ukraine	218.79	224.58	97.42%
Palestine	218.60	219.53	99.58%
Egypt	197.10	198.50	99.28%
Jordan	192.40	213.38	90.17%
Lebanon	163.86	165.19	99.20%

TOP 5 Delegations	PINTV with green traffic light completed in 2022 (in EUR million)	All PINTV completed in 2022 (in EUR million)	%
Armenia	8.46	19.96	42.38%
Israel	8.50	8.50	100.00%
Belarus	11.79	22.40	52.63%
Republic of North Macedonia	13.05	13.05	100.00%
Algeria	17.09	17.37	98.36%

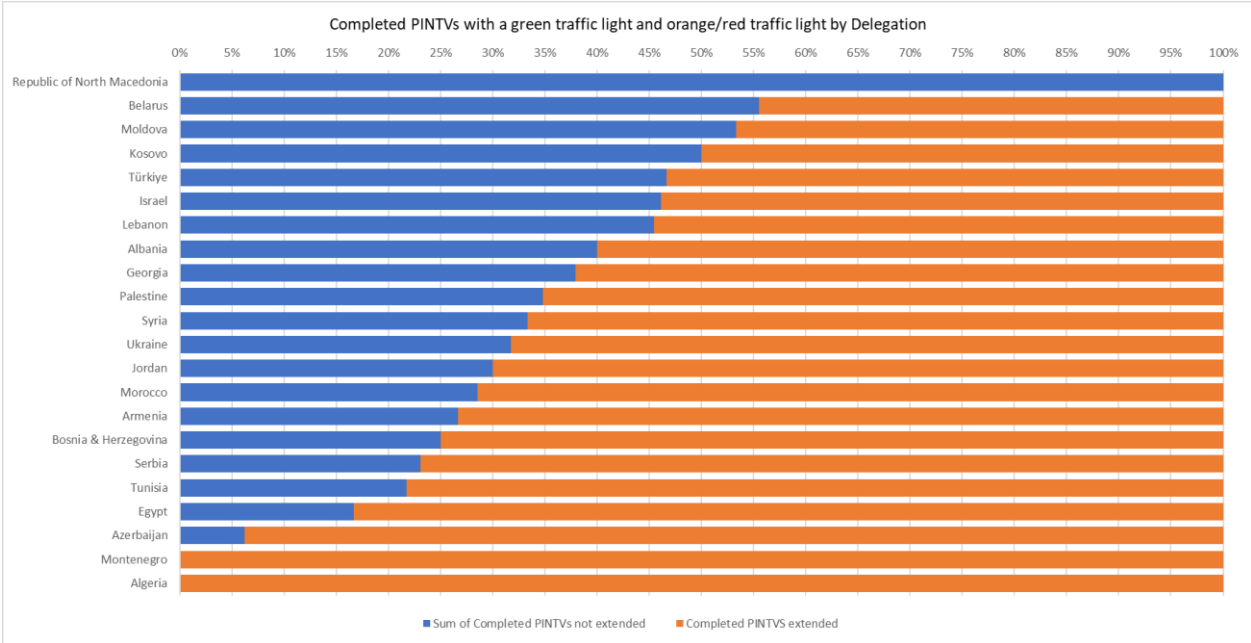
KPI 9 – % of primary interventions completed on time

KPI 9 measures the timely completion of primary interventions, calculated as the percentage of Primary Intervention List interventions that reached the end of their period of operational activities during the year (= completed) and did not receive any extension of that date. This KPI is a new KPI as of 2021.

For the results per Directorate, refer below.

35.01%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in %)	20.00%	31.40%	37.30%	31.11%	71.43%	N/A	31.71%	N/A	N/A	35.01%
Completed primary interventions not extended	1	65	47	28	20	0	13	0	0	174
All completed primary interventions	5	207	126	90	28	0	41	0	0	497

At Delegation level, only 9 of the 22 Delegations reached the benchmark of at least 35%. 2 of the 14 Delegations that did not meet the benchmark even have a KPI value of 0%.



- **KPI not calculated:** 12 HQ Units (NEAR A 01, NEAR A 04, NEAR A 05, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)
- **Target met:** 9 Delegations (Albania, Republic of North Macedonia, Belarus, Moldova, Kosovo, Türkiye, Israel, Lebanon, Georgia) and 3 HQ Units (NEAR A 03, NEAR B 01, NEAR C 02)
- **Target not met:** 13 Delegations (Algeria, Montenegro, Azerbaijan, Egypt, Tunisia, Serbia, Bosnia & Herzegovina, Armenia, Morocco, Jordan, Ukraine, Syria, Palestine) and (NEAR A 02, NEAR D 01, NEAR B 03, NEAR C 01, NEAR B 02, NEAR D 05)

In the tables below, we have sorted the TOP 5 and BOTTOM 5 Delegations based on the number of primary interventions completed on time.

TOP 5 Delegations	PINTV completed on time	All PINTV completed in 2022	KPI result
Ukraine	13	41	31.71%
Georgia	11	29	37.93%
Lebanon	10	22	45.45%
Kosovo	9	18	50.00%
Palestine	8	23	34.78%

BOTTOM 5 Delegations	PINTV completed on time	All PINTV completed in 2022	KPI result
Algeria	0	4	0.00%
Montenegro	0	2	0.00%
Azerbaijan	1	16	6.25%
Republic of North Macedonia	1	1	100.00%
Serbia	3	13	23.08%

In the tables below, we have sorted the TOP 5 and BOTTOM 5 Delegations based on the value of the primary interventions completed on time (in EUR million).

TOP 5 Delegations	PINTV completed on time (in EUR million)	All PINTV completed in 2022 (in EUR million)	%
Palestine	187.19	219.53	85.27%
Lebanon	118.09	165.19	71.49%
Georgia	105.35	123.19	85.52%
Morocco	102.55	139.23	73.65%
Ukraine	84.53	224.58	37.64%

BOTTOM 5 Delegations	PINTV completed on time (in EUR million)	All PINTV completed in 2022 (in EUR million)	%
Algeria	0.00	17.38	0.00%
Montenegro	0.00	20.82	0.00%
Azerbaijan	0.63	19.27	3.29%
Bosnia & Herzegovina	1.72	41.16	4.17%
Armenia	1.80	19.96	9.03%

KPI 10 – Reduction of Old Pre-financing

At DG NEAR level, the total amount of old pre-financing has decreased from EUR 2,977 million on 01/01/2022 to EUR 1,742 million on 31/12/2022, which is a decrease of 41.51% and thus above the benchmark of at least 40%.

For the results per Directorate, refer to the table below.

41.51% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI Value (in %)	49.88%	39.11%	25.79%	45.87%	61.88%	0.00%	11.92%	71.92%	35.01%	41.51%
Old pre-financing 01/01/2022 (in EUR million)	4.20	1,239.94	330.77	590.15	6.15	0.28	186.90	406.35	212.69	2,977
Old pre-financing 31/12/2022 (in EUR million)	2.11	755.05	245.46	319.45	2.35	0.28	164.62	114.10	138.24	1,742
Reduction (in EUR million)	2.10	484.89	85.31	270.70	3.81	0.00	22.29	292.25	74.45	1,236

- **KPI not calculated:** 7 HQ Units (NEAR A 05, NEAR B 01, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 03)
- **Target met:** 15 Delegations (Bosnia & Herzegovina, Lebanon, Syria, Montenegro, Israel, Algeria, Jordan, Azerbaijan, Republic of North Macedonia, Georgia, Moldova, Serbia,

Türkiye, Palestine, Morocco) and 8 HQ Units (NEAR A 03, NEAR D 01, , TF MADAD, NEAR B 03, NEAR A 02, NEAR D 05, NEAR DGA2 01, NEAR C 02)

- **Target not met:** 7 Delegations (Ukraine, Tunisia, Belarus, Albania, Armenia, Kosovo, Egypt) and 7 HQ Units (NEAR B 04, NEAR R 05, NEAR A 01, NEAR C 01, NEAR B 02 , NEAR A 04, TF NoA)

The tables below show the TOP 5 and BOTTOM 5 Delegations in terms of KPI value, highest cleared amount in EUR million and lowest open amount at year-end in EUR million.

TOP 5 Delegations	KPI Value
Bosnia & Herzegovina	69.17%
Lebanon	55.60%
Syria	54.67%
Montenegro	54.21%
Israel	54.01%

TOP 5 Delegations	Cleared amount in EUR million
Azerbaijan	608.06
Lebanon	142.66
Israel	103.47
Montenegro	78.57
Albania	76.60

TOP 5 Delegations	Open amount in EUR million
Israel	15.87
Azerbaijan	34.05
Belarus	71.11
Algeria	91.30
Montenegro	94.03

BOTTOM 5 Delegations	KPI Value
Ukraine	12.25%
Tunisia	15.22%
Belarus	18.98%
Albania	22.14%
Armenia	25.35%

BOTTOM 5 Delegations	Cleared amount in EUR million
Republic of North Macedonia	6.42
Egypt	11.42
Ukraine	13.28
Tunisia	14.05
Serbia	23.33

BOTTOM 5 Delegations	Open amount in EUR million
Türkiye	2,387.66
Ukraine	504.23
Serbia	433.93
Egypt	288.95
Tunisia	263.45

KPI 11 - Expired contracts as a % of the contract portfolio

Expired contracts are those that are still open more than 18 months after the end of their operational activities. At the end of 2022, 440 contracts or 9.75% of the total number of open contracts (4,514) expired. Two Directorates did not meet the benchmark target of less than 13% of expired contracts for this KPI:

9.75%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
KPI value	4.35%	10.25%	8.59%	9.33%	41.67%	50.00%	5.47%	7.07%	5.05%	9.75%
N° of expired contracts	3	169	64	142	10	26	14	7	5	440
All contracts	69	1,648	745	1,522	24	52	256	99	99	4,514

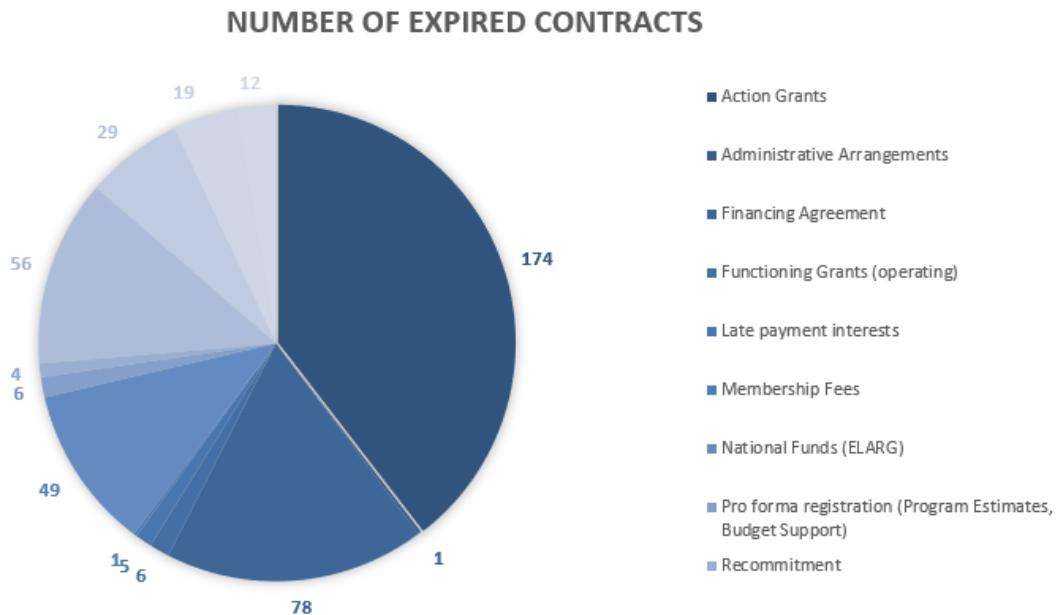
- **KPI not calculated:** 1 HQ Unit (NEAR D 03)
- **Target met:** 20 Delegations (Azerbaijan, Georgia, Ukraine, Armenia, Jordan, Republic of North Macedonia, Tunisia, Bosnia & Herzegovina, Lebanon, Albania, Montenegro, Serbia, Türkiye, Moldova, Egypt, Palestine, Belarus, Morocco, Israel, Kosovo) and 14 HQ Units (NEAR A 02, NEAR A 05, NEAR B 01, NEAR B 04, NEAR R 03, NEAR B 02, TF NoA, NEAR C 03, NEAR A 01, NEAR A 04, TF MADAD, NEAR D 05, NEAR C 02, NEAR B 03)
- **Target not met:** 2 Delegations (Syria, Algeria) and 7 HQ Units (NEAR D 02, NEAR D 04, NEAR DGA2 01, NEAR R 05, NEAR A 03, NEAR C 01, NEAR D 01)

Values of expired contracts per Directorate (in EUR million) are presented in the below table:

12.83%	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
Expired contracts (in million)	17	2,869	232	475	208	254	35	47	25	4,162
All contracts (in million)	1,120	16,049	2,909	6,999	612	259	1,888	1,721	878	32,433

NEAR Delegations Top 10 expired contracts		31/12/2022	
Managing Entity	N° Expired contracts	KPI	
Kosovo	34	12.88%	
Serbia	25	9.88%	
Palestine	24	10.96%	
Morocco	23	12.11%	
Syria	22	20.95%	
Egypt	20	10.58%	
Türkiye	18	10.11%	
Republic of North Macedonia	18	6.84%	
Bosnia & Herzegovina	17	7.26%	
Tunisia	14	7.11%	

Action Grants, Financing Agreements and Services contracts account for 63.51% of the number of expired contracts:



Audited contracts

Special efforts have been made to speed up the contradictory phase with the auditee and the recovery of ineligible expenditure or unspent pre-financing.

The table below shows the KPI results by contract type.

Nature	Expired Contracts	Total ongoing contracts	KPI by Contract Nature
Action Grants	174	1727	10.08%
Administrative Arrangements	1	7	14.29%
Financing Agreement	78	895	8.72%
Functioning Grants (operating)	6	51	11.76%
Late payment interests	5	19	26.32%
Membership Fees	1	3	33.33%
National Funds (ELARG)	49	142	34.51%
Pro forma registration (Program Estimates, Budget Support)	6	81	7.41%
Recommitment	4	9	44.44%
Services	56	1171	4.78%
Supplies	29	12	241.67%
Works	19	131	14.50%
Other	12	198	6.06%
Total	440	4,446	

KPI 12 – Reduction of Old RAL

At DG NEAR level, the total amount of old pre-financing has decreased from EUR 957.56 million on 01/01/2022 to EUR 568.24 million on 31/12/2022, which is a decrease of 40.66% and thus well above the benchmark of at least 35%.

40.66% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI 12 old RAL	0.00%	43.41%	22.83%	43.51%	96.60%	98.32%	8.99%	31.74%	0.00%	40.66%
Old RAL on 01/01/2022 (in EUR million)	0.84	659.52	120.26	152.86	2.62	3.33	10.79	7.35	0.00	957.56
Old RAL remaining on 31/12/2022 (in EUR million)	0.84	373.19	92.81	86.35	0.09	0.06	9.82	5.02	0.70	568.24
Reduction achieved in amounts (in EUR million)	0.00	286.32	27.46	66.51	2.53	3.27	0.97	2.33	- 0.70	389.32

At HQ level, below tables present the TOP 10 HQ units ranked from highest KPI value to lowest, the TOP 10 HQ units in terms of cleared amount and the TOP 10 HQ units having the highest old RAL to clear on 31/12/2022:

TOP 10 HQ	KPI result	Cleared amount (in EUR million)
NEAR R 03	100.00%	1.83
NEAR DGA2 01	96.60%	2.53
NEAR R 05	96.29%	1.45
NEAR B 01	91.41%	1.28
NEAR C 02	39.51%	4.11
NEAR D 05	37.37%	25.01
TF MADAD	31.74%	2.33
NEAR B 03	30.39%	2.54
NEAR C 01	27.00%	13.14
NEAR B 02	8.60%	4.39

TOP 10 HQ	Cleared amount (in EUR million)
NEAR D 05	25.01
NEAR C 01	13.14
NEAR B 02	4.39
NEAR C 02	4.11
NEAR B 03	2.54
NEAR DGA2 01	2.53
TF MADAD	2.33
NEAR R 03	1.83
NEAR R 05	1.45
NEAR B 01	1.28

TOP 10 HQ	Old RAL 31/12/2022 (in EUR million)
NEAR B 02	46.68
NEAR D 05	41.91
NEAR C 01	35.53
NEAR C 02	6.29
NEAR B 03	5.83
TF MADAD	5.02
NEAR C 03	3.56
NEAR D 02	3.21
NEAR A 04	0.64
NEAR D 03	0.24

At Delegation level, below tables present the TOP 10 delegations ranked from highest KPI value to lowest, the TOP 10 delegations in terms of cleared amount and the delegations having the highest old RAL to clear on 31/12/2022:

TOP 10 Delegations	KPI result	Cleared amount (in EUR million)	TOP 10 Delegations	Cleared amount (in EUR million)	TOP 10 Delegations	Old RAL 31/12/2021 (in EUR million)
Montenegro	100.00%	0.19	Egypt	170.51	Egypt	297.06
Bosnia & Herzegovina	99.09%	0.27	Türkiye	30.63	Türkiye	123.05
Israel	76.70%	0.17	Albania	19.09	Tunisia	41.07
Albania	76.26%	19.09	Morocco	18.93	Armenia	38.06
Egypt	57.40%	170.51	Tunisia	14.65	Morocco	35.52
Morocco	53.29%	18.93	Palestine	13.24	Palestine	34.57
Moldova	52.55%	8.08	Lebanon	13.16	Lebanon	27.35
Kosovo	51.62%	9.02	Jordan	10.67	Serbia	26.63
Azerbaijan	51.45%	0.36	Kosovo	9.02	Jordan	26.56
Syria	50.13%	0.57	Moldova	8.08	Albania	25.03

KPI 13 – % of payments paid within the contractual deadline

DG NEAR made 95.94% of the payments within the contractual deadline, which is above the benchmark of 90%. The table below gives an overview by Directorate on KPI 13 value. The average delay for the registration of invoices at the end of 2022 is 5.29 days compared to 6.8 days in 2021. In total, 3,229 invoices have been paid in 2022 including 3,098 invoices paid within the contractual deadline.

95.94% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI value in %	94.83	95.80	98.31	94.99	86.67	100.00	96.79	95.92	96.15	95.94%
Number of payments paid within the contractual deadline	55	1,048	525	1,156	13	23	181	47	50	3,098
Total of payments	58	1,094	534	1,217	15	23	187	49	52	3,229

- **KPI not calculated:** 5 HQ Units (NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 05)
- **Target met:** 21 Delegations (Armenia, Georgia, Israel, Moldova, Montenegro, Algeria, Azerbaijan, Syria, Bosnia & Herzegovina, Palestine, Tunisia, Ukraine, Republic of North Macedonia, Egypt, Türkiye, Jordan, Serbia, Lebanon, Kosovo, Belarus, Albania) and 14 HQ Units (NEAR A 01, NEAR A 03, NEAR A 05, NEAR B 03, NEAR C 01, NEAR C 03, NEAR R 03, NEAR B 02, TF NoA, TF MADAD, NEAR D 01, NEAR C 02, NEAR A 04, NEAR D 05)
- **Target not met:** 1 Delegation (Morocco) and 3 HQ Units (NEAR A 02, NEAR B 01, NEAR DGA2 01)

KPI 14 – % of invoices registered within 7 days

DG NEAR registered 95.48% of the invoices within 7 days of the Commission reception date which is above the benchmark of 90%.

The table below gives an overview by Directorate on KPI 14 value. The average delay for the registration of invoices at the end of 2022 is 4.52 days. In total, 4,290 invoices have been registered including 4,096 invoices registered within 7 days of the Commission reception date.

95.48% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI value	95%	95.24%	94.62%	96.21%	87.50%	95.00%	99.19%	92.17%	90.91%	95.48%
Total number of invoices registered on time	57	1,462	651	1,446	21	19	244	106	90	4,096
All invoices	60	1,535	688	1,503	24	20	246	115	99	4,290

The TOP 10 Delegations in terms of KPI result and highest number of payments are presented in the table below.

TOP 10 Delegations	KPI result	TOP 10 Delegations	Highest no. of payments
Algeria	100.00%	Kosovo	315
Israel	100.00%	Serbia	261
Moldova	100.00%	Ukraine	246
Ukraine	99.17%	Bosnia & Herzegovina	246
Belarus	98.36%	Türkiye	235
Armenia	98.31%	Tunisia	215
Azerbaijan	98.31%	Republic of North Macedonia	190
Serbia	97.69%	Palestine	185
Egypt	97.54%	Morocco	158
Syria	97.44%	Albania	156

All NEAR's Delegations reached the benchmark in 2022.

KPI 15 – Reduction of the backlog for the expired Recovery Orders awaiting an action from the AO

In 2022, there was a reduction of the backlog for the expired Recovery Orders awaiting an action from the AO of 36.23%, which is slightly below the benchmark of 40%. This is a new KPI introduced in 2022. It measures the results of the accounting quality exercise to the backlog of the expired Recovery Orders awaiting an action from the Authorising Officer. The KPI is calculated as the number of files (ROs) that were treated during the year compared to the initial number of files on January 1st.

36.23%	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI value	N/A	40.54%	16.67%	36.36%	N/A	N/A	25.00%	N/A	N/A	36.23%
Number of ROs pending AO action at the start of the reporting year	N/A	37	6	22	N/A	N/A	4	N/A	N/A	69
Untreated number of the ROs pending AO action at the end of the reporting period.	N/A	22	5	14	N/A	N/A	3	N/A	N/A	44

- **KPI not calculated:** 3 Delegations (Albania, Georgia, Montenegro) and 19 HQ Units (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 02, NEAR B 04, NEAR C 01, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR D 05, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF MADAD, TF NOA)
- **Target met:** 9 Delegations (Jordan, Algeria, Egypt, Bosnia & Herzegovina, Israel, Kosovo, Lebanon, Morocco, Republic of North Macedonia) and 1 HQ Unit (NEAR C 02)
- **Target not met:** 10 Delegations (Armenia, Azerbaijan, Belarus, Moldova, Palestine, Syria, Tunisia, Serbia, Türkiye, Ukraine) and 2 HQ Units (NEAR B 03, NEAR D 01)

The TOP 10 Delegations in terms of KPI result and highest amount of open recovery amount at year-end.

TOP 10 Delegations	KPI result
Jordan	100.00%
Algeria	66.67%
Egypt	60.00%
Bosnia & Herzegovina	50.00%
Kosovo	50.00%
Israel	50.00%
Lebanon	50.00%
Morocco	50.00%
Republic of North Macedonia	50.00%
Türkiye	25.00%

TOP 10 Delegations	RO Initial Amount (in EUR mln)	Highest RO Open Amount (in EUR mln)
Syria	1.37	1.37
Tunisia	0.98	0.98
Morocco	0.78	0.75
Palestine	0.42	0.47
Lebanon	0.46	0.46
Bosnia & Herzegovina	0.46	0.42
Ukraine	0.56	0.41
Algeria	0.45	0.40
Egypt	0.55	0.36
Israel	0.43	0.33

KPI 16 – Use of INTPA/NEAR staff and respect of the flexibility arrangements

Global NEAR result of 100% is far above the benchmark of 80%.

100% =	Directorate	KPI result
	NEAR A	N/A
	NEAR B	100.00%
	NEAR C	100.00%
	NEAR D	100.00%
	NEAR DGA2	N/A
	NEAR R	N/A
	NEAR SGUA	100.00%
	TF MADAD	N/A
	TF NoA	N/A

KPI 17 – ICF – Control Environment

Global NEAR result of 93.45% is far above the benchmark of 80%.

93.45% ▼	Directorate	KPI result
	NEAR A	N/A
	NEAR B	94.40%
	NEAR C	88.00%
	NEAR D	95.33%
	NEAR DGA2	N/A
	NEAR R	N/A
	NEAR SGUA	100.00%
	TF MADAD	N/A
	TF NoA	N/A

KPI 18 – ICF – Risk assessment

Global NEAR result of 94.32% is far above the benchmark of 80%.

94.32% ▼	Directorate	KPI result
	NEAR A	N/A
	NEAR B	93.50%
	NEAR C	95.00%
	NEAR D	94.17%
	NEAR DGA2	N/A
	NEAR R	N/A
	NEAR SGUA	N/A
	TF MADAD	N/A
	TF NoA	N/A

KPI 19 – ICF – Control activities

Global NEAR result of 94.55% is far above the benchmark of 80%.

94.55% ▼	Directorate	KPI result
	NEAR A	N/A
	NEAR B	96.67%
	NEAR C	86.67%
	NEAR D	96.67%
	NEAR DGA2	N/A
	NEAR R	N/A
	NEAR SGUA	100.00%
	TF MADAD	N/A
	TF NoA	N/A

KPI 20 – ICF – Information and Communication

Global NEAR result of 96.06% is far above the benchmark of 80%.

96.06% ▼	Directorate	KPI result
	NEAR A	N/A
	NEAR B	95.33%
	NEAR C	96.00%
	NEAR D	96.67%
	NEAR DGA2	N/A
	NEAR R	N/A
	NEAR SGUA	100.00%
	TF MADAD	N/A
	TF NoA	N/A

KPI 21 – ICF – Monitoring activities

Global NEAR result of 95.91% is far above the benchmark of 80%.

95.91% ▼	Directorate	KPI result
	NEAR A	N/A
	NEAR B	93.00%
	NEAR C	98.00%
	NEAR D	98.33%
	NEAR DGA2	N/A
	NEAR R	N/A
	NEAR SGUA	100.00%
	TF MADAD	N/A
	TF NoA	N/A

KPI 22 – % of primary interventions visited by Commission staff and/or the HOD, by primary intervention value

In 2022, 81.34% of the primary interventions were visited, which represents 85.23% in value of the primary interventions. The benchmark of “at least 80% in value” has therefore been reached. Due to the decrease of the COVID-19 impact, the overall results of 2022 are higher than the previous year (75.21% of the primary interventions with a total value of 81.43% were visited).

For an overview of the performance on Directorate level, refer to the table below.

85.23%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI result (in %)	95.54%	90.30%	88.34%	92.32%	82,55%	N/A	33.47%	N/A	N/A	85.23%
Value of visited primary interventions (in EUR million)	64.20	9,373.21	1,980.98	3,885.33	458.43	N/A	573.64	N/A	N/A	16,335.81
Value of all primary interventions (in EUR million)	67.20	10,380.10	2,242.54	4,208.58	555.34	N/A	1,713.74	N/A	N/A	19,167.50
Number of Visited primary interventions	9	696	373	330	61	N/A	52	N/A	N/A	1,521
Number of all primary interventions	11	806	444	386	71	N/A	152	N/A	N/A	1,870
Contextual indicator (in %)	81.82%	86.35%	84.01%	85.49%	85.92%	N/A	34.21%	N/A	N/A	81.34%

- **KPI not calculated:** 11 HQ Units (NEAR A 01, NEAR A 04, NEAR A 05, NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)
- **Target met:** 19 Delegations (Azerbaijan, Kosovo, Moldova, Montenegro, Morocco, Palestine, Syria, Lebanon, Serbia, Georgia, Bosnia & Herzegovina, Albania, Republic of North Macedonia, Türkiye, Tunisia, Algeria, Egypt, Belarus, Armenia) and 7 HQ Units (NEAR B 01, NEAR C 03, NEAR B 02, NEAR B 03, NEAR D 05, NEAR C 01, NEAR DGA2 01)

- **Target not met:** 3 Delegations (Ukraine, Israel, Jordan) 4 HQ Units (NEAR A 02, NEAR A 03, NEAR D 01, NEAR C 02)

At Delegation level, the TOP 5 and BOTTOM 5 Delegations are as follows:

TOP 5 Delegations	KPI result
Azerbaijan AZ	100.00%
Kosovo	100.00%
Moldova MD	100.00%
Montenegro ME	100.00%
Morocco MA	100.00%

BOTTOM 5 Delegations	KPI result
Ukraine UA	33.47%
Israel IL	66.96%
Jordan JO	71.86%
Armenia AM	81.02%
Belarus BY	83.22%

The table below shows the BOTTOM 10 Delegations in % of primary interventions visited by value.

Country	Visited	Not visited	Total primary interventions	% visited by number	% visited by value
Albania	46	2	48	95.83%	48.60%
Algeria	13	3	16	81.25%	53.51%
Armenia	62	9	71	87.32%	55.11%
Azerbaijan	27	0	27	100.00%	58.85%
Belarus	14	11	25	56.00%	60.88%
Bosnia & Herzegovina	72	14	86	83.72%	76.62%
Egypt	71	19	90	78.89%	82.25%
Kosovo	64	0	64	100.00%	83.62%
Palestine	97	2	99	97.98%	84.12%
Georgia	105	6	111	94.59%	85.56%

KPI 23 – Undue payments prevented by ex-ante controls

KPI 23 measures the ex-ante expenditure verification, which is measured as the percentage of the amount claimed that was refused because it was not due.

At DG NEAR level, the percentage of undue payment prevented by ex-ante controls by the end of 2022 is 1.63% which is below the benchmark of 2%. It represents a total amount of EUR 77.60 million of undue amount of the invoices. However, this is a slight improvement compared to 2021, where the KPI was only at 1.44%.

For an overview of the performance on Directorate level, refer to the table below.

1.63% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
KPI result	0.67%	2.50%	3.04%	0.96%	0.12%	0.39%	0.11%	0.90%	1.33%	1.63%
Invoiced amount (in EUR million)	37.67	2,105.31	331.38	579.74	98.54	1.86	796.34	660.74	161.02	4,772.61
Undue amount (in EUR million)	0.25	52.58	10.08	5.56	0.12	0.01	0.91	5.94	2.14	77.60

- **KPI not calculated:** 5 HQ Units (NEAR B 04, NEAR D 02, NEAR D 03, NEAR D 04, NEAR R 05)
- **Target met:** 6 Delegations (Georgia, Morocco, Egypt, Montenegro, Tunisia, Republic of North Macedonia) and 1 HQ Unit (NEAR A 04)
- **Target not met:** 16 Delegations (Palestine, Ukraine, Moldova, Bosnia & Herzegovina, Belarus, Kosovo, Serbia, Israel, Armenia, Algeria, Azerbaijan, Syria, Türkiye, Albania, Jordan, Lebanon) and 16 HQ Units (NEAR A 02, NEAR A 03, NEAR A 05, NEAR B 01, NEAR B 03, NEAR C 03, NEAR A 01, NEAR C 01, NEAR DGA2 01, NEAR D 05, NEAR B 02, NEAR R 03, NEAR D 01, NEAR C 02, TF MADAD, TF NoA)

The TOP Delegations in terms of KPI result (all delegations reaching the 2% benchmark), are presented in the table below.

TOP Delegations (above 2%)	Ex-ante ineligible amount (in EUR million)	Invoiced amount (in EUR million)	KPI
Georgia GE	9.37	78.02	12.00%
Morocco MA	12.54	134.09	9.35%
Egypt EG	16.40	211.35	7.76%
Montenegro ME	1.42	25.45	5.59%
Tunisia TN	10.89	308.28	3.53%
Republic of North Macedonia	2.37	69.92	3.39%

Delegations with the lowest KPI value (below 1%) are presented in the table below.

BOTTOM Delegations (below 1%)	Ex-ante ineligible amount (in EUR million)	Invoiced amount (in EUR million)	KPI
Azerbaijan	0.12	16.87	0.71%
Algeria	0.14	21.03	0.69%
Armenia	0.20	35.62	0.56%
Israel	0.03	6.96	0.39%
Serbia	0.35	117.26	0.30%
Kosovo	0.15	53.94	0.28%
Belarus	0.03	11.76	0.27%
Bosnia & Herzegovina	0.10	60.48	0.17%
Moldova	0.19	143.06	0.13%
Ukraine	0.91	795.59	0.11%
Palestine	0.12	259.73	0.05%

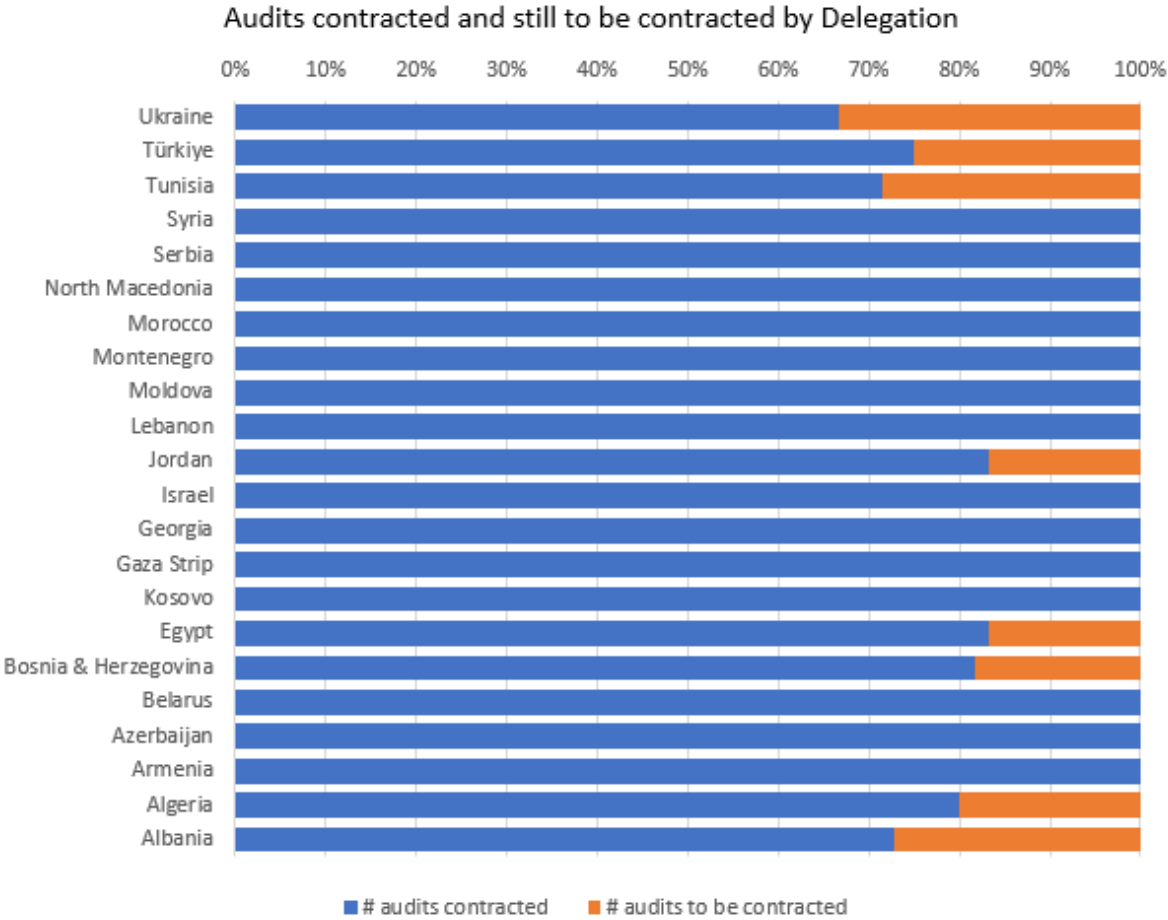
KPI 24 – % contracted of the Annual Audit Plan: year N

KPI 24 measures the on-track implementation of the current year's Audit Plan, based on the percentage of planned audits that have been contracted. At DG NEAR level, 92.02% of the audits foreseen in the Annual Audit Plan year 2022 have been contracted and the value is well above the benchmark of 70%. The KPI value has significantly improved compared to 2021, coming from 81.02%.

For an overview of the performance on Directorate level, refer to the table below.

92.02% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DG2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI value (in %)	N/A	87.14%	100.00%	93.51%	N/A	N/A	66.67%	100.00%	100.00%	92.02%
Number of audits contracted	N/A	61	34	72	N/A	N/A	2	3	1	173
Number of audits planned in the Annual Audit Plan 2022	N/A	70	34	77	N/A	N/A	3	3	1	188
Number of audits still to be contracted	N/A	9	0	5	N/A	N/A	1	0	0	15

At Delegation level, 21 out of the 22 Delegations reached the benchmark of 70%. Of these 21, 14 even reached an implementation rate of 100%.



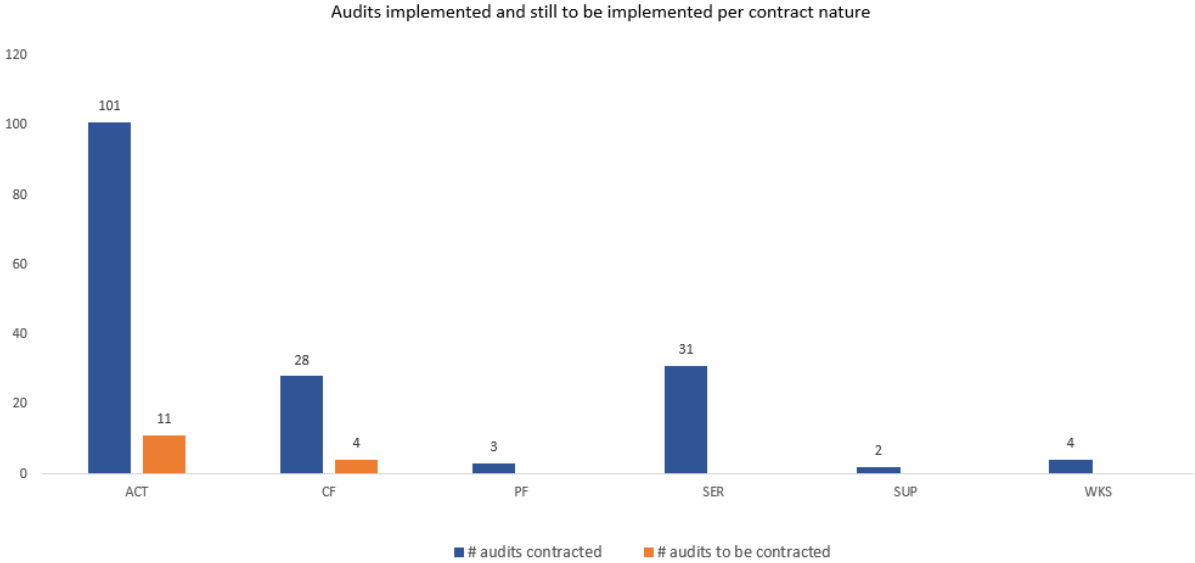
- **KPI not calculated:** 14 HQ Units (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05)
- **Target met:** 21 Delegations (Armenia, Azerbaijan, Belarus, Kosovo, Palestine, Georgia, Israel, Lebanon, Moldova, Montenegro, Morocco, Republic of North Macedonia, Serbia, Syria, Egypt, Jordan, Bosnia & Herzegovina, Algeria, Türkiye, Albania, Tunisia) and 8 HQ Units (NEAR B 02, NEAR B 03, NEAR C 01, NEAR C 02, NEAR D 01, NEAR D 05, TF MADAD, TF NoA)
- **Target not met:** 1 Delegation (Ukraine)

In the tables below, we have sorted the TOP 10 Delegations based on the highest total number of audits planned in the audit plan of year N and the BOTTOM 10 Delegations based on the highest number of audits still to be contracted.

TOP 10 Delegations	Total number of audits	KPI result
Serbia	20	100.00%
Türkiye	16	75.00%
Albania	11	72.73%
Bosnia & Herzegovina	11	81.82%
Georgia	10	100.00%
Moldova	9	100.00%
Montenegro	9	100.00%
Tunisia	7	71.43%
Egypt	6	83.33%
Palestine	6	100.00%

BOTTOM 10 Delegations	Number of audits still to be contracted	KPI result
Türkiye	4	75.00%
Albania	3	72.73%
Tunisia	2	71.43%
Bosnia & Herzegovina	2	81.82%
Ukraine	1	66.67%
Algeria	1	80.00%
Egypt	1	83.33%
Jordan	1	83.33%
Armenia	0	100.00%
Azerbaijan	0	100.00%

In the graph below, an overview is presented of the different types of audits contracted and to be contracted. Like in the previous reporting period, action grants represent the highest number of audits contracted as well as the highest number of audits to be contracted.



19 – % implementation of the Annual Audit Plan: year N

Indicator 9 measures the satisfactory implementation of Audit Plan of year N, which is measured as the percentage of planned audits that have been implemented. In this case, an audit is considered to have been implemented when the final audit report has been received.

In 2022, DG NEAR achieved a % implementation of the Audit Plan: year N of 5.32%.

For an overview of the performance on Directorate level, refer to the table below.

5.32%	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
Indicator value (%)	N/A	2.86%	5.88%	7.79%	N/A	N/A	0.00%	0.00%	0.00%	5.32%
Audits fully implemented: year N	N/A	2	2	6	N/A	N/A	0	0	0	10
Audits planned: year N	N/A	70	34	77	N/A	N/A	3	3	1	188

For an overview of the TOP 5 and BOTTOM 5 Delegations regarding their performance on this indicator, refer to the tables below.

TOP 5 Delegations	Indicator result
Armenia	66.67%
NEAR D 01	42.86%
NEAR D 05	25.00%
Türkiye	12.50%
Bosnia & Herzegovina	5.00%

BOTTOM 5 Delegations	Indicator result
Albania	0.00%
Algeria	0.00%
Azerbaijan	0.00%
Belarus	0.00%
Bosnia & Herzegovina	0.00%

KPI 25 – % implementation of the Annual Audit Plan: year N-1

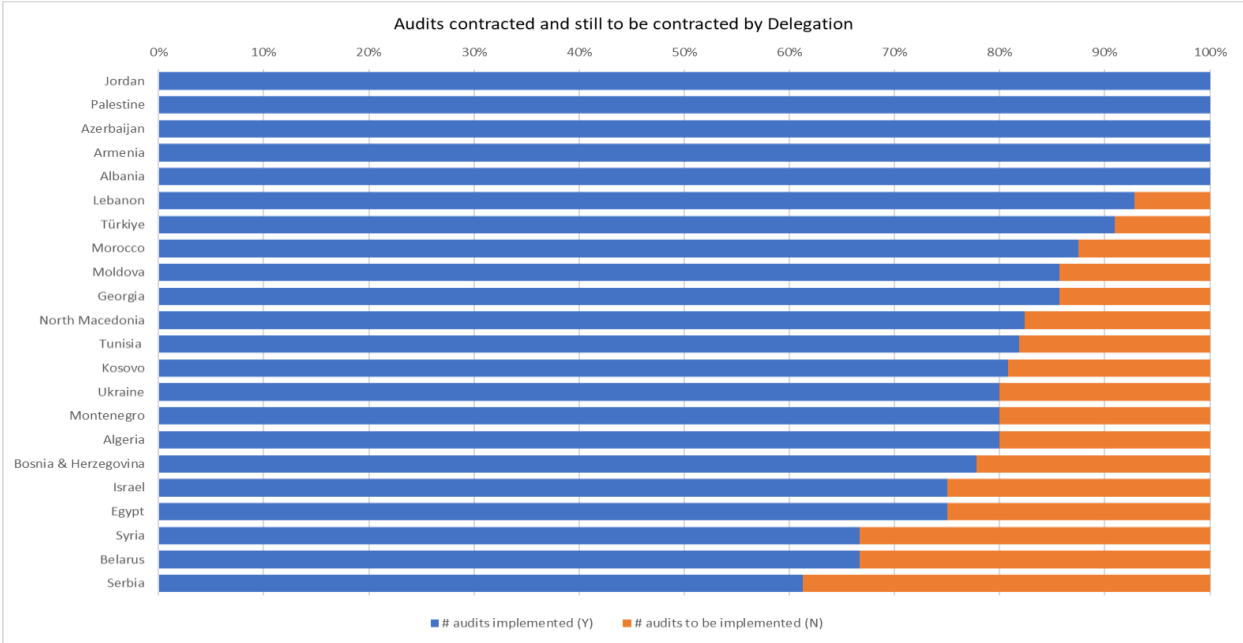
KPI 25 measures the satisfactory implementation of the previous year's Audit Plan is measured as the percentage of planned audits that have been implemented. In this case, an audit is considered to have been implemented when the draft audit report has been received.

At DG NEAR level, 79.17% of the audits foreseen in the Annual Audit Plan of 2021 have been implemented at year-end 2021. This result is above the benchmark of 70%. Additionally, it is important to mention that the KPI has increased significantly for the second year in a row. NEAR D has the biggest gap with 26 audits still to be contracted.

For an overview of the performance on Directorate level, refer to the table below.

79.17%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
KPI value (in %)	100.00%	85.39%	82.61%	77.19%	N/A	N/A	80.00%	0.00%	0.00%	79.17%
Number of audits in audit plan N-1	3	76	38	88	N/A	N/A	4	0	0	209
Number of audits implemented	3	89	46	114	N/A	N/A	5	3	4	264
Number of audits to be implemented	0	13	8	26	N/A	N/A	1	3	4	55

At Delegation level, 19 out of the 22 Delegations reached the benchmark of 70%. Of these 19, 5 Delegations even reached an implementation rate of 100%.



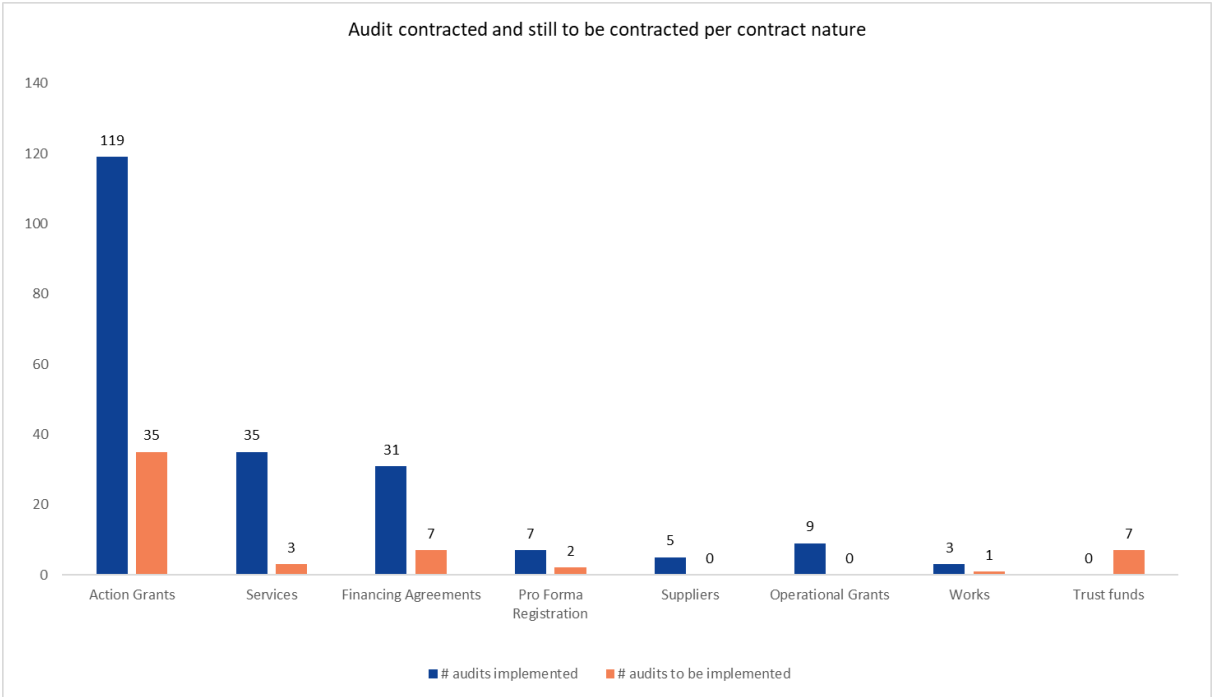
- **KPI not calculated:** 13 HQ Units (NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 04, NEAR C 01, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05)
- **Target met:** NEAR D 19 Delegations (Albania, Armenia, Azerbaijan, Palestine, Jordan, Lebanon, Türkiye, Morocco, Georgia, Moldova, Republic of North Macedonia, Tunisia, Kosovo, Algeria, Montenegro, Ukraine, Bosnia & Herzegovina, Egypt, Israel) and 7 HQ Units (NEAR A 01, NEAR A 02, NEAR B 03, NEAR D 01, NEAR B 02, NEAR D 05, NEAR C 02)
- **Target not met:** 3 Delegations (Serbian, Belarus, Syria) and 2 HQ Units (TF MADAD, TF NOA)

In the tables below, we have sorted the TOP 10 Delegations based on the highest total number of audits planned in the audit plan of year N-1 and the BOTTOM 10 Delegations based on the highest number of audits still to be implemented.

TOP 10 Delegations	Total number of audits	KPI result
Serbia	31	61.29%
Kosovo	26	80.77%
Republic of North Macedonia	17	82.35%
Lebanon	14	92.86%
Syria	12	66.67%
Türkiye	11	90.91%
Tunisia	11	81.82%
Bosnia & Herzegovina	9	77.78%
Albania	8	100.00%
Morocco	8	87.50%

BOTTOM 10 Delegations	Number of audits still to be implemented	KPI result
Serbia	12	61,29%
Kosovo	5	80,77%
Syria	4	66,67%
Republic of North Macedonia	3	82,35%
Belarus	2	66,67%
Bosnia & Herzegovina	2	77,78%
Tunisia	2	81,82%
Egypt	1	75,00%
Israel	1	75,00%
Algeria	1	80,00%

In the graph below, an overview is presented of the different types of audits planned and implemented. Like in the previous reporting period, action grants represent the highest number of audits implemented as well as the highest number of audits to be implemented.



18 – % implementation of the Annual Audit Plan: year N-1

Indicator 8 measures the satisfactory implementation of Audit Plan of year N-1, which is measured as the percentage of planned audits that have been implemented. In this case, an audit is considered to have been implemented when the final audit report has been received.

In 2022, DG NEAR achieved a % implementation of the Audit Plan: year N-1 of 60.98%. For an overview of the performance on Directorate level, refer to the table below.

60.98%	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
Indicator value (%)	100.00%	73.03%	71.74%	49.12%	N/A	N/A	80.00%	0.00%	0.00%	60.98%
Audits fully implemented: year N-1	3	65	33	56	N/A	N/A	4	0	0	161
Audits planned: year N-1	3	89	46	114	N/A	N/A	5	3	4	264

For an overview of the TOP 5 and BOTTOM 5 Delegations regarding their performance on this indicator, refer to the tables below.

TOP 5 Delegations	Indicator result	BOTTOM 5 Delegations	Indicator result
Albania	100.00%	Montenegro	0.00%
Armenia	100.00%	TF MADAD	0.00%
Azerbaijan	100.00%	TF NoA	0.00%
Jordan	100.00%	Kosovo	23.08%
NEAR A 01	100.00%	Bosnia & Herzegovina	33.33%

KPI 26 – % implementation of the Annual Audit Plan: year N-2

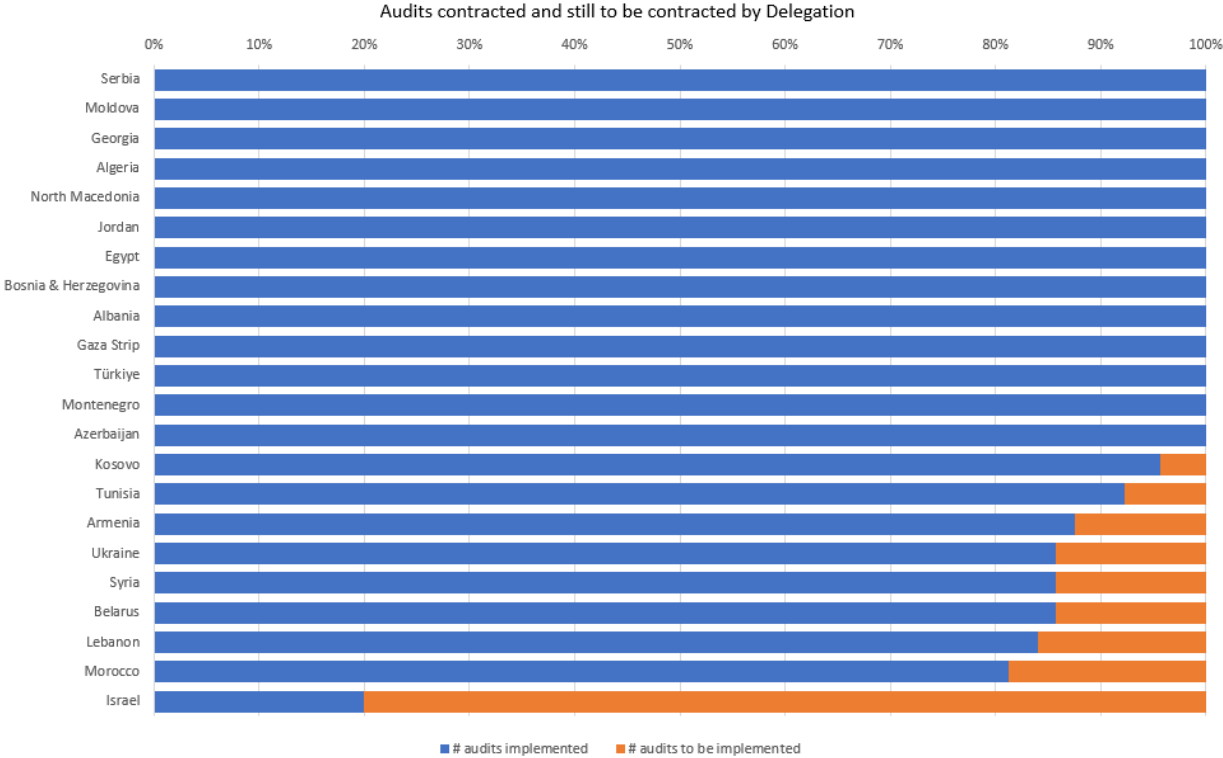
KPI 26 is defined as the satisfactory implementation of the Audit Plan of year N-2, measured as the percentage of planned audits that have been implemented. In this case, an audit is considered to have been implemented when the final audit report has been received.

At DG NEAR level, 92.73% of the audits foreseen in the Annual Audit Plan of 2020 have been implemented at year-end 2022. This result is well above the benchmark of 80%, additionally the KPI has slightly increased compared to prior year, coming from a value of 85.45%. Near B has the biggest gap with 28 audits still to be contracted.

For an overview of the performance on Directorate level, refer to the table below.

92.73% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI value (in %)	N/A	89.43%	93.44%	98.80%	N/A	N/A	85.71%	N/A	0.00%	92.73%
# audits in audit plan year N-2	N/A	123	61	83	N/A	N/A	7	N/A	1	275
# audits implemented	N/A	110	57	82	N/A	N/A	6	N/A	0	255
# audits to be implemented	N/A	13	4	1	N/A	N/A	1	N/A	1	20

At Delegation level, 21 out of the 22 Delegations reached the benchmark of 80%. Of these 21, 13 even reached an implementation rate of 100%.



- **KPI not calculated:** 15 HQ Unites (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF MADAD)
- **Target met:** 21 Delegations (Albania, Algeria, Azerbaijan, Bosnia & Herzegovina, Egypt, Palestine, Georgia, Jordan, Moldova, Montenegro, Republic of North Macedonia, Serbia, Türkiye, Kosovo, Tunisia, Armenia, Belarus, Syria, Ukraine, Lebanon, Morocco) and 6 HQ Units (NEAR B 02, NEAR B 03, NEAR C 01, NEAR D 01, NEAR D 05, NEAR C 02)
- **Target not met:** 1 Delegation (Israel) and 1 HQ Unit (TF NoA)

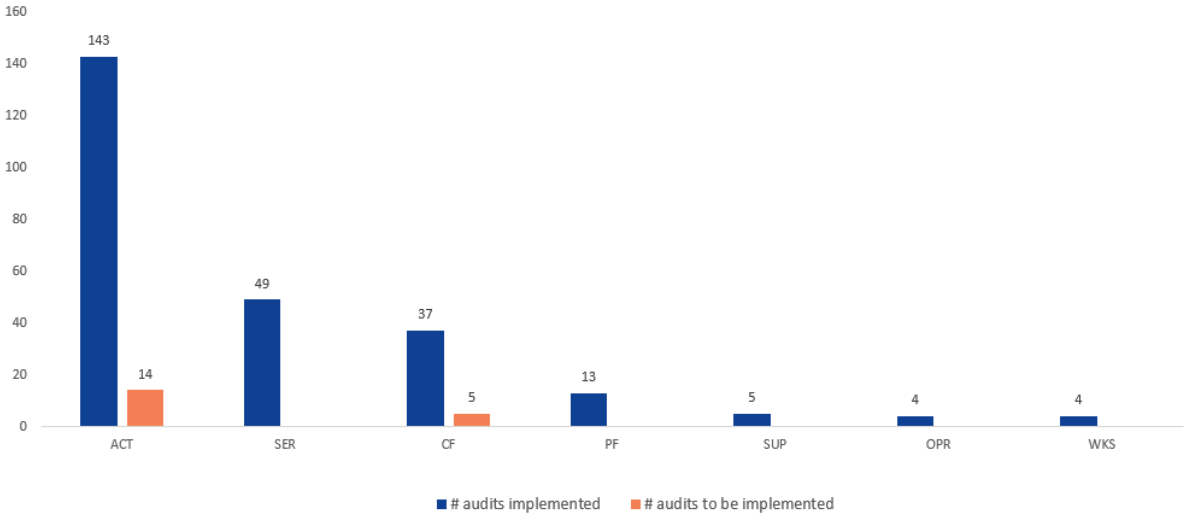
In the tables below, we have sorted the TOP 10 Delegations based on the highest total number of audits planned in the audit plan of year N-2 and the BOTTOM 10 Delegations based on the highest number of audits still to be implemented.

TOP 10 Delegations	Total number of audits	KPI result
Lebanon	25	84.00%
Kosovo	23	95.65%
Morocco	16	81.25%
Serbia	16	100.00%
Moldova	15	100.00%
Tunisia	13	92.31%
Georgia	13	100.00%
Algeria	12	100.00%
Republic of North Macedonia	11	100.00%
Bosnia & Herzegovina	9	100.00%

BOTTOM 10 Delegations	Number of audits still to be implemented	KPI result
Lebanon	4	84.00%
Israel	4	20.00%
Morocco	3	81.25%
Kosovo	1	95.65%
Tunisia	1	92.31%
Armenia	1	87.50%
Belarus	1	85.71%
Syria	1	85.71%
Ukraine	1	85.71%
Serbia	0	100.00%

In the graph below, an overview is presented of the different types of audits planned and implemented. Like in the previous reporting period and also in line with KPI 24, action grants represent the highest number of audits implemented as well as the highest number of audits to be implemented.

Audits implemented and still to be implemented per contract nature



KPI 27 – Ineligible amounts identified by audits as % of the audited amount

KPI 27 measures the ineligible amounts identified by the audits as a % of the total audited amount for all audits that verified expenditure and that delivered their results during the reporting period.⁹³

In 2022, DG NEAR achieved 1.52% on this KPI (EUR 22.21 million ineligible amounts on a total audited amount of EUR 1,456.65 million), which is below the target of at least 2%. Compared to 2021, the KPI has slightly decreased, coming from a value of 1.90% (EUR 23.13 million ineligible amounts on a total amount of EUR 1,219 million).

For an overview of the performance on Directorate level, refer to the table below.

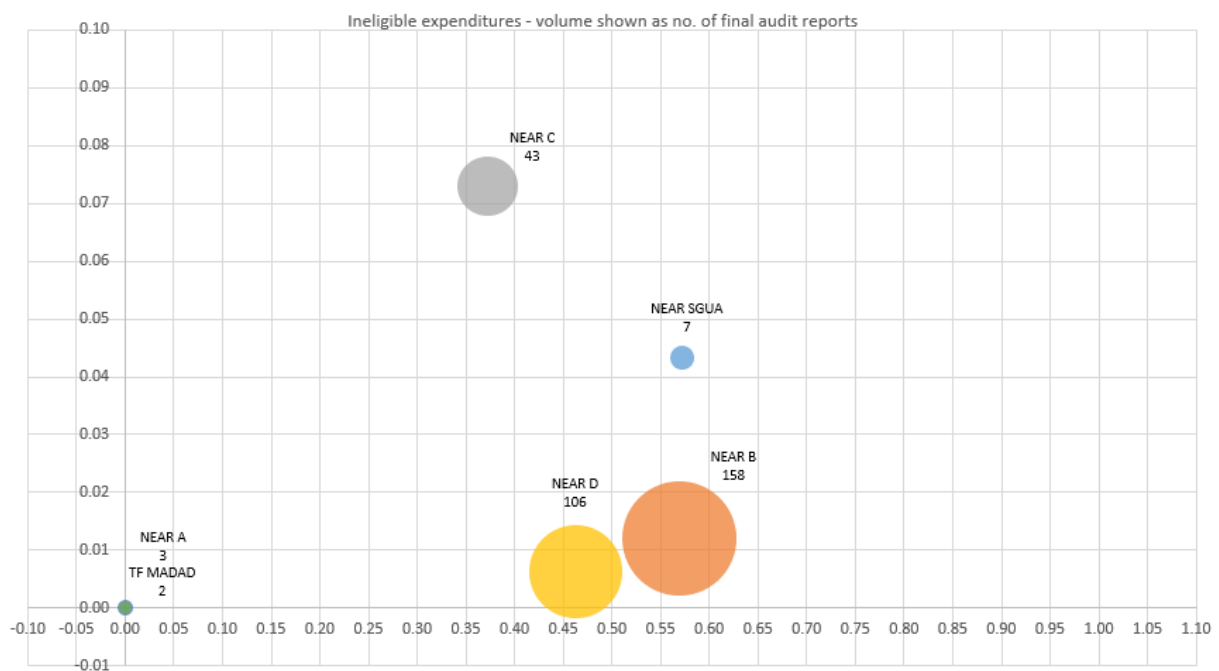
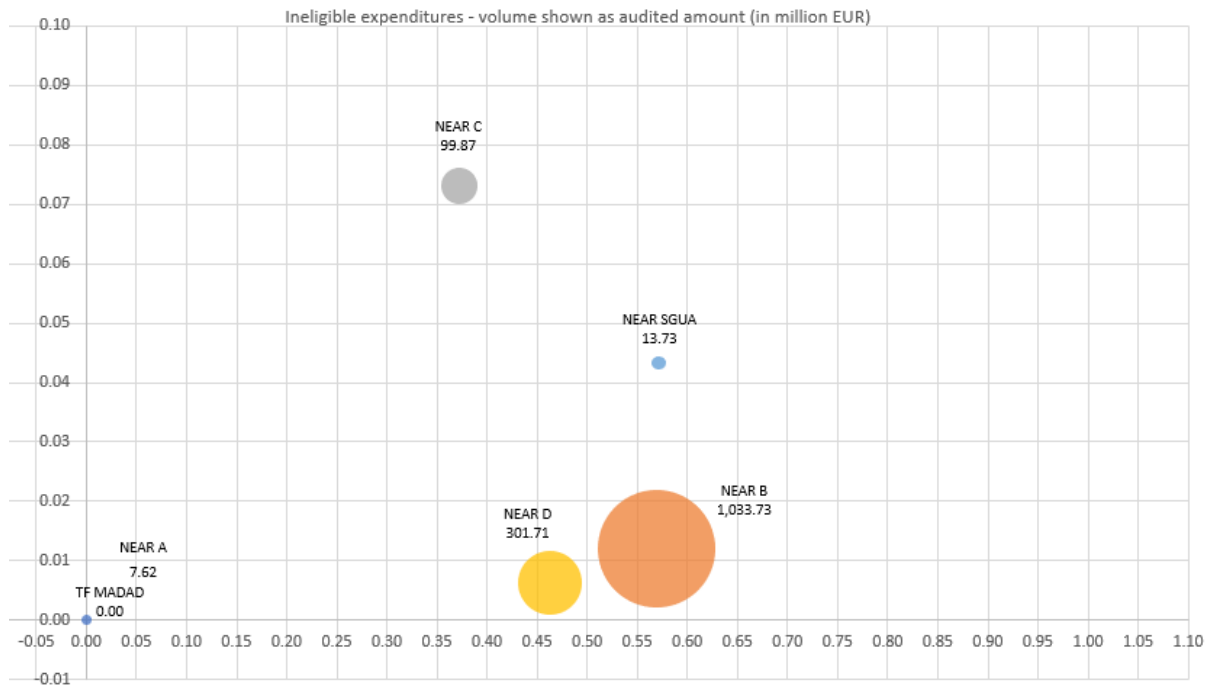
1.52% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
Ineligible amounts identified by audits as % of audited amount	0.00%	1.20%	7.30%	0.63%	N/A	N/A	4.33%	N/A	N/A	1.52%
Ineligible amounts identified (in EUR million)	0	12.43	7.29	1.89	N/A	N/A	0.59	N/A	N/A	22.21
Total audited amount (in EUR million)	7.62	1,033.73	99.87	301.71	N/A	N/A	13.73	N/A	N/A	1,456.65

- **KPI not calculated:** 15 HQ Units (NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, EAR B 01, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)
- **Target met:** 8 Delegations (Albania, Belarus, Azerbaijan, Ukraine, Egypt, Türkiye, Tunisia, Syria) and 2 HQ Units (NEAR C 01, NEAR D 01)
- **Target not met:** 14 (Bosnia & Herzegovina, Morocco, Palestine, Moldova, Serbia, Kosovo, Georgia, Republic of North Macedonia, Lebanon, Armenia, Israel, Jordan, Algeria, Montenegro) and 5 HQ Units (NEAR A 01, NEAR C 02, NEAR D 05, NEAR B 03, NEAR B 02)

⁹³ Based upon receipt of the final audit report.

Below, there are two charts showing the performance of the Directorates with:

- X-axis: percentage of final audit reports with ineligible expenses for both charts
- Y-axis: ineligible amount as percentage of total audited amount (KPI 24) for both charts
- Size of the bubbles
 - o First chart: volume of audited amounts (in EUR million)
 - o Second chart: number of final audit reports

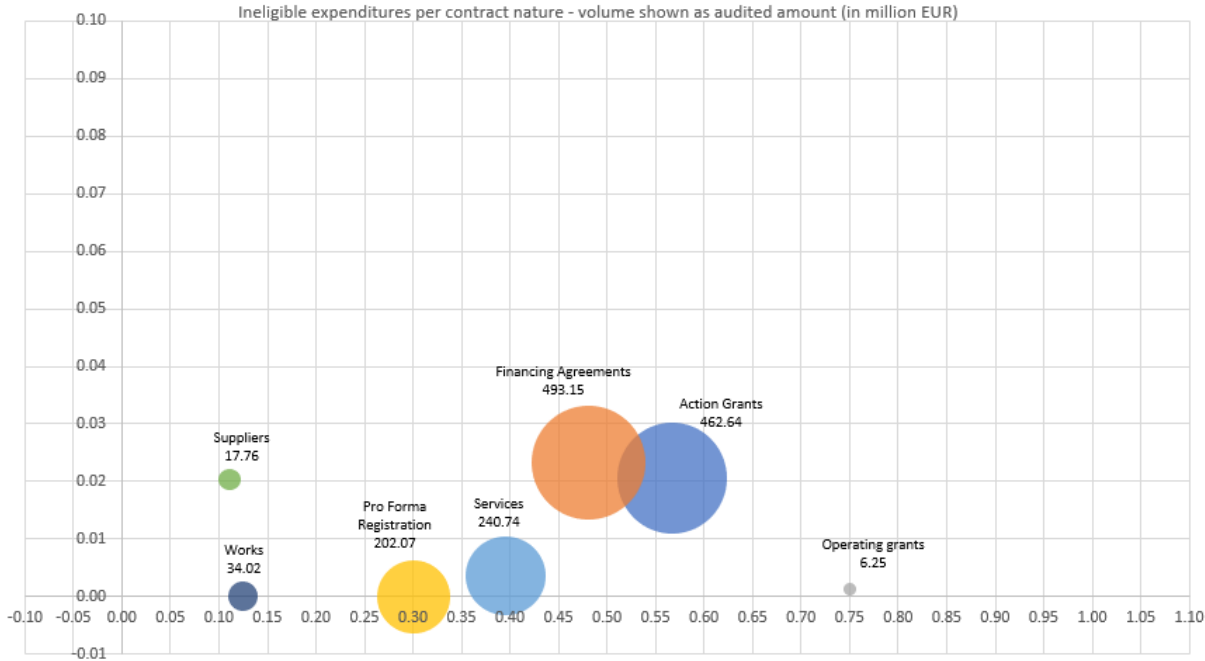


Even though NEAR B and NEAR D were not able to reach the benchmark of 2%, they have shown efforts to identify ineligible amounts. At NEAR B, a total number of 158 final audit reports were received for a total audited amount of EUR 1,033.73 million. Ineligible

amounts were identified during 90 of these audits, for a total amount of EUR 12.43 million. At the level of NEAR D, 49 final audit reports were received during the reporting period for a total amount of EUR 301.71 million. In 49 of these reports, ineligible amounts have been identified for a total of EUR 1.89 million.

The graph below reflects the results of KPI 27 per contract nature. Financing Agreements have the highest percentage in terms of ineligible amounts found (2.32%), while the lowest percentages of ineligible amounts were found in Operating grants (0.13%), Works (0.00%), and pro forma registration contracts (0.05%).

Regarding the percentage of final audit reports in which ineligible amounts were found, the rates were the highest for the Operating grants (75.00%) and the action grants (57.00%), while the rates were the lowest for the supplier contracts (11.00%) and Works (13.00%).



For an overview of the top 5 and bottom 5 Delegations based on the KPI result, please refer to the tables below.

TOP 5 Delegations	KPI result
Belarus	5.25%
Azerbaijan	4.52%
Ukraine	4.33%
Albania	3.04%
Egypt	2.77%

BOTTOM 5 Delegations	KPI result
Bosnia & Herzegovina	0.03%
Morocco	0.04%
Palestine	0.09%
Moldova	0.14%
Serbia	0.15%

KPI 28 – % reduction of expired unclosed audits

This KPI aims at achieving the timely closure (subsequent to all follow-up actions and their recording in the Audit Module) of all audits under expired audit plans (i.e. those equal and prior to N-3). In 2022, the KPI value is 76.98%, which has significantly improved compared to 2021, coming from 56.46%.

For an overview of the performance on Directorate level, refer to the table below.

76.98%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF MADAD	TF NoA	Total
KPI value (in %)	N/A	79.17%	68.75%	83.33%	N/A	N/A	100.00%	75.00%	0.00%	76.98%
Expired audits closed in 2021	N/A	76	11	15	N/A	N/A	2	3	0	107
Expired audits not closed on 01/01/2021	N/A	96	16	18	N/A	N/A	2	4	3	139

- **KPI not calculated:** 4 Delegations (Azerbaijan, Bosnia & Herzegovina, Egypt, Georgia) and 14 HQ Units (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05)
- **Target met:** 18 Delegations (Albania, Belarus, Jordan, Montenegro, Serbia, Syria, Türkiye, Ukraine, Israel, Tunisia, Morocco, Lebanon, Armenia, Palestine, Kosovo, Republic of North Macedonia, Algeria, Moldova) and 6 HQ Units (NEAR C 01, NEAR D 01, NEAR D 05, NEAR B 02, NEAR B 03, TF MADAD)

For the TOP and BOTTOM 5 Delegations regarding their performance on this KPI, refer to the tables below.

TOP 5 Delegations	Audits closed during 2022	Audits open on 01/01/2022	KPI result
Albania AL	1	1	100%
Montenegro ME	2	2	100%
Syria SY	1	1	100%
Ukraine UA	2	2	100%
Belarus BY	2	2	100%

BOTTOM 5 Delegations	Audits closed during 2022	Audits open on 01/01/2022	KPI result
Moldova	1	2	50%
Algeria	9	14	64.29%
Kosovo	2	3	66.67%
Republic of North Macedonia	2	3	66.67%
Armenia	3	4	75%

KPI 29 – % of timely follow up action of audit ineligible amounts

This KPI measures the % of follow-up action taken within 6 months after the receipt of the final audit report in regard to ineligible expenditure identified by audits and verifications.

At DG NEAR level, a 54.68% timely⁹⁴ follow up of audit ineligible amounts is achieved, meeting the benchmark of at least 40%. This KPI was first introduced in 2021 and has already significantly increased (45.66%).

For an overview of the performance on Directorate level, refer to the table below.

54.68%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
KPI value (in %)	N/A	58.40%	38.89%	51.92%	N/A	N/A	80.00%	0.00%	N/A	54.68%
Number of audits with ineligible amounts timely closed in 2022	0	73	7	27	0	0	4	0	0	111
Total number of audits with ineligible amounts closed in 2022	0	125	18	52	0	0	5	3	0	203

- **KPI not calculated:** 15 HQ Units (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 04, NEAR C 03, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF NoA)
- **Target met:** 19 Delegations (Albania, Belarus, Jordan, Ukraine, Algeria, Bosnia & Herzegovina, Lebanon, Egypt, Georgia, Moldova, Syria, Tunisia, Palestine, Kosovo, Türkiye, Armenia, Montenegro, Republic of North Macedonia, Serbia) and 2 HQ Units (NEAR B 02, NEAR B 03)

⁹⁴ Timely is defined as within 6 months of receipt of the final audit report.

- **Target not met:** 3 Delegations (Morocco, Azerbaijan, Israel) and 5 HQ Units (NEAR C 01, NEAR C 02, NEAR D 01, TF MADAD, NEAR D 05)

For the TOP 5 and Bottom 5 Delegations, refer to tables below.

TOP 5 Delegations	Number of audits with ineligible amounts timely closed in 2022	Total number of audits with ineligible amounts closed in 2022	KPI result
Albania	5	5	100.00%
Belarus	1	1	100.00%
Jordan	7	8	87.50%
Ukraine	4	5	80.00%
Algeria	10	13	76.92%

BOTTOM 5 Delegations	Number of audits with ineligible amounts timely closed in 2022	Total number of audits with ineligible amounts closed in 2022	KPI result
Morocco	2	12	16.67%
Azerbaijan	1	4	25.00%
Israel	3	8	37.50%
Armenia	1	2	50.00%
Montenegro	1	2	50.00%

11 - Time to inform

The Financial Regulation (FR 2018 Art 194.2) states that a call for proposals must specify the planned date by which all applicants are to be informed of the outcome of the evaluation of their application. It can be no later than six months from the final date for submission of complete proposals.

	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGA2	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
81.23 days										
Indicator value (days)	N/A	N/A	81.11	67.81	84.10	N/A	N/A	N/A	N/A	81.23
Days to inform applicants	0	11,842	3,255	19,427	0	0	0	0	0	0
Total number of completed applications	0	146	48	231	0	0	0	0	0	0

On Delegation level, the results are as follows:

- **Indicator not calculated:** 4 Delegations (Algeria, Azerbaijan, Belarus, Ukraine) and 19 HQ Units (NEAR A 01, NEAR A 02, NEAR A 03, NEAR A 04, NEAR A 05, NEAR B 01, NEAR B 04, NEAR C 01, NEAR C 02, NEAR C 03, NEAR D 01, NEAR D 02, NEAR D 03, NEAR D 04, NEAR DGA2 01, NEAR R 03, NEAR R 05, TF MADAD, TF NoA)

- **Target met:** 18 Delegations (Albania, Armenia, Bosnia & Herzegovina, Egypt, Kosovo, Palestine, Georgia, Israel, Jordan, Lebanon, Moldova, Montenegro, Morocco, Republic of North Macedonia, Serbia, Syria, Tunisia, Türkiye)

For an overview of the TOP 5 and BOTTOM 5 Delegations regarding their performance on this indicator, refer to the tables below.

TOP 5 Delegations	Indicator value	BOTTOM 5 Delegations	Indicator value
Montenegro	123.91	Republic of North Macedonia	43.18
Jordan	118.58	NEAR B 02	56.00
Albania	113.70	Armenia	57.00
Bosnia & Herzegovina	97.48	Palestine	60.36
Moldova	95.50	Israel	64.50

17 – Time to Evaluate

Indicator measures the average time (in days) needed to evaluate all concept notes submitted under restricted calls for proposals. It is calculated as the time elapsed between the deadline for submitting the concept notes by the applicants and the date on which the letters (acceptance or rejection of a concept note) were first sent to the applicants once an evaluation is completed.

In 2022, DG NEAR achieved a time to evaluate of 47.04 days. For an overview of the performance on Directorate level, refer to the table below.

47.04 days	NEAR A	NEAR B	NEAR C	NEAR D	NEAR DGAZ	NEAR R	NEAR SGUA	TF Madad	TF NoA	Total
Indicator value (days)	N/A	41.00	43.00	56.00	N/A	N/A	N/A	N/A	N/A	47.04
Days taken to evaluate CN	N/A	410	215	504	N/A	N/A	N/A	N/A	N/A	1,129
Number of restricted calls	N/A	10	5	9	N/A	N/A	N/A	N/A	N/A	24

For an overview of the TOP 5 and BOTTOM 5 Delegations regarding their performance on this indicator, refer to the tables below.

TOP 5 Delegations	Indicator result
Lebanon	14.00
Syria	25.00
Albania	29.00
Palestine	31.00
Georgia	32.00

BOTTOM 5 Delegations	Indicator result
Serbia	78.00
NEAR D 05	77.00
Tunisia	69.00
Bosnia & Herzegovina	63.00
Kosovo	56.00

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

The annual assessment of effectiveness of the internal control systems has been carried out based on the following sources.

1. Self-assessment by the DG

Review of the selected internal control monitoring criteria (ICMC)

The selection of ICMC was revised during 2022 and 46 criteria were identified to monitor the effectiveness of the internal control system of the DG. The criteria are consistent with the indicators in terms of sound financial management and fraud risk management in the Annual Management Plan (AMP) and have been peer reviewed by Central Services.

The review of the results achieved in 2022 in respect of the targets did not lead to the identification of any **control deficiencies**. In two cases, the targets were not achieved but they do not represent control deficiencies:

- A yearly mobility scheme could not be organised in 2022, as the reorganisation and other elements came into play: taxation exercise and large number of returnees in the rotation exercise.
- Number of exceptions and non-compliance events: see the related section for more details.

To be noted that the overperformance for KPI1, i.e., measuring the accuracy of DG NEAR's initial payment forecast, was largely due to the additional assistance that needed to be mobilised and paid to address the immediate needs emerging from the Russian unprovoked and unjustified invasion of Ukraine (+EUR 646 million) and an unforeseen increased contribution to the Common Provisioning Fund (CPF) (+EUR 454 million).

Overall results achieved in terms of KPIs

Results at DG level

The results achieved by the other 15 Key Performance Indicators adopted by DG NEAR and not included as ICMC did not lead to the identification of any control deficiency, as also confirmed by the analysis of the EAMR annual reports prepared by each Delegation and Directorate. In particular:

- The new KPI15 (Reduction of the backlog for the expired Recovery Orders awaiting an action from the Authorising Officer) was slightly below the target of at least 40% (reaching 36.23%). Most of these recovery orders are related to complex situations, requiring thorough legal analysis.
- The 2% target for KPI23 (Undue payments prevented by ex-ante controls as a % of the claimed amount) was not met. The current result (1.63%) reflects a total amount of undue payments prevented of EUR 78 million. A significant part of the DG's

payments relates to methods of implementation, such as Indirect Management with Beneficiary Countries and with Entrusted Entities or Budget Support, where ineligible costs are rarely found by ex-ante controls. For example, for Budget Support operations, the payments can be temporarily suspended until the conditions are met, and no ineligible cost is encoded. Furthermore, contractors and other partners are regularly and carefully guided in the financial management of contracts and preparation of financial reports and are informed about best control practices. This results in better quality reports and implementation that reduces the potentially ineligible costs to be identified by ex-ante controls.

- KPI27 (ineligible amounts identified by audits as a % of the audited amount) did not meet the set benchmark of at least 2% with a value of 1.52%. Just like for KPI 23, this does not necessarily reflect negatively on the audit systems but confirms that effective and efficient measures are already in place at Delegation level to prevent the occurrence of ineligible costs. Moreover, this KPI depends as well on the contract portfolio composition as some contracts have a very low possibility to identify a high value of ineligible amounts.

Results at Delegation level

The results achieved at Delegation level confirmed the positive trend, with only one Delegation (Belarus, see also the next section) having reached less than 60% of the KPIs' targets.

% of green KPIs	2020		2021		2022	
	# of EUD	%	# of EUD	%	# of EUD	%
80% and more	14	64% ▼	12	55% ▼	13	59% ▲
60% and more	20	91% ▼	20	91% =	21	95% ▲
Less than 60%	2	9% ▼	2	9% =	1	4% ▲

EAMR/ AOSD Reports of EU Delegations and HQ Directorates

The accountability and reporting chain in DG NEAR are organised as a pyramid, through which the statements of assurance signed by each Head of Delegation set the basis for the assurance provided by the other sub-delegated Authorising Officers at the upper levels of the pyramid. All Authorising Officers by sub-delegation substantiate their statements of assurance in their annual reports taking into account the results achieved for the 29 KPIs.

All annual reports prepared by the EU Delegations and by HQ Directorates have been analysed. Overall, two reservations were reported under the remit of the Directorate B - Neighbourhood South and Türkiye: one at the level of the Directorate and one at the level of the Delegation Egypt. In particular, Directorate B confirmed the reservation related to difficulties in monitoring adequately all projects in Libya and in Syria, while the reservation raised at the level of the Delegation Egypt was not considered relevant at Directorate (and then at DG) level, as it was referring to the potential future impact of staff reductions (which represents a risk).

In a second phase, a reservation was raised by the Delegation Ukraine and by the Directorate E – Ukraine Service (formerly SGUA – Support Group for Ukraine) in relation to the monitoring of projects in the country.

In general, several (7) Delegations identified issues with the IT tool OPSYS.

In addition, the following Delegations highlighted significant issues:

- The Belarus Delegation has been temporarily evacuated and the Head of Cooperation has not received a visa to enter the country. The refocusing of the assistance away from cooperation with the Belarusian authorities towards the non-governmental part of the Belarusian society led to an increasing number of confidential contracts, which can be managed only by expat staff. In addition, the further deteriorating political situation led to complex time-consuming discussions with implementing partners and Belarusian authorities, difficulties in implementing a number of projects and suspension of several contracting decisions. However, audits were carried out (and are being carried out) according to plan, but with delays due to the impact of the Russian unprovoked and unjustified invasion of Ukraine on auditors and auditees. They did not reveal any high-level concerns so far. One audit (included in the plan 2020) was cancelled because of the geopolitical situation but mainly because specific issues with the project/ contractor (EBRD).
- The Ukraine Delegation has been temporarily evacuated. In order to deal with the consequences of the war, a so-called “Omnibus Decision” enabling the repurposing of all projects under all ongoing Financing Decisions was adopted. This complemented the Crisis Declaration already adopted in January. The possibility under the Crisis Declaration to enter into negotiated procedures was widely used and highly instrumental to timely deliver support. This resulted in retroactive and full financing of grants and cases of retroactive financing before submission of the request for contribution. The audit plan was significantly downscaled, suspending audits foreseen to target municipalities and key non-governmental/civil society actors. However, earlier audit plans were fully implemented. The Russian unprovoked and unjustified invasion of Ukraine forced a number of projects to work remotely and caused additional limitations and disruptions. On top of that, monitoring and project visits became very difficult and, in many cases, even impossible due to physical safety concerns. The number of project visits has then decreased and contacts were maintained mainly online. The dramatic developments resulted in an exceptional number of derogations, exceptions and prior approvals. However, following the numerous sanction packages and in order to limit the risk of loss of funds, the AOSD for Payments took the prudent decision to limit pre-financing, having operations to only trigger further pre-financing based on monitoring of implementation, hence protecting the EU funds in case the banking system collapse or banks being seized as part of the war developments. This led to (i) additional controls at payment stage of the recipient banks, of the accessibility to funds for contracts, of names and entities towards the sanction lists, (ii) an agreement with DG BUDG accelerating payment processing for Ukrainian entities and (iii) an instruction from DG BUDG to not issue recovery orders towards Ukrainian entities. Still, continuing the implementation of programmes in a war context comes with a higher risk that foreseen results may not

be fully achieved and that assigned pre-financing will not be recoverable in case this would be warranted. The following steps have and will be taken to reduce the residual risk: splitting pre-financing into smaller instalments, additional checks of invoices, checks of banks towards NBU (National Bank of Ukraine) records and check of legal representatives towards sanctions list. Looking forward, audit effectiveness may be impacted in 2023 given the updated limited audit plan 2022.

Survey on Internal Control for Delegations

The synthetic results of the survey on Internal Control filled in by all Delegations are already included as ICMC at the level of the five IC components. The results have also been analysed in detail and did not lead to the identification of any significant issues.

DG NEAR Internal Control Survey

The first DG NEAR internal control staff survey was launched on 5 December 2022 and kept open until 17 January 2023. In total, 684 DG NEAR staff members participated, both from Headquarters and from Delegations (participation rate of 44%). The goal of the survey was to assess the effectiveness of the current internal control system and to identify potential areas for improvement, based on participants' experiences.

Overall, the survey results showed that most participants take a positive stance towards the internal control framework (77% of positive answers). Nevertheless, an area for improvement emerged under the Internal Control Component 4 (Information and Communication).

- This component had the lowest positive rate among the participants (66% - below the target of 70%). In particular:
 - There was limited awareness about the Internal Control Framework and about the information available on the intranet NEARnet;
 - Only 30% of participants had attended internal control related trainings over the past three years;
 - 61% of the participants was unable to recall any awareness campaigns from the past year, despite several initiatives organised in 2022, for example linked to the new DG NEAR Internal Control Strategy.

An action plan addressing the results of the survey will be followed-up. A [deficiency affecting ICP 14](#) has been identified.

DG NEAR Anti-Fraud Survey

An anti-fraud staff survey was launched in November 2021 and closed in January 2022. 774 staff members participated - participation rate was 51%.

The results showed, in general, a good status of the anti-fraud culture and environment in the DG. No deficiencies were identified, but a few areas for improvement were noted and some actions have been put in place, such as:

- Management reminded staff about the available guidance in terms of anti-fraud and encouraged them to enrol to training

- The training offer was adapted to focus more on some topics such as red flags and disclosure and use of OLAF reports.

Commission Staff Survey

In 2021, the Commission also launched a staff survey. The analysis of the results of the 13 questions which are considered potential internal control monitoring criteria did not lead to the identification of any significant control weakness.

In general, while the participation rate decreased at DG level, the results in respect of the previous 2018 survey are stable. There is a slight deterioration in terms of average positive reply (-1%) mostly due to the two questions related to the role of senior management. Without these two questions, the trend would have been positive. An additional potential area for improvement is related to the career path, which is partly dependent on the design of the Commission policies (under the remit of DG HR). The results of the individual DGs are affected by different staff composition (Officials vs Contractual Agents vs Local Agents) and location (HQ in Brussels vs Delegations). DG NEAR is going to adopt a new HR Strategy in 2023 tackling the issues emerged from the Staff Survey.

Risk assessment

DG NEAR regularly updated its risk register during the year. The risk register is approved by senior management in the framework of the FAST Committee. All risks were closely monitored and no significant issues have materialised, also due to the implementation of the mitigating actions included in the action plan. In particular:

- **the following two critical risks were confirmed:**
 - inadequate monitoring of projects in **Syria and Libya** (linked to a reservation and potentially affecting ICP 12 - “The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action”). DG NEAR continued to ensure sound implementation to the extent possible taking into account operational and access constraints. In-country verifications and other controls on the EU funded programmes (by Commission staff or by external experts) will resume as soon as the situation in the countries allows
 - migratory pressures. DG NEAR raised on several occasions the need to find a longer-term solution, particularly in the dialogue with implementing partners and partner countries. Financial assistance on migration management and support to refugees have continued in 2022, in order to increase partner countries’ capacities to handle migratory pressures.
- **three new critical risks were identified in the course of 2022:**
 - delayed availability and/or sufficient maturity of the operational information system **OPSYS** (resulting in a control deficiency affecting ICP 11). To mitigate its impact, the users support has been enhanced, including through regular training and sharing knowledge. In addition, DG NEAR continued to closely monitor (and if necessary, intervene in) the developments by broad participation in the OPSYS governance structures;

- two risks related to impact of the **Russian unprovoked and unjustified invasion of Ukraine** and the related energy crisis on partner countries and on resources (budgetary and human), legality and regularity, and assurance ([linked to a reservation and potentially affecting ICP 12](#)).
 - the first risk is related to the adverse impact on the sustainability of public finances and the stability and resilience of partner countries, and then on the impact of NEAR interventions. This necessitated the swift refocusing, reorientation and prioritisation of financial assistance to support partner countries to ensure their economic, political and social stability, to assist them in their energy transition (away from Russia) and to strengthen their capacities on cybersecurity;
 - the second risk is related to the impact on resources (budgetary and human), legality and regularity, and assurance. In close cooperation with EEAS and DG INTPA, DG NEAR worked to minimise the impact on the delivery of operations and started to work with an external contractor on the monitoring of a major programme aimed at providing housing solutions. In addition, DG NEAR closely monitored the implementation of the Annual Audit Plans and of the RER study and followed up on any significant delays and disruptions, adapting quickly to a very volatile situation. In spite of the efforts, the implementation of the control strategy was seriously disrupted in Ukraine (e.g. the audit plan was significantly downscaled, on-the-spot checks have been in several instances suspended or not allowed, as also ROM, work on contracts included in the RER study was suspended and should resume as soon as the conditions allow).

DG NEAR continued to monitor in 2022 the risks related to the impact of the COVID-19 crisis on partner countries, beneficiaries, contractors and intermediaries and on sound financial management. The residual risk level was assessed as low in the course of 2022 thanks to the several mitigating measures put in place such as:

- The COVID-19 Crisis situation and application of flexible procedures in the Neighbourhood and Enlargement countries was extended until 30 September 2022.
- The new IPA III programming process has been further consolidated. The new approach allows for a more strategic allocation of funds and an orientation of assistance towards the emerging policy priorities. In addition, the complementarity between regional and national programmes is now strengthened in the new programming process, notably through the guarantees. This allows to build synergies, including in sectors that necessitate further assistance, such as support to SMEs.
- Strategic use of funds (via significant reallocations at the start of the crisis) to meet COVID related needs, including setting aside 70 MEUR for vaccines for the Western Balkans.
- Strengthening of the planning and budgeting processes have continued. Budgetary processes are closely monitored. Macroeconomic stability is also analysed as part of the eligibility criteria for budget support payments. The resilience budget support contracts, include conditions to monitor coordination in the planning and budgeting processes.
- Macro-financial assistance implemented to support 5 Western Balkans partners.

- Budget support operations designed and frontloaded to allow fiscal support.
- Continuous monitoring allowed to reprogram a substantial number of actions put on hold or cancelled due to the COVID-19 pandemic or to implement reinforcements in case of need.
- On-the-spot checks, ROM missions and visits for audits were almost totally resumed.

Finally, a new critical risk emerged at the beginning of 2023 in relation to the management of Local Agents salaries by the EEAS. DG NEAR has already increased its contacts and hence raised awareness of the EEAS; discussions will continue in order to agree on the mitigating actions to take on both sides.

The Risk Register, including the action plan, will be reviewed and followed up in 2023.

2. Exceptions, non-compliance events and confirmations of instruction

In 2022, overall, 98 non-compliance (NCE) and exception (EXC) events were approved, 92 registered in CRIS and 6 were registered for the EUTF MADAD. No confirmation of instructions was registered. The table below presents the distribution in terms of Domain.

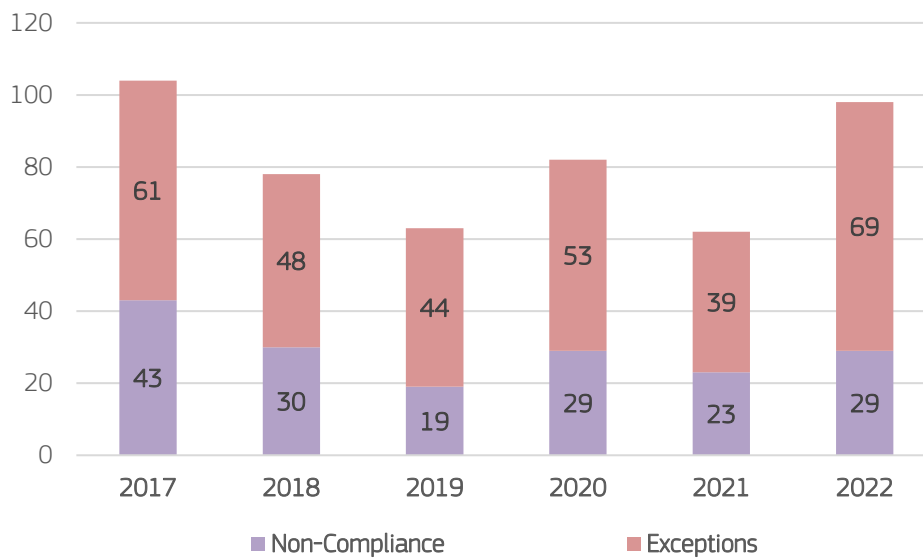
EXC and NCE 2022 – Domain

Domain	EXC	NCE	TOT
ENI	12	8	20
ENPI	1	2	3
NDICI ⁽⁹⁵⁾	16	3	19
EUTF MADAD		6	6
IPA	24	8	32
IPA III	15	2	17
NEAR COMMON STRATEGY	1		1
Total	69	29	98

The number of non-compliance events remained in line with previous years, while the number of exceptions increased significantly (around +30% in respect of the average of the last six years). The main increase is registered under the “new” domain NDICI and IPA III (+17 and +16 respectively), which however was not compensated by a decrease in the “old” domains (ENI, ENPI, IPA).

⁽⁹⁵⁾ Including NDICI Geographic and Thematic.

Trends in closed EXC and NCE 2017 – 2022



The increase registered in 2022 is mainly related to the impact of the Russian unprovoked and unjustified invasion of Ukraine and related energy crisis, which requested a significant reorientation of the financial assistance. Some events were related to the COVID-19 crises and to problems related to the IT tool OPSYS. Finally, a few non-compliance events were registered due to issues related to the eligibility of the participation of UK-based entities as members of consortium led by eligible consortium leaders. Close monitoring of the impact of the EXC and NCE related to these events will continue in 2023. The remaining events are isolated errors and do not point to any pattern or to any particular internal control weaknesses that would require dedicated corrective actions.

3. Ongoing monitoring of the implementation of control and anti-fraud strategies

ROM (Results Oriented Monitoring)

The plan for 2022 was successfully achieved but activities in Ukraine, Russia and Belarus were not allowed for security reasons.

RER Study

The RER study 2022 has been completed as planned, mainly through desk reviews and remote meetings but also through fieldwork, depending on the local measures in place. The RER ex post controls for contracts implemented in Ukraine, Russia and Belarus were suspended, due to the political situation following the Russian unprovoked and unjustified invasion of Ukraine and the subsequent impossibility to communicate with and obtain cooperation from the national authorities and the majority of beneficiaries in these countries. The contracts closed between September 2021 and August 2022 related to Ukraine, Russia and Belarus will be included in the RER population once the political situation allows DG NEAR to resume the ex post controls.

The residual error rates (RER) calculated for specific segments (the DG main rate, the

specific rate for Indirect Management with IPA Beneficiary Countries and the Direct Management Grants) are below 2%. The derived DG NEAR global rate is also below 2%. None of these rates are above the materiality threshold. This is the result of the efforts of previous years in addressing the main sources of errors.

Supervision missions

Due to the COVID-19 related travel restrictions, a temporary methodology was established in May 2020 allowing to complete supervision missions through online/ remote desk-reviews if necessary. This option is now envisaged by the revised version of the Supervision Missions Manual adopted in January 2023. The Supervision Mission Manual requires to visit Neighbourhood and Enlargement Delegations at least, respectively, once every four and three years.

In 2022, six supervision missions were launched, of which five to a Neighbourhood Delegation and one to an Enlargement Delegation. Three missions planned in 2022 - to Montenegro, Albania and Ukraine Delegations - were postponed to 2023 for exceptional reasons, such as unexpected HR-related issues and the Russian unprovoked and unjustified invasion of Ukraine, and therefore will not be visited according to the minimum recommended frequency. In addition, the mission to the Jordan is planned in 2023, while the latest mission took place in 2018.

Nevertheless, DG NEAR is on track to eliminate the backlog accumulated over the past years, so that by the end of 2023 all Delegations will be visited in line with minimum recommended frequency. In addition, other measures are in place to supervise and monitor the activities performed in the Delegations, particularly if they have not been visited according to the planned frequency, and will be continued in 2023, such as:

- on programming: quality review of programming, policy dialogue and adaptation of the programmes and portfolios to the countries' circumstances;
- on performance: regular follow-up of the KPI dashboard, systematic monitoring of the implementation of assistance programmes, enhanced monitoring on large commitments, regular portfolio reviews, follow-up of the implementation of Delegations action plans;
- on general supervision and support: regular videoconferences (VTCs), specific instructions or notes to the Delegations, support through helpdesk.

From the available reports concluded in the last three years, no significant issues at DG level were identified. However, the follow-up by Geographical Directorates of action plans of previous missions would need to be enhanced, as in a certain number of instances the Delegations do not systematically provide the necessary information on implemented actions. The Supervision Mission Manual has been revised in 2022 and this phase has been further clarified and structured.

Anti-fraud strategy

DG NEAR has developed and implemented its own anti-fraud strategy (AFS) since 2014, on

the basis of the methodology provided by OLAF. It was last updated in March 2021, and it will be updated again in 2024. The implementation of the strategy is being monitored through the follow-up of annual action plans and reported to the Commissioner and to management at least twice a year. All necessary actions under the 2022 Action Plan have been implemented. However, it was not possible to draw general statistics on attendance of anti-fraud trainings by NEAR staff in HQ and Delegations due to data privacy requirements. The conclusion of the working group on a specific fraud risk was slightly delayed and the action plan is being adopted at the beginning of 2023.

DG NEAR also contributed to the Commission anti-fraud strategy and its action plan. In particular, action 33, for which DG NEAR was in the lead with DG INTPA and DG ECFIN, has been implemented. The action concerned the implementation of anti-fraud measures for budget support. The DG also provided the necessary support for actions 35 and 57 under the lead respectively of DG BUDG and of OLAF/ Legal Service. There are no outstanding actions under the remit of DG NEAR.

Sensitive Functions

Following the adoption of the new Commission Guidance on Sensitive Functions, DG NEAR has performed a complete review of its approach and practices. After taking into account any possible compensating measures, only the **genuinely** sensitive functions are identified in the IT tool Sysper, with a consistent approach across the DG, covering Headquarters and EU Delegations. A register of sensitive posts is in place, in line with Commission guidance, and a regular process to review and confirm DG NEAR's sensitive functions has been defined. In this respect, four cases of derogations to the planned mandatory mobility of five years have been identified, out of which only one under the direct remit of DG NEAR. This last one has been addressed at the beginning of 2023. Out of the remaining three, one has also been addressed at the beginning of 2023 and the other two will be addressed by the Commission at corporate level.

Implementation of the remedial actions for previously identified internal control deficiencies

One **major deficiency** was identified in the context of the 2021 annual assessment in relation to ICP 12.

ICP 12 The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action

Monitoring of projects in Syria and Libya: the measures included in the action plans linked to the reservation' have been implemented and, without Commission presence on the ground, have allowed to mitigate the systemic risks related to the operations. No issues materialised in terms of legality and regularity. However, the two countries remain active conflict zones, so a reservation has been maintained also in 2022.

Supervision missions: Plans had to be adapted for reasons outside the control of DG NEAR in relation to the changing risks and evolution in the countries, due to the political or

security situation, or unexpected HR issues. As a result, as explained above, the latest supervision missions for four Delegations took place more than three or four years ago (minimum frequency recommended by DG NEAR Manual for Supervision Missions). According to the current plan, these Delegations will be subject to a supervision mission in 2023, so that the backlog will soon be recovered. In addition, Directorates have enhanced and will continue their supervision and monitoring on these Delegations through the following activities:

- on programming: quality review of programming, policy dialogue and adaptation of the programmes to the country's circumstances;
- on performance: regular follow-up of the KPI dashboard, systematic monitoring of the implementation of assistance programmes, enhanced monitoring on large commitments, regular portfolio reviews;
- in general: regular videoconferences (VTCs) with EUDs, specific instructions or notes to the Delegations, support through helpdesk.

4. Audit conclusions, findings and recommendations

ECA

See Chapter 5 in Annex 7

IAS

See Chapter 6 in Annex 7

OLAF & EPPO

Cooperation with OLAF and EPPO was maintained throughout 2022 in line with the respective administrative agreements. In addition, the periodic reporting to the Commissioner and to NEAR senior management has been ensured.

Regular reminders to the competent AOSDs have been sent, both about the initial assessment of the OLAF recommendations and about the implementation of outstanding OLAF recommendations. The assessment by the AOSDs of the OLAF recommendations was completed within 3 months in 100% of the cases (increasing from 70% in 2021 and 33% in 2020).

Overall, in 2022:

- 35 new cases were opened by OLAF (compared to 42, 57 and 32 in 2021, 2020 and 2019 respectively); most of these cases (27) have already been dismissed or closed without recommendation (1) by OLAF, while the rest are under selection or investigation
- 5 new cases were opened by EPPO (compared to 1 in 2021)
- 36 cases were closed because DG NEAR completed the follow-up of the recommendations (1) or because they were dismissed/ closed without recommendation by OLAF (35). In particular:
 - Three cases were closed by OLAF because they were transferred to the EPPO;

- One case in Russia was closed by OLAF noting that they could not envisage nor carry out any operational investigative activities.

The above statistics are based on information available to DG NEAR on a need-to-know basis. Suspected fraud or serious irregularities can be reported and investigations opened, without DG NEAR being aware. OLAF and EPPO are not obliged to inform DG NEAR of such cases.

Concerning **financial recommendations**, DG NEAR has contributed to the financial monitoring exercise launched by OLAF, covering 35 recommendations in total. In addition, at the end of 2022, regarding the 29 financial recommendations issued between 2018 and 2022:

- 28% have been fully implemented (DG NEAR recovered 90% or more of the amounts initially recommended by OLAF);
- 13% have been partially implemented and are closed;
- 16% have not been implemented;
- 38% are still ongoing (cases are open for follow-up): in 67% of these cases the AOSDs have established the recovery of 90% or more of the amounts recommended by OLAF but the recoveries are still ongoing;
- 6% are under analysis by the competent AOSDs, since they required to take additional steps (e.g., to verify the amounts already recovered by the IMBC contracting authority) or are suspended upon request of the national judicial authorities (because of ongoing criminal proceedings).

The main reasons why recommendations are not fully implemented are:

- For the closed cases: rectifications of the amount recommended by OLAF, for example in order to reflect the actual EU contribution (instead of the total budget of the project), and insufficient/ inadequate legal justification to impose financial penalties or initiate recoveries (for example, because EU funds are not affected by the identified wrongdoings, or the irregular amounts have already been declared ineligible during project implementation);
- For the ongoing cases, the delays are mostly due to payments in instalments or enforcement of recoveries managed by the Legal Service (e.g., entities in liquidation or bankruptcy).

For the cases which have been closed (partially or fully implemented), DG NEAR was able to recover almost 70% in respect of the initial amounts recommended by OLAF (EUR 4.3 million).

Finally, the additional significant results achieved during the year owing to the **anti-fraud measures** in place can be summarised as follows:

- 100% of OLAF recommendations issued in 2022 have been assessed by the competent AOSDs within the deadline of three months (compared to 70% in 2021 and less than 35% in 2020);

- 9 outstanding OLAF recommendations have been closed in 2022, as a result of the systematic follow-up and monitoring in place;
- 13 administrative recommendations were subject to the monitoring exercise run by OLAF:
 - six are considered closed by DG NEAR.
 - five are ongoing, all related to the inclusion of the concerned economic operators in the Early Detection and Exclusion System (EDES). The EDES panel decisions are pending in three cases, while in two DG NEAR is preparing the referral.
 - two are currently suspended (because of an ongoing criminal investigation and because of an ongoing bankruptcy procedure).
- In terms of fraud prevention, several awareness-raising initiatives (training, staff seminars, conferences, staff notes and reports, newsletters, survey) have been organised. In particular, a factsheet on anti-fraud for implementing partners was prepared and an anti-fraud staff survey was finalised at the beginning of 2022.
 - More than 750 DG NEAR staff members participated in the anti-fraud survey. The results showed, in general, a good status of the anti-fraud environment and framework in the DG. No deficiencies were identified, but areas for improvement were noted in terms of participation to trainings and of awareness on some topics such as red flags. An action plan has been drafted and is being implemented.

Accounting Officer's reports on the validation of local financial management systems

DG BUDG analysed the accounting data quality review programme, the results of the ECA's reliability of accounts and systems audit and the follow-up on the open recommendations stemming from several system validation reports and assessed the accounting risk as low. In addition, they welcomed the work on the accounting data quality, which is summarised by DG NEAR's accounting correspondent in the annual synthesis note.

One final report on the validation of local systems of financial guarantees was finalised by DG BUDG in late 2021 with one recommendation split in two sub-recommendations. The recommendation was fully implemented and closed during 2022. There are no outstanding recommendations left.

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

1. Annex related to "Control results" - Table Estimated risk at payment and at closure

- Estimated risk at payment and at closure

DG NEAR	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR)	Relevant expenditure (for 2022;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
RCS 1 - Grants in Direct Management	872.19	- 834.90	659.84	697.14	1.50% - 1.50%	10.46 - 10.46	0.10% - 0.10%	0.70 - 0.70	9.76 - 9.76
RCS 2 - Procurement in Direct Management	252.09	- 34.59	54.29	271.79	0.42% - 0.42%	1.14 - 1.14	0.10% - 0.10%	0.27 - 0.27	0.87 - 0.87
RCS 3 - Budget Support	1 398.66	0.00	0.00	1 398.66	0.36% - 0.36%	5.04 - 5.04	0.10% - 0.10%	1.40 - 1.40	3.64 - 3.64
RCS 4 - IMBC/IMPC	459.50	- 363.39	398.71	494.82	0.92% - 0.92%	4.55 - 4.55	0.10% - 0.10%	0.49 - 0.49	4.06 - 4.06
RCS 5 - IMEE	1 570.46	-1 535.14	1 164.80	1 200.13	2.03% - 2.03%	24.36 - 24.36	0.10% - 0.10%	1.20 - 1.20	23.16 - 23.16
Other payments	138.45	- 13.27	5.47	130.64	2.00% - 2.00%	2.61 - 2.61	0.10% - 0.10%	0.13 - 0.13	2.48 - 2.48
Contributions to CPF	949.09	0.00	0.00	949.09	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
DG total	5 640.43	-2 781.28	2 283.10	5 142.26		48.16 - 48.16	0.08% - 0.08%	4.19 - 4.19	43.97 - 43.97
					Overall risk at payment in %	0.94% - 0.94% (7) / (5)		Overall risk at closure in %	0.86% - 0.86% (10) / (5)

Additional information to be provided by the DGs managing EDF and contributing to and/or managing EUTF

NEAR	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR)	Relevant expenditure (for 2022;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Total EC Budget	5 718.18	2 606.86	1 709.83	4 821.15					
of which Africa	95.00	0.00	0.00	95.00					
of which Syrian Crisis (Madad)	185.21	0.00	0.00	185.21					
Net EC Budget (excluding EUTF)	5 437.97	2 606.86	1 709.83	4 540.94					
T004 : Syrian Crisis (Madad)	202.46	174.39	573.25	601.33					
Total EU Trust Funds	202.46	174.39	573.25	601.33					
Total = sub-total (a) + sub-total (b)	5 640.43	2 781.24	2 283.08	5 142.27					

Notes to the table

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments. Transactions under the technical code LIGA (Liquidity Fund for Guarantee Agreements) related to the financial guarantees from the External Lending Mandate (ELM) are excluded. These transactions - paid from the Common Provisioning Fund (CPF) following guarantee calls - are already captured under the CPF provisioning (in the same or previous years). Accordingly, for the

purpose of the AAR, the amounts corresponding to budgetary guarantees should be reported only on the side of the provisioning of the CPF rather than on that of the guarantee calls paid out of the CPF. The payments made under T004: Syrian Crisis (Madad) include a payment (5.21 M EUR) validated in 2022 on appropriations 2022, with the real cash payment occurred in 2023 (EC Bank Value Date 02/01/2023).

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department) as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-SubDelegations. The amount includes EUR 40 000 representing a correction of a payment which took place in 2020 (and already included in the 2020 payments).

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption'). The amount includes a clearing of EUR 95 537.68 related to a transaction performed by DG REGIO on Cross-Border Cooperation operations under DG REGIO's remit and does not include a clearing of EUR 71 637.53 performed by DG NEAR in relation to a pre-financing performed by former DG DEVCO for a contract then transferred to DG NEAR.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out, and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates which are derived by a backwards calculation based on results from the residual error rate studies; i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure.

(7) The estimated risk at payment is based on risk estimated at closure (column 10) plus the estimated future correction (column 9).

(8) The adjusted average recovery and corrections percentage is based on the historic recovery orders issued by NEAR for the reimbursement of undue payments identified by ex post controls (recovery orders encoded with recovery context "errors", "irregularity" or "OLAF notified") in 2022 and 2021.

The average amount of the implemented corrections over the past 3 years (2020-2022) is EUR 5.44 million (0.15 % of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of EUR 6.27 million (0.17 % of the average amount of relevant expenditure of that period). The deviation of 0.03% between the two averages is considered marginal.

(9) The Average of Recoveries and financial Corrections (ARC) in percentage multiplied by the 2022 relevant expenditure.

(10) This column provides the estimated risk at closure based on the indicative error rates per RCS from the main sample of the residual error rate study.

2. Reservations

Recapitulative Table

Reservation Title	Financial Impact (in m EUR)		Residual error rate 2022	Evolution
	2021	2022		
Monitoring projects in Syria and Libya	N/A	N/A	N/A	Maintained
Monitoring projects in Ukraine	N/A	N/A	N/A	New

A. Reservation Monitoring projects in Libya, Syria and Ukraine

DG	NEAR
Title of the reservation, including its scope	Difficulties in monitoring adequately all projects in Libya, Syria and Ukraine (Non-quantified reservation)
Domain	Direct Management Grants and Procurements, Indirect Management with Entrusted Entities and Budget Support (for Ukraine only).
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	Part of the programmes specifically targeting Syria (EUR 27.2 million paid in 2022), Libya (EUR 65.3 million paid in 2022) and Ukraine (EUR 910.8 million paid in 2022, out of which EUR 698 million through Budget Support) under the budget that is implemented inside these three countries.
Reason for the reservation	<p>Providing financial assistance through ENI, NDICI and EUTF North of Africa (in Libya only) in these three countries is politically and operationally important in the context of several DG objectives. Developments on the ground are however making it difficult to adequately monitor all parts of projects implemented in-country. The Delegations cannot implement standard monitoring and evaluation activities due to the virtual impossibility to conduct in-country project site visits by its staff or other verifications in the vast majority of locations due to the security and political constraints.</p> <p>In particular, providing financial assistance in Libya is of high political importance in the context of the establishment of relations with this strategic country (security and migration). However, there are systemic risks linked to the difficulties to monitor the programmes in a conflict context and without the presence of the Delegation in the country. Missions beyond the Tripoli area remain very difficult to organise and extremely rare.</p> <p>Similarly, the contribution for Syria is important for the implementation of the EU policy with a focus on addressing some triggers for migration and violent extremism, and ensuring some sort of stability and inclusion at the local level. The security context remains volatile, especially along the northern borders, and direct monitoring of projects inside Syria is increasingly difficult.</p> <p>Finally, as concerns Ukraine, it is a political imperative for the EU to support the country, its government and population to cope with the consequences of the Russian unprovoked and unjustified invasion, to build up resilience, and to support the country on its path to EU integration. Due to the security risks created by ongoing war activities, which do not only affect the frontline, but the entire country due to mine risks and frequent air raids, possibilities for monitoring projects by EU Delegation staff is very limited. In particular:</p>

	<ul style="list-style-type: none"> - On-the-spot checks, audits, expenditure verifications and evaluations have been in several instances suspended or not allowed for obvious security reasons and should resume as soon as the conditions allow; - Monitoring projects' implementation is performed mainly remotely; - Results Oriented Monitoring (ROM) and work on contracts included in the RER study have been suspended and should resume as soon as the conditions allow; - The planned supervision mission to the Delegation Ukraine has been postponed; - Russia's unprovoked and unjustified invasion of Ukraine and the related energy crisis required extensive reorientation of financial assistance, leading to a high number of exception and non-compliance events. <p>In addition, regarding the budget support disbursement, the Delegation had to rely fully on the assessment by the Ukrainian government without an independent confirmation.</p>
Materiality criterion/criteria	The legality and regularity-related criterion of 2%.
Quantification of the financial impact (amount at risk)	There is no quantification of the impact. For the time being, there is no indication of material infringement of legality and regularity in these programmes; however, DG NEAR cannot perform all the monitoring of activities it needs to perform, due to the instability in the countries.
Impact on the assurance	Resources may potentially not be used for the intended purpose. Principles of sound financial management may potentially not be respected. The legality and regularity of financial transactions may be compromised.
Responsibility for the weakness	Instability and conflict situation in the concerned countries.
Responsibility for the corrective action	<p>Libya</p> <ul style="list-style-type: none"> • The Delegation (now partially relocated to Tripoli) will continue to gradually perform more monitoring visits, mostly in Tripoli. • Third Party Monitoring (TPM) will continue in order to improve monitoring capacities, increase the understanding of local dynamics in the country and react quicker and better to address the evolving needs on the ground. Under the ENI Special Measure 2019, a contract for TPM is implemented. • The projects in Libya continue to be subject to audits, expenditure verifications, evaluations as well as ROM (Results-Oriented-Monitoring) monitoring. <p>Syria</p> <p>The Delegation will:</p> <ul style="list-style-type: none"> • continue ensuring compliance with the EU's Restrictive Measures, which remains a contractual obligation of each and every partner; • accentuate dialogue with partners to ensure that the EU's political parameters for engagement in Syria are well-understood and respected; • subject all projects to a compulsory audit or expenditure verification, in addition to TPM and less frequently ROM. However, since the environment remains difficult, audit effectiveness could be impacted. • organise spot visits where possible, continue TPM with less reliance on online approaches and remote management of contracts with improved TPM mechanisms; • ensure access to political context and risk awareness analysis, location and entity checks, vetting of local partners and beneficiaries and overall conflict and thematic analyses. • participate in Technical Working Group with other donors on risk assessment and management, including for instance on the exchange rate manipulation and arbitrage by the Syrian Central Bank, or on Parameters and Principles for engagement with the United Nations. <p>Ukraine</p> <p>The Delegation (partially relocated to Brussels) will:</p> <ul style="list-style-type: none"> • use external monitoring capacity through a service provider for following up on the implementation of a major programme aimed at providing housing solutions

for IDPs (Internally Displaced Persons) and returnees; this could then be extended to other programmes and projects, including budget support, subject to the security situation;

- monitor the implementation of the control plan, follow up on any significant delays and disruptions and resume the suspended controls, such as audits, expenditure verifications, evaluations, independent verifications, as well as ROM and RER Study, where security arrangements will allow;
- liaise continuously with the implementing partners and with audit and control providers, including the RER study, to monitor the situation and react as quickly as possible to disruptions.

DG NEAR will continue to ensure sound implementation to the extent possible taking into account operational and access constraints. **However, the three countries remain active conflict zones.** Therefore, there are objective evident reasons justifying the reservation. Nevertheless, the impact of the measures taken and planned led and will lead to an increased understanding of local dynamics and a quicker and better reaction to address a very unstable and erratic environment, in particular when it comes to realigning ongoing projects or, in worst-case scenario, suspending or cancelling them. These measures will allow us to mitigate the risks affecting DG NEAR operations.

ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

HUMAN RESOURCE MANAGEMENT

Objective: DG NEAR employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

Indicator 1: Number and percentage of first female appointments to middle management positions

Source of data: SEC (2020)146

Baseline 2019	Target (2022) + (2024) ⁹⁶	Latest known results (/2022)
39%, 9 out of 23	2022: 2 female appointments 2024: still to be defined	1 female appointment in 2022

Indicator 2: DG NEAR staff engagement index

Source of data: Commission staff surveys 2018 and 2021

Baseline 2018	Target (2024)	Latest known results (2022)
65%	>=70%	67% ⁹⁷

Main outputs in 2022:

Description	Indicator	Target	Latest known results
Newcomers 2022 fully integrated	% of newcomers 2022 that were assigned a coach or mentor	100% of newcomers recruited in 2022 were welcomed through a welcome session organised by all Directorates and the Director-General and received a coach or mentor	Partially achieved. Information sessions for newcomers organised at corporate level, not at DG level. Mentoring and coaching for newcomers organised in a decentralised manner (via Directorates / units). In order to achieve better results in 2023, these actions have been included in a specific HR Action Plan.

⁹⁶ New targets 2024 not yet available at the time of preparation of this report.

⁹⁷ Comprises the result of 70% for HQ and 59% for EU Delegations.

Description	Indicator	Target	Latest known results
Increased number of women appointed to first time middle management functions ⁹⁸	Number of new first female appointments to middle management positions	2 new first female appointments by end of 2022	2
Career development and team building	Number of enrolments for individual coaching and/or team building events for new managers and teams	At least 3 new enrolments	Achieved – 6 coaching packages were attributed and 15 team buildings events approved.

⁹⁸ Currently there are 8 female middle managers representing 36% of all middle managers in DG NEAR. The target 2024 is 11 female middle managers, representing 50% of middle managers.

DIGITAL TRANSFORMATION AND INFORMATION MANAGEMENT

Objective: DG NEAR is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions⁹⁹

Source of data: DG NEAR

Baseline (2020)	Target (2024)	Latest known results (2022)
55% ¹⁰⁰	75% ¹⁰¹	64%

Indicator 2: Percentage of DG NEAR's key data assets for which corporate principles for data governance have been implemented

Source of data: DG NEAR– key data asset inventory (in units C3, R1 and R5)]

Baseline (2020)	Target (2024)	Latest known results (2022)
25% ¹⁰²	80% ¹⁰³	50%

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance

Source of data: HR AMC and DPC

Baseline (2019)	Target (2024)	Latest known results (2022)
12.5%	100%	35%

⁹⁹ The European Commission Digital Strategy (C(2018)7118) calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made on the basis of the proposed modernisation plan. For each of the 3 solutions, a table will reflect – per principle – the progress achieved during the last year.

¹⁰⁰ Corresponds to baseline value of 1.1. referenced in the Strategic Plan 2020 to 2024 but expressed in percent.

¹⁰¹ Corresponds to target value of 1.5. referenced in the Strategic Plan 202 to 2024 but expressed in percent.

¹⁰² This value differs from the baseline value of 55% indicated in DG NEAR's Strategic Plan 2020 to 2024, which was mistakenly indicated under indicator 2, whereas it is the percentage expression of indicator 1.

¹⁰³ This value differs from the target value of 75% indicated in DG NEAR's Strategic Plan 2020 to 2024, which was mistakenly indicated under indicator 2, whereas it is the percentage expression of indicator 1.

Main outputs in 2022:

Description	Indicator	Target	Latest known results
Improved IT security of local NEAR applications	Positive DIGIT Vulnerability Assessment Report for TMS Back-Office applications	Nov 2022	Vulnerability assessments postponed to Q1 2023.
Protection of IT systems and maturity	Revision of the DG NEAR I.S. Security Plans (IPA-app, IESAQ, TMS)	Dec 2022	Security plans have been revised.
Improved digital way of working	Percentage of AOSDs for commitments with Qualified Electronic Signature enabled	90%	88%
Progressive elimination of residual paper-based procedures by the full adoption of the qualified electronic signature in replacement of hand-written signatures when they are legally required.	Decreasing % of docs signed in Ares with parallel paper ¹⁰⁴	5%	3.5%
Increase information sharing	% of NEAR closed files available in reading in ARES to all Commission ¹⁰⁵	4%	10.4%
Improve implementation of corporate data governance policy	Percentage of implementation of the corporate principles for data governance for DG NEAR's key data assets	50% (Dec 2022)	50%, as data assets included in the EC data catalogue have been reviewed and updated
Improve data protection compliance	% of staff attending awareness raising activities	25%	Less than 1%

¹⁰⁴ In 2020 out of all documents signed in ARES the share of documents signed with parallel paper was 7.9%.

¹⁰⁵ Baseline 2020: 0%

SOUND ENVIRONMENTAL MANAGEMENT

Objective: DG NEAR takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.

Main outputs in 2022:

Description	Indicator	Target	Latest known results (2022)
Participation in the end of the year energy saving action, by closing down DG's buildings during the Christmas and New Year's holiday period.	Number of buildings participating	50 % of DG buildings participating	100% (both J54 and L15 were closed during the end of the year, as part of the corporate efforts).
Paperless working methods at DG level and staff awareness actions to reduce office paper use	Number of actions	2 actions (on paperless and electronic signature)	No dedicated actions, but efforts during the year focused on use of electronic signatures. Some evidence (invoices for printing paper) shows much reduced paper consumption.

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

Contract Number	Contract Title	Programmes concerned (Instrument)	Benefiting zone	Legal Commitment Type description	Complete Name of Legal Entity	Contract Start date	Contract End date	Com L2 Accepted Amount (EUR)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
437290	Fiscal Reforms in Southeast Europe. PHASE III: January 2023–December 2026. (SEE III)	21-27 IPA III Operational	Western Balkans region	Contribution Agreement	INTERNATIONAL MONETARY FUND	01-01-2023	31-12-2026	10.320.000,00	Pillar assessed entity	Specific expertise	Support to capacity development on public financial management, revenue administration and tax policy
437304	Strengthening Fiscal Governance in the Western Balkans	21-27 IPA III Operational	Western Balkans region	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	19-12-2022	18-12-2026	7.080.000,00	Pillar assessed entity	Specific expertise	Support to capacity development on fiscal responsibility and public investment and asset management

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437352	Support for Improvement in Governance and Management (SIGMA) Neighbourhood East and South	21-27 NDICI Neighbourhood	Region Neighbourhood	Contribution Agreement	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT	01-12-2022	31-07-2025	9.000.000,00	Pillar assessed entity	Specific expertise	<ul style="list-style-type: none"> • provide assistance in developing and/or fine-tuning governance and public administration reform and public finance management strategies and work programmes; • provide assistance in improving horizontal governance and public administration and public finance management reform design and implementation capacities and performance; • provide technical support for policy dialogue with the NDICI beneficiaries; • assess, if requested, progress and performance in the NDICI beneficiaries, and comparison among NDICI beneficiaries
435123	EU Support to Competitiveness and Sustainability in the Western Balkans and Turkey	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT	06-10-2022	05-10-2026	8.000.000,00	Pillar assessed entity	Specific expertise	assist the Western Balkan and Türkiye's governments in designing and engaging in key competitiveness-enhancing reform measures, SME development and Circular economy roadmaps

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431732	European Union Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East 2022 Programme Budget	21-27 NDICI Neighbourhood	Palestine (occupied territory)	Contribution Agreement	UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST	01-01-2022	31-12-2022	97.000.000,00	no other agency able to fulfill the same role	The envisaged entity has been selected using the following criteria as the action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation. UNRWA, established by the UNGA, is the UN Agency mandated to provide services to Palestine refugees. In the absence of a solution to the Palestine refugee problem, the UNGA has repeatedly renewed UNRWA's mandate, most recently until 2023.	This implementation entails carrying out the activities related to the provision of sustained access of the Palestine refugee population in the Gaza Strip, West Bank, Jordan, Syria, and Lebanon, to quality essential services and carry out internal reforms (Management Initiatives).
433897	Addendum 2 to Administrative Agreement concerning the Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	15-07-2021	10-12-2025	10.000.000,00	Mandate to administrate the Lebanon Financing Facility	Specific expertise and mandate	Management of the Lebanon Financing Facility where the funds will be allocated

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434394	Ma'an –Together for an accountable and transparent public administration in Jordan	14-20 ENI	Jordan	Contribution Agreement	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT	07-10-2022	06-10-2025	6.800.000,00	the activities foreseen aim at strengthening the integrity and accountability environment through the strengthening of practices and institutions, hence indirect management via an entrusted entity was the best modality identified	high level of experience in regard to designing and implementing effective strategies, evidence-based policies and open government reforms accompanied with thorough familiarity with the MENA region	1 Improved core integrity and accountability practices of administrative authorities; 2 Targeted actions for the operation of JIACC as the central institution of the NIS are implemented; 3 Risk management practices are embedded and implemented in JIACC, the Audit Bureau and the selected MDAs
434782	Improving Local Development to Increase the Resilience of Host Communities and Refugees in North Jordan	21-27 NDICI Neighbourhood	Jordan	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	27-07-2022	26-07-2025	7.000.000,00	Specific technical expertise from UNDP, also built on previous programmes in the sector	Specific technical expertise from UNDP, also built on previous programmes in the sector	1.1 Selected economic sectors are supported;1.2 Transition to a green economy is promoted;1.3 Service delivery in lagging behind areas is improved;1.4 Municipalities are better equipped to be developmental actors.2.1 Inclusive local development groups (LDGs) are formed and mobilised around community-driven needs and opportunities;2.2 Access to information and opportunities is improved;2.3 Smaller-scale development initiatives and local businesses are supported.

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435663	Joint Programme on Housing, Land and Property Issues - Phase II	21-27 NDICI Neighbourhood	Syria	Contribution Agreement	UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME	30-12-2022	29-12-2025	4.500.000,00	EXPERTISE	The sector concerned is Housing, Land and Property (HLP) issues: in the UN agencies family it is UN Habitat that has the lead mandate and expertise in this area. Also second phase of recently closed HLP programme.	Award and management of Procurement Contracts and Grants. For the purpose of the Agreement, the Organisation acts as UN Administrative Agent.
435689	Improving living conditions and resilience of refugees displaced by the Syrian crisis and vulnerable hosting communities in Lebanon- ILO	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	INTERNATIONAL LABOUR ORGANIZATION	01-01-2023	31-12-2025	10.000.000,00	Need to select an entity with sufficient management & financial capacity	<ul style="list-style-type: none"> • Specific expertise • Operational presence in Lebanon • Experience and capacity to work on social protection, livelihoods opportunities and promoting decent labour access to refugees and host communities. • Experience in the provision of social protection benefits to all while setting the standards for intensive labour initiatives such as cash for work. • Capacity and experience in working with civil society organisations and community-based organisations • Capacity to coordinate large scale programmes and policy initiatives in the sector of social protection and livelihoods 	Implementation of the social grants

Contract Number	Contract Title	Programmes concerned (Instrument)	Benefiting zone	Legal Commitment Type description	Complete Name of Legal Entity	Contract Start date	Contract End date	Com L2 Accepted Amount (EUR)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
435692	Creating Training and Employment opportunities for Palestine Refugee Youth in Lebanon - UNRWA	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST	01-12-2022	30-11-2025	5.000.000,00	International mandate	International mandate	UNRWA is in charge of the implementation of the whole intervention
436685	Sustaining and enhancing the delivery of basic education and TVET training to Palestine refugee students in Syria – 2022/2023	21-27 NDICI Neighbourhood	Syria	Contribution Agreement	UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST	01-10-2022	30-09-2023	2.000.000,00	FEES	UNRWA has a specific mandate from the UN General Assembly to provide assistance to Palestine refugees in five fields of operations including the Syrian Arab Republic. Also, continuation of existing programme and expertise.	Award and management of Procurement Contracts and Grants.

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437283	Administration Agreement- EU Support for the Palestinian Economy and Resilience (ESPERE)	14-20 ENI	Palestine (occupied territory)	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	15-10-2022	28-04-2026	9.000.000,00	The World Bank is the preferred option because of its strong sectoral expertise and leading role in developing the action, as part of a broader sectoral intervention.	The World Bank selected by the Commission's services using the following criteria: i) multi-country experience in developing integrated digital economy programmes and proven track record of working in Palestine with the Palestinian Authority institutions as well as the private sector; ii) structured approach to digital economy response strategy in Palestine; iii) leadership in digital economy programming in Palestine	The implementation by this entity entails contributing to the Specific Objective 1 – Digital Transformation for Youth and decent Jobs: Achieve that IT firms in Palestine achieve higher levels of economic digital transformation and support start-ups by fostering innovation, productivity, jobs and growth
438566	Enhancing access to justice, fundamental rights safeguards in the criminal justice system, and independent justice oversight mechanisms	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-01-2023	31-12-2025	6.000.000,00	Specific sector / thematic expertise, presence in the country. Specific mandate for the local context	Specific sector/thematic expertise, specific mandate for the local context	UNDP will implement activities related to the main Outcome 1: Enhanced access to justice and legal, and independence, effectiveness and accountability of justice institutions. UNODC will implement activities related to main Outcome 2: Improved fundamental rights safeguards in the criminal justice system, and gender sensitive responses for vulnerable groups/minors in conflict with the law and violent extremism further countered/prevented

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439060	Disaster management and maritime reform for economic recovery	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-01-2023	30-06-2026	6.000.000,00	Fall back option	Absence of alternatives. Specific sector expertise, logistical and management capacities and neutrality and security reasons in conflict situations and specific mandate	UNDP is in charge of the whole implementation
439298	Access to quality education for all vulnerable children in Lebanon in times of crisis – support to a national Education Sector Plan post-2021 for a resilient system	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-11-2022	31-10-2023	11.000.000,00	Need to select an entity with sufficient management & financial capacity	Previous experience in the sector in Lebanon	UNICEF is in charge of the implementation of the whole intervention

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440161	Provision of social assistance to vulnerable Lebanese communities and Syrian refugees in Lebanon	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	WORLD FOOD PROGRAMME	22-12-2022	21-11-2026	59.000.000,00	Need to select an entity with sufficient management & financial capacity	Previous experience in the sector in Lebanon	WFP will carry out the cash transfer to beneficiaries
440234	Innovation as an engine for SMEs competitiveness and economic growth in Lebanon	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	01-01-2023	30-11-2027	15.000.000,00	Absence of alternative with sound track record in implementing projects in relation to reform, recovery and reconstruction and similar interventions to the programme proposed	Experience in the country in supporting the private sector. Pillar assessed. Implementing similar type of intervention.	The implementation of Outputs 2.1 and 2.2 of Outcome 2 of Component 2 "Socio-economic recovery of vulnerable people and businesses"
440928	Technical Assistance to support Jordan's MoE's EMIS platform for enhanced evidence-based decision making	14-20 ENI	Jordan	Contribution Agreement	UNITED NATIONS EDUCATIONAL SCIENTIFIC AND CULTURAL ORGANIZATION	27-12-2022	26-12-2024	1.000.000,00	specific technical expertise	specific technical expertise	Technical Assistance to support Jordan's MoE's EMIS platform for enhanced evidence-based decision making

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441648	Contributing to Food Security for refugees and host communities living in Lebanon	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS	01-02-2023	31-01-2027	15.000.000,00	Need to select an entity with sufficient management & financial capacity	Previous experience in the sector in Lebanon	Support to food producers (agriculture) via the Food and Resilience Facility

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368126	Hebron Regional wastewater management	14-20 ENI	Palestine (occupied territory)	Delegation agreement	AGENCE FRANCAISE DE DEVELOPPEMENT	23-12-2015	22-12-2024	850.000,00	sector expertise, division of labour	This implementation is justified by (i) the substantial proven track-record of project implementation by AFD in the sector in the beneficiary country, (ii) the current implementation of the construction of the North Gaza Emergency Sewage Treatment Project, (iii) the application of the principles of Paris Declaration and Accra Agenda in Donor's harmonisation and coordination, (iv) the contribution to the operation by AFD (EUR 10 million), (v) the need to avoid artificial project breakdown and administrative complexity for the Hebron Municipality and lastly (vi) the achievement of a better cost efficiency as a result of the simplified funding set-up and the related simplified contracted responsibilities	The entrusted entity would be responsible for the overall administration of all activities to the exception of Evaluation & Audit and Communication & Visibility. The AFD intends to sub-delegate the implementation of the project to the Palestinian Water Authority (PWA).

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393033	EU Monitoring System in Area C (2nd phase)	14-20 ENI	Palestine (occupied territory)	Delegation agreement	ENABEL, BELGISCH ONTWIKKELINGSAGENTSC HAP	01-02-2018	31-07-2023	250.000,00	sector expertise, efficiency gains	This implementation is justified because BTC has been managing the project "Final design, establishment and operation of a comprehensive EU project monitoring system for Area C" financed by EU. Therefore, to operate the monitoring system, this is the best option recommended in terms of efficiency and efficacy, as well as in terms of lesson learned	Implementation entails the operation and management of the EU's Monitoring system in Area C. The system will be used to follow up the implementation of EU and EU MS projects and project threats and to plan future interventions for Palestinian communities in Area C.
435713	Storm Water Management and Renewable Energy in Gaza	14-20 ENI	Palestine (occupied territory)	Contribution Agreement	KREDITANSTALT FUR WIEDERAUFBAU	06-10-2022	05-10-2025	25.000.000,00	KfW considered as the only possible alternative to avoid de-committing the amount of 25 M EUR. lack of alternative partners (negotiation failed with other MS or IOs)	previous/current experience of managing and implementing water/energy sector projects of a similar nature and magnitude, in particular in the Gaza Strip and in relation to water/energy efficiency; previous/current experience working and coordinating with the EU in the water/energy sector	The implementation by this entity entails activities that contribute to achieving Outcome 1 and in particular, Output 1.1 Equipping selected existing Water and Sanitation infrastructure with renewable energy equipment. Output 1.2 Using storm water management and retention basin to support the recharge of the Gaza Aquifer as well as Outcome 4 and in particular Output 4.1 Increased sustainable energy generation in Gaza through renewable energy (RE) and energy efficiency (EE) technology

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436222	Improvement of Solid Waste Management in Dheisheh Camp and the Surrounding Area	21-27 NDICI Neighbourhood	Palestine (occupied territory)	Contribution Agreement	AGENZIA ITALIANA PER LA COOPERAZIONE ALLO SVILUPPO	01-01-2023	31-12-2025	2.000.000,00	Alternative implementing partners, GIZ or Enabel, were unable to commit to implement the Action (low investment involved, already high workload, area not covered). AICS are built on and complement past and ongoing initiatives.	i) thematic expertise and multiannual experience in implementing solid waste management and environmental health programmes and strategies; ii) ability to quickly mobilise specialised quality experts on these topics; iii) previous experience of assistance in the country in sectors relevant to the specific objective, stakeholders and context.	The implementation by this entity entails carrying out the activities linked to the current Solid Waste Management (SWM) system in Dheisheh camp in the West Bank so that it will transition into an improved system.
436929	EU 4 Lebanon – Inclusive Services for Social Actions (ELISSA)	21-27 NDICI Neighbourhood	Lebanon	Contribution Agreement	AGENZIA ITALIANA PER LA COOPERAZIONE ALLO SVILUPPO	03-04-2023	02-10-2026	10.000.000,00	Need to select an entity with sufficient management & financial capacity	Previous experience in the sector in Lebanon under EUTF MADAD	Support to the Social Development Centers (Ministry of Social Affairs)

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438060	SAWA II - Enhance Resilience of micro-businesses and create sustainable livelihood opportunities in the Gaza	21-27 NDICI Neighbourhood	Palestine (occupied territory)	Contribution Agreement	ENABEL, BELGISCH ONTWIKKELINGSAGENTSC HAP	05-01-2023	04-01-2027	6.000.000,00	The action was designed together with ENABEL following the May 2021 violent escalation in Gaza and based on the lessons learned together through the successful project SAWA (# 410-325)	i) strong international expertise in the area of building economic resilience in the Gaza Strip, notably with regard to assistance to MSMEs via non-profit civil society organisations; ii) profound knowledge of the Gazan economy, notably the needs and dynamics of its SME sector; iii) knowledge of green and circular economy approached and business models along with experience in green economy awareness raising and advisory service delivery; iv) knowledge of access to finance, specifically experience with micro-finance in the Gaza Strip; v) proven track record supporting the Gazan MSMEs with capacity building as well as mechanisms for seed grant distribution.	ENABEL implementation activities contributing to achieving Outcome 3: Resilience and Recovery for Gazan Micro, Small and Medium Sized Enterprises.

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438798	Azraq Refugee Camp Wastewater Treatment and Re-use	21-27 NDICI Neighbourhood	Jordan	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	22-12-2022	21-10-2025	8.000.000,00	Specific technical expertise of KfW. Continuation of current intervention	Specific technical expertise of KfW. Continuation of current intervention	Management of solid and water waste management, promotion of circular economy solutions and livelihood opportunities for refugees
441047	Supporting the Resilience of Local Agri-Food Systems in Northern Syria	21-27 NDICI Neighbourhood	Syria	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-02-2023	31-01-2026	8.000.000,00	EXPERTISE	GIZ has remotely managed cross-border programming in North Syria since 2013 and has built expertise in the sectors of agriculture, rural development, food security, WASH (water, sanitation, and irrigation), livelihood support, education, local governance, local economic development, Mental Health and Psychosocial Support (MHPSS), health, and Housing Land and Property (HLP). Cross-sectoral programs supported measures related to stabilisation, capacity development of Syrian NGOs/local CSOs.	GIZ will manage the overall implementation of the action through their office in Gaziantep and Erbil and engage with long-term partnerships with implementing partners to ensure continuity and longer-term impact, further-develop the local partners' implementation capacities and support longer-term activities within the duration of the Action.

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432091	Momentum MENA - Mainstreaming gender in law enforcement	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	INTERNATIONAL CRIMINAL POLICE ORGANIZATION	15-11-2022	14-11-2025	3.000.000,00	The proposed project is an initiative of the INTERPOL	Body with a high level of expertise in the sector (implementer of a similar project in South East Asia)	Technical assistance: carrying out budget-implementation tasks necessary to achieve the results outlined in the description of the action.
434776	Regional Support to Reinforce Human Rights, Rule of Law and Democracy in the Southern Mediterranean" (South Programme V)	21-27 NDICI Neighbourhood	Region Neighbourhood	Contribution Agreement	CONSEIL DE L' EUROPE	01-09-2022	31-08-2025	5.000.000,00	This is a contribution to a multi-donor action concluded with international organisations.	Body with specialised expertise. Continuation of the previous phase.	The Council of Europe will continue to support the progressive creation of a common legal space between the Southern Mediterranean region and Europe, based on Council of Europe legal instruments in the areas of human rights, the rule of law, democracy and gender based violence against women. The South Programme V will adopt a regional dimension in order to strengthen regional networks on good governance building and develop regional cooperation.

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434994	Contribution to the IMF Middle East Regional Technical Assistance Centre (METAC) – Phase V	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	INTERNATIONAL MONETARY FUND	01-01-2023	30-04-2027	3.000.000,00	Continuation of earlier phases implemented by IMF/METAC through a 'Trust Fund' with several donors	Body with solid knowledge and high level of expertise	Technical assistance to member countries to strengthen institutional capacity, knowledge and skills in the areas covered
439738	Al Ghabawi Wastewater Treatment Plant project	21-27 NDICI Neighbourhood	Jordan	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	13-12-2022	12-12-2027	30.702.000,00	As a main infrastructure development project, indirect management with blending grants and loans on top of Government contribution was the best option to follow	EBRD existing experience within the sector and complementarities within the project on optimum resources efficiency	Management of the grant component together with the loan made available and providing technical support to the Government entity responsible for implementation, with continuous follow-up to Government entity on progress
440717	CT Travel - MENA	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	UNITED NATIONS ORGANISATION	01-01-2023	31-12-2025	1.998.990,00	the proposed project is an initiative of the UNOCT	Body with a high level of expertise in the sector	Technical assistance: carrying out the necessary procurement and grant award procedures and awarding, signing and executing the resulting procurement and grant contracts (in line with the rules foreseen in the Special Conditions) for services and other benefits to be provided to the beneficiary countries

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436822	Finance in Common (FiC) Project in Egypt	21-27 NDICI Neighbourhood	Egypt	Contribution Agreement	AGENCE FRANCAISE DE DEVELOPPEMENT	28-10-2022	27-10-2027	13.752.000,00	Blending operation with an EFI: Grant component matching a loan	Body with a high level of expertise in the sector and in the country	Technical assistance (grant component matching a loan)
437185	Regional PEEB MED	21-27 NDICI Neighbourhood	Tunisia	Contribution Agreement	AGENCE FRANCAISE DE DEVELOPPEMENT	31-12-2022	30-12-2032	30.404.800,00	The proposed project is an extension to the Mediterranean region of an AFD project covering 5 countries around the globe	The proposed project is an extension to the Mediterranean region of an AFD project covering 5 countries around the globe	Technical assistance (grant component) and sound management of EU NIP funding (investment grant) during project implementation
404376	Amélioration du Fonctionnement, de la Performance et de l'Accès à la justice en Tunisie (AP-JUST).	14-20 ENI	Tunisia	Delegation agreement	CONSEIL DE L' EUROPE	01-01-2019	30-09-2023	890.000,00	Readiness to implement	Readiness to implement	Assistance Technique pour renforcer l'indépendance et l'impartialité du pouvoir judiciaire et améliorer le fonctionnement des juridictions

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410053	Women in Business (Morocco)	14-20 ENI	Morocco	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	24-11-2022	23-11-2027	9.926.000,00	Discussed and approved by NIP Board	Discussed and approved by NIP Board	The Action aims to provide financing for women entrepreneurs, supported by gender-intelligent financial incentives to women-led SME sub-borrowers, as well as technical assistance to provide know-how and expertise in business creation for women entrepreneurs and increase the resilience and competitiveness of women-led SMEs by building their capacity to leverage digital technologies for their businesses.

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431782	Programme d'appui à une éducation de qualité en Algérie dans le sillage des objectifs du développement durable	14-20 ENI	Algeria	Contribution Agreement	UNITED NATIONS EDUCATIONAL SCIENTIFIC AND CULTURAL ORGANIZATION	03-11-2022	17-12-2024	800.000,00	Cette action requiert une assistance spécialisée au bénéfice du Ministère de l'éducation nationale.	L'expérience consolidée et le mandat international de l'UNESCO au sujet de la promotion de l'éducation comme élément essentiel des politiques d'inclusion sociale et de vivre ensemble en paix ainsi que le partenariat existant avec le Ministère de l'Education nationale algérien et l'UNESCO justifient la sélection de cette organisation	La mise à disposition des outils, approches et l'infrastructure en ligne appropriée pour le développement des compétences numériques transversales et spécifiques à l'enseignement; l'appui à la révision des programmes de formation initiale des enseignants de mathématiques du primaire et du secondaire en introduisant des éléments de didactique et de pédagogie renouvelés et innovantes dans l'enseignement ; la promotion durable des mathématiques en tant qu'apprentissage d'avenir et le renforcement de son attractivité au niveau national.

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432508	Supporting Libya's House of Representatives	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	INTERNATIONAL INSTITUTE FOR DEMOCRACY AND ELECTORAL ASSISTANCE	01-06-2022	31-05-2025	3.000.000,00	International IDEA, a pillar assessed entity, was considered the best partner to implement this action.	International IDEA was selected based on the following criteria: proven track record of working on implementation of programmes strengthening democracy and legislatures; with proven previous experience of conducting activities in Libya as well as in other post-crisis/transition countries in the broader MENA region.	The implementation by this international organisation entails the provision of technical assistance, capacity building support and organisation of peer-to-peer support for the activities in relation to institutional strengthening of the Libyan House of Representatives.
433176	Programme pour la mise en oeuvre de la stratégie nationale de l'amélioration de l'intermédiation sur le marché de l'emploi-2	14-20 ENI	Tunisia	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	27-05-2022	02-06-2027	4.000.000,00	Readiness to implement	Continuation of an existing programme	N/A

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434103	Women's Empowerment and Financial and Economic Inclusion in Rural Egypt: COVID-19 Response and Resilience - Phase II	21-27 NDICI Neighbourhood	Egypt	Contribution Agreement	UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN	15-01-2023	15-06-2025	3.000.000,00	Country context	Body with a high level of expertise in the sector and in the country	Capacity building, subgranting, advocacy, awareness raising.
382245	Upgrading Informal Areas Infrastructures	14-20 ENI	Egypt	Delegation agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-04-2017	31-12-2022	500.000,00	Rider to existing agreement in indirect management	Rider to existing agreement in indirect management	Capacity building, subgranting, advocacy, awareness raising.

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407496	Venture Tunisia - EU4innovation	14-20 ENI	Tunisia	Contribution Agreement	EXPERTISE FRANCE	01-07-2019	28-02-2025	350.000,00	Pas d'autre option dans contexte tunisien pour déployer un programme de cette nature	EF dispose de l'expertise requise dans les domaines de l'entrepreneuriat et de l'innovation; EF dispose des capacités de gestion et de mobilisation de l'expertise requises pour assurer la bonne exécution du projet	N/A
431516	E-nable - Innovative Approach for a Resilient Libyan Economy	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	EXPERTISE FRANCE	01-03-2022	28-02-2025	5.000.000,00	Expertise France, a pillar assessed entity, was considered the best partner to implement this action.	Expertise France was selected on the basis of the following criteria: (1) adequate expertise in supporting economic governance in fragile contexts, notably in Libya, (2) operational capacity to deploy international and local human resources to support on demand requests for technical assistance, (3) sound knowledge of the Libyan context, substantiated by experience in implementing donor funded programmes in the country, (4) proven successful experience in developing institutional cooperation in multi-stakeholder contexts.	Activities aiming to: Enhance institutional capacities to better design, manage and implement economic policies; Enhance regulatory, oversight and executive competencies of key economic institutions.

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431521	Contribution de l'Agence européenne de contrôle des pêches (AECF) au renforcement de la surveillance des pêches en Algérie	14-20 ENI	Algeria	Contribution Agreement	EUROPEAN FISHERIES CONTROL AGENCY	01-03-2022	28-02-2026	1.000.000,00	Cette action requiert une assistance spécialisée de surveillance des pêches	Le mandat et les compétences spécifiques de l'Agence européenne de contrôle des pêches justifient la sélection de cette entité	Assistance technique pour la mise en place d'un VMS national; renforcement des compétences au sein du futur Centre de Surveillance des Pêches algérien, assistance aux autorités algériennes en matière juridique ainsi que dans le choix d'un équipement VMS conforme à la législation en vigueur; formation des opérateurs nationaux dans l'utilisation de ce dispositif.
432178	Link up Africa - Enabel	14-20 ENI	Morocco	Contribution Agreement	ENABEL, BELGISCH ONTWIKKELINGSAGENTSC HAP	01-09-2022	31-08-2025	2.875.000,00	Indirect management was considered in the Document Action to benefit from experience and added value of entities that have experience in the implementation of support mechanisms for EU-Morocco-Africa cooperation, given that it was the first triangular cooperation project implemented in EU-Morocco cooperation	The assessment for the proposed entity for indirect management was based on the following reasons : a) Specific sector/thematic expertise, notably through the Support Fund for Triangular Cooperation projects of Morocco and Belgium in other African countries launched in 2014 ; b) Logistical and/or management capacities, given that ENABEL has offices in the countries of origin of beneficiaries of the project (in Africa) c) Experience with the main partner (Moroccan Agency for International Cooperation- AMCI)	The entity is in charge of : strengthening the capacity of the Moroccan Agency International Cooperation to implement its academic and technical cooperation objectives ; as well as strengthening employment opportunities and economic ties for successful candidates with Moroccan qualifications, of African origin outside Morocco (whether or not AMCI fellows)

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436955	Programme de lutte contre les violences basées sur le genre en Tunisie	14-20 ENI	Tunisia	Contribution Agreement	ENABEL, BELGISCH ONTWIKKELINGSAGENTSC HAP	01-01-2023	31-07-2026	6.000.000,00	Readiness to implement	Expertise dans la lutte contre les violences basées sur le genre, la promotion des droits et de l'autonomisation des femmes	Améliorer l'efficacité de la législation, de la stratégie et des systèmes de coordination et de redevabilité pour prévenir et mettre fin à la VFG. Les Femmes Victimes de Violence ont un meilleur accès aux services multisectoriels, essentiels et de qualité
439229	Jumelage : "Appui au renforcement de la gouvernance et au déploiement d'initiatives innovantes en faveur de l'inclusion des jeunes au Maroc"	14-20 ENI	Morocco		FUNDACION INTERNACIONAL Y PARA IBEROAMERICA DE ADMINISTRACION Y POLITICAS PUBLICAS	01-02-2023	31-10-2024	1.083.691,40	A twinning project was planned in the Financing Agreement of the Budget Support Programme (to support Youth in Morocco), signed in December 2019 (complementary envelope, in indirect management-managed by the Ministry of Economy and Finance, focal point for twinings and TAIEX in Morocco). The aim of the twinning action was to support capacities of the Ministry of Youth and pursue regulatory convergence with European practices	A call for proposal for this twinning action grant was published (EuropeAid/175249/ID/ACT/MA) in July 2022. There was only one proposal received, which was positively evaluated and thus accepted.	This project aims to : i) Strengthen the governance mechanisms of the Department of Youth relating to the legal, strategic and organizational aspects related to the positioning of the department, coordination of interventions and convergence of the programs of the various ministerial departments in the youth sector; and ii) Support the Department in the development and management of innovative initiatives allowing the social and economic inclusion of young people, based on relevant practices in the Member State and on Community policies in the field.

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439382	Appui aux initiatives destinées à analyser les données et choix économiques, à nourrir le débat public et à formuler des propositions sur les politiques publiques économiques	14-20 ENI	Tunisia	Contribution Agreement	EXPERTISE FRANCE	01-02-2023	31-01-2026	4.500.000,00	Topic of the programme requires reliable and experimented partner for implementation also capable of managing sub-granting	Experience (notably for subgranting component), local presence and partnership with a reliable technical partner (FERDI, France Stratégie)	Direct grants, capacity and partnership building, output valuation through improved communication
440504	Greenov'i - EU4innovation	21-27 NDICI Neighbourhood	Tunisia	Contribution Agreement	EXPERTISE FRANCE	01-02-2023	31-01-2028	12.000.000,00	Pas d'autre option dans contexte tunisien pour déployer un programme de cette nature	EF dispose de l'expertise requise dans les domaines de l'entrepreneuriat et de l'innovation, ainsi que de la mise en place et suivi de dispositifs de financement	N/A
441595	ADAPT Céréales	21-27 NDICI Neighbourhood	Tunisia	Contribution Agreement	AGENZIA ITALIANA PER LA COOPERAZIONE ALLO SVILUPPO	15-02-2023	14-12-2027	24.800.000,00	Readiness to implement urgently the programme relating to food security	Experience and ongoing activities and partnership with an international UN agency (WFP)	Direct grants to small scale cereal farmers (AICS) - Direct grant to the cereal research institute (AICS) - awareness campaign for healthy diet and less cereals waste (WFP)

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432448	Supporting the Institutional Capacity of the National Coordination and Joint Risk Analysis Centre (NACORAC)	14-20 IPA	Türkiye	Contribution Agreement	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	10-05-2022	09-05-2024	1.200.000,00	IMEE was used as implementing modality following the decision/finding at central level that contribution agreements with IOs cannot be managed in IMBC any longer.	See also respective entry in database CRIS: 'EXPERTISE' (Specific expertise) was chosen as the main reason for selecting/funding the implementing international organisation at the time of encoding. While this may not appear to be clearly erroneous, the selection of 'OTHER' (Other reasons) would have been preferable, as the implementing organisation does not have specific expertise in setting-up and operationalising situation rooms, crisis or risk analysis centres. Presumably, it was chosen for its good relations with the government, its work on the broader - albeit not the specific - thematic area and other reasons, such as a general recent trend to fund the organisation in question.	Implementation of all tasks stipulated in the contribution agreement.

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434033	Administration Agreement with the World Bank to Support Türkiye's Energy Sector (IPA 2018 and IPA 2019)	14-20 IPA	Türkiye	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	03-12-2022	30-11-2025	12.826.000,00	The type of activities, incl. complex technical assistance and transfer of know-how on off-shore wind capacity development (among other) were considered best deliverable by an experienced pillar assessed IFI.	The World Bank's expertise and track record on Technical Assistance (TA) in the Energy sector and in particular, the energy sector in Türkiye justified the selection of the implementing partner. The TA under the IPA 2018 and 2019 is a natural continuation and building on the activities implemented by the WB in Türkiye's Energy sector, funded under IPA 2012 and 2013.	Under the Administration Agreement, the WB will provide TA to support the preparation of tender dossier for offshore wind energy site development, meteorological/oceanographic and geological/geotechnical surveys along with capacity building trainings and technical/economic/environmental feasibility studies for the Turkish Energy Ministry staff for offshore wind energy site selection and auction/tender/competition preparation.
435584	Strengthened Civic Engagement for Enhanced Democratic Local Governance in Türkiye	14-20 IPA	Türkiye	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-01-2023	30-09-2025	6.000.000,00	IMEE was used as implementing modality following the decision/finding at central level that contribution agreements with IOs cannot be managed in IMBC any longer.	UNDP has specific expertise in working with the relevant stakeholders for this project, notably national and local governmental bodies, CSOs and the Union of Municipalities.	Implementation of all tasks stipulated in the contribution agreement.

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438345	Stronger Civil Society for Stronger Accountability on Child Rights in Türkiye: Improving Monitoring, Engagement and Advocacy at Central and Local Levels	21-27 IPA III Operational	Türkiye	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-02-2023	31-01-2027	6.000.000,00	Central decision to re-centralise EU support in sensitive areas. The project is funded under CSF, thus outside the financing agreement with the beneficiary country.	Specific sector/thematic expertise: UNICEF is the mandated UN agency responsible for providing humanitarian and developmental aid to children worldwide. The agency is among the most widespread and recognizable social welfare organizations in the world, with a presence in 192 countries and territories. In Türkiye UNICEF is present since over 50 years	Implementation of all tasks stipulated in the contribution agreement.
438393	Improving the Capacity of Lawyers and Bar Associations on Promotion, Protection and Monitoring of Children's Rights	14-20 IPA	Türkiye	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-03-2023	28-02-2026	2.920.000,00	IMEE was used as implementing modality following the decision/finding at central level that contribution agreements with IOs cannot be managed in IMBC any longer.	Specific sector/thematic expertise: UNICEF is the mandated UN agency responsible for providing humanitarian and developmental aid to children worldwide. The agency is among the most widespread and recognizable social welfare organizations in the world, with a presence in 192 countries and territories. In Türkiye UNICEF is present since over 50 years	Implementation of all tasks stipulated in the contribution agreement.

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438629	Supporting Türkiye's Efforts for Efficient Migration Management	21-27 IPA III Operational	Türkiye	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-02-2023	31-01-2026	4.000.000,00	IMEE was used as implementing modality following the decision/finding at central level that contribution agreements with IOs cannot be managed in IMBC any longer.	IOM's mandate and experience in the field of migration management, and its proven competence to deliver effective capacity building support to beneficiary administrations (the Presidency of Migration Management and other stakeholders involved in migration management).	Implementation of all tasks stipulated in the contribution agreement.

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438880	Supporting Border and Migration Management at Airports	21-27 IPA III Operational	Türkiye	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-03-2023	28-02-2027	4.000.000,00	IMEE was used as implementing modality following the decision/finding at central level that contribution agreements with IOs cannot be managed in IMBC any longer.	See respective entry in database CRIS: "Continuation of an existing programme" should have been chosen, as the programme, in parts, will also build on a previous/ongoing programme under IMBC with the same implementer, which has a partial thematic overlap. Alternatively, "Specific expertise" could have been chosen due - again - to the experience of the implementer with the previous project. However, 'UN-REDCROSS' (for 'Organisations of the United Nations and Red Cross families have unique capacities, privileges and access for effective delivery of humanitarian aid) was encoded instead by the colleagues as the main reason for selecting/funding the implementing international organisation.	Implementation of all tasks stipulated in the contribution agreement.

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439306	Strengthening social partners and civil society capacities on fundamental principles and rights at work	21-27 IPA III Operational	Türkiye	Contribution Agreement	INTERNATIONAL LABOUR ORGANIZATION	01-02-2023	31-01-2027	5.000.000,00	IMEE was used as implementing modality following the decision/finding at central level that contribution agreements with IOs cannot be managed in IMBC any longer.	The contract entails supporting workers' and employers' organisations and civil society organisations working in the field of labour rights with a view of increasing their knowledge and capacities in the context of changing working conditions. Specific expertise of ILO for improving knowledge and technical capacity of target groups, enhancing adaptation and policy making capacity for the future of work, and social dialogue mechanisms.	Implementation of all tasks stipulated in the contribution agreement.

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409948	Support to Integrated Border Management in Georgia	14-20 ENI	Georgia	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	06-12-2019	05-03-2024	2.200.000,00	A part of this action may be implemented in indirect management with the International Organisation for Migration (IOM). This implementation entails support to specific priorities and actions to ensure sustainable follow-up to the implementation of IBM Strategy in the framework of and as a follow-up to VLAP for Georgia, as concerns the activities related to integrated border management, including risk analysis (including the reporting of relevant agencies and analysis on all administrative levels), and investigation of cases of organised facilitated irregular migration (including effective cooperation between relevant agencies), supporting Georgia's competent authorities in upgrading their skills and practices in line with the best EU practices in the fields of transnational organised crime (including trafficking in humans, particularly women and girls).	IOM is best positioned to contribute to the sustainable follow-up to the implementation of technical assistance and procurement of supplies in the area of border management in line with EU IBM standards because of its particular technical competence, high degree of specialisation as well as strong management capacity. The action also requires a high degree of involvement of expertise from EU Member States, and IOM has proven effective cooperation with such experts.	IOM would mainly carry out the following tasks: management of all operations related to technical assistance and transfer of expertise, hiring of external experts, running public procurement, grant award procedures and concluding and managing the resulting contracts • Management and conduct of prosecution and criminal investigation are further strengthened, in line with a victim-centred approach • Fight against corruption and organised crime, in particular related to drug trafficking, trafficking of human beings (THB), and terrorism • strengthening International law enforcement cooperation • strengthening Capacities to develop, monitor and implement evidence based drug policies • strengthening Capacities of integrated border management agencies at all borders; • strengthening Management in relevant prison facilities to prevent and counter criminal actions in and outside prisons • strengthening Capacities to apply a rights-based approach in law enforcement operations towards all parties and rights holders involved and in particular women, children and other victims of violence and domestic violence.

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416147	Mayors for Economic Growth Facility	21-27 NDICI	Neighbourhood Region Eastern Europe and Central	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-01-2021	31-12-2024	1.800.000,00	Award procedure 8PF - (FR2018) Exceptions to call for proposals: technical competence, specialisation or administrative power (FR art. 195(1)(f))	Award procedure 8PF - (FR2018) Exceptions to call for proposals: technical competence, specialisation or administrative power (FR art. 195(1)(f))	The project aims to support municipalities in their efforts to enhance inclusive economic growth and job creation in the EaP region by providing them with grants and technical assistance, with a view to attract more investment, people and opportunities.

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421525	EU4Moldova: Facility to support the health response to the COVID-crisis	14-20 ENI	Moldova	Contribution Agreement	WORLD HEALTH ORGANIZATION	17-12-2020	16-12-2024	275.360,00	<p>a) Proven knowledge and expertise in the given areas of intervention,</p> <p>b) A track record and the capacity to develop good working relations with local partners</p> <p>c) Demonstrated capacity to deliver work</p> <p>d) Demonstrated operational and technical capacities required to manage procurement contracts including works, supplies and grants can be flexibly and efficiently handled</p>	<p>a) The entity has strong expertise and knowledge of the health sector in the Republic of Moldova. The entity has internationally recognised role and experience in the health sector.</p> <p>b) The entity has a clear mandate for the implementation of health related activities and is guided by international standards in project procurement and implementation, and has a network of technical experts deployed worldwide and specifically in the Republic of Moldova.</p> <p>c) Health security is a key element of WHO responsibility in the Republic of Moldova, in particular as concerns the management of the regime for controlling the spread of communicable diseases. The International Health Regulations, administered by WHO provide the legal instrument for doing so.</p> <p>d) The entity has demonstrated transparency, impartiality, and the absence of conflict of interest, in other cooperation programmes with the European Union.</p>	<p>Overall objective: To contribute to mitigate the impact of the COVID-19 outbreak in Moldova and contribute towards the longer term resilience of its health system.</p> <p>Specific objectives:</p> <p>1) contributing to strengthening the national capacity to respond to the COVID-19 public health emergency;</p> <p>2) contributing to strengthening the management of essential health services delivery and their resilience.</p>

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434639	Economic Governance and Fiscal Accountability Project	21-27 NDICI Neighbourhood	Georgia	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	09-08-2022	31-01-2024	250.000,00	Action document and Commission Decision 2018/041-405 - ENI (AAP 2018)	Competence/expertise in the sector. Long standing cooperation with respective national authorities. Track record of policy implementation	Provide high level technical assistance and advice Budget Planning, execution and reporting

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438215	Support to the Rural Development in Georgia	14-20 ENI	Georgia	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-12-2022	30-11-2025	2.250.000,00	The UNDP proposal to be implemented with the Estonian Development Cooperation was covering adequately all elements of the request for EOI's TORs while establishing a clear complementarity and continuity with ENPARD III. In addition, the UNDP brings a substantial experience in the field of technical assistance and capacity building for rural development and adjacent fields in Georgia, as well as supplementary financing (EUR 140,500) to the action.	UNDP has been supporting rural development in Georgia for over a decade. UNDP's mandate is to end poverty, build democratic governance, rule of law, and inclusive institutions. UNDP has been supporting rural development in Georgia for over a decade. More specifically: a) UNDP's support to Georgia's rural development for over a decade has been targeting policy development, institutional capacity development at national level, sub-national and local authorities, as well as civil society and private sector institutions. Having partnered in implementation of ENPARD I, II and III programmes, UNDP has worked to support bottom-up policy planning; the involvement of civil society organisations in national coordination mechanisms; the establishment of EU-compliant institutional mechanisms for planning, implementing and evaluating the impact of rural development activities; rural economic diversification and job creation; new business development services; skills development and employment mechanisms; and energy-efficient and renewable energy solutions for rural enterprises and households.	UNDP will collaborate with the Estonian Development Cooperation (ESTDEV) to provide Estonia's knowledge and experience in implementing Rural Development policies to respective stakeholders in Georgia, particularly in relation to the topics related to LEADER/CLLD institutionalization, Rural Development governance structure and institutional development. ESTDEV has a significant experience in implementing various projects in EU Eastern Partnership and other transition countries aimed at improving rural development, basic services, strengthening governance and human rights, supporting the provision of quality education, contributing to economic development, digital transformation, and promoting environmental sustainability. UNDP will establish contractual relations with ESTDEV under the UNDP rules. ESTDEV will not be a Partner of the Action but it will sign a separate contract with UNDP in the frame of the Contribution agreement. b) UNDP Georgia has well developed procedures and operational capacities to carry out the large-scale initiatives. It has professional and administrative teams in place, enabling a rapid launch and efficient implementation of the initiatives in the private sector development. UNDP's operational rules and procedures are in line with the best international standards. e) UNDP Georgia has functional partnerships with all relevant stakeholders for the Programme implementation.

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441320	Preparatory activities to support progressive involvement of Georgia, the Republic of Moldova and Ukraine in the activities of Transport Community	21-27 NDICI Neighbourhood	Eastern Europe Region	Contribution Agreement	PERMANENT SECRETARIAT OF THE TRANSPORT COMMUNITY	01-01-2023	31-12-2023	167.274,57	A grant contract was selected as a modality particularly in order to entrust the implementation to the entity that could ensure the best coordination, overview and holistic approach to closer association of Georgia, Moldova and Ukraine with the Transport Community based on its specific expertise and technical experience.	Permanent Secretariat of the Transport Community was selected because of its expertise and technical competence conferred by the Transport Community Treaty (TCT). Following the decision to grant Ukraine and the Republic of Moldova candidate status and Georgia European perspective, closer association between EU and the countries is being pursued. Transport Community Treaty (TCT) set-up could serve as an effective model to pursue this closer association.	As the Contracting Authority, the European Commission is in charge of all EU budget implementation tasks

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425845	EU support for vaccine deployment in the Eastern Partnership	21-27 NDICI Neighbourhood	Eastern Europe Region	Contribution Agreement	WORLD HEALTH ORGANIZATION	11-02-2021	10-02-2024	2.000.000,00	The selection has been done in line with Article 190(1) (f) of Commission Delegated Regulation (EU) No 1268/2012, which authorises grants to be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation, on condition that the actions concerned do not fall within the scope of a call for proposals.	DG NEAR Unit C2 (Armenia, Azerbaijan, Belarus and Eastern Partnership) identified the partner organisation to implement the project. This was done in consultation with EEAS, DG SANTE, DG INTPA and ECDC. Specialised technical knowledge and previous positive experience of collaboration with WHO linked specifically to COVID-19 response were decisive considerations in favour of direct contract award.	The overall objective of this Action is to reduce the COVID-19 health impacts in the Eastern Partnership countries by ensuring a rapid and safe deployment of COVID-19 vaccines in the short term, but also strengthening of routine immunisation systems for longer term health resilience.
434381	Dummy contract for late interest payment on contract 415-127	14-20 ENI	Eastern Europe Region		ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT	01-01-2021	31-12-2023	1.344,86	n/a	n/a	n/a

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440800	Building a resilient social protection system in Armenia	21-27 NDICI Neighbourhood	Armenia	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-01-2023	31-12-2026	5.200.000,00	CA was selected as a modality particularly to be able to entrust the implementation to the entities that are the most knowledgeable in Armenia on the given topic and have the best capacities to deliver the desirable results.	The criteria applied for selection of the implementing partners for EU Resilience Facility for Armenia (Outcome 2: Strengthened shock responsive social protection system) as indicated under section 3.1.2.2 of Annex 1 to the Financing Agreement NDICI-GEO-NEAR/2021/043-475 are the following:•An established operational presence in Armenia;•Strong management and operational capacity;•Specific expertise or technical competence in shock-response social protection system Strengthening. •Prior experience and a strong track record of implementing actions on shock response and social protection system strengthening.UNICEF was selected due to the following reasons:a) UNICEF Armenia is one of the key players during the last decade in the advancement of integrated social services reforms in the country, building the capacity of case managers and social workers, assisting in the establishment of community-based services and overall development of the social protection legal and policy frameworks for the most vulnerable families and children. Moreover, UNICEF is seen as the lead organisation in the country on social protection, in charge of donor coordination on the topic.b) UNICEF Armenia is the biggest organisation in Armenia fully devoted to social protection in Armenia, implementing numerous large scale programmes, corresponding to the logistical and management capacities to lead the action.e) Under the action UNICEF may contribute to all outcomes – providing overall content input into the social protection system reform in Armenia.	1. Social protection strategies, policies and programmes are enhanced and adequately financed to improve coverage and address risks and vulnerabilities through the life-cycle Output 2. Administrative data systems are further integrated, modernized, developed and operationalized to enable improved governance, citizen-centric policy and programme design and delivery, monitoring and evaluation 3. National and local institutions, social service workforce and service providers are equipped with capacities to design, coordinate and implement integrated, inclusive and shock-responsive social protection policies and programmes Output 4. Rights-based and adaptive social protection programmes and mechanisms are prototyped to address intersecting vulnerabilities through an integrated approach and human-centered design and piloted in conflict-affected and poor areas

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441546	Strengthening the child protection and social protection systems in Azerbaijan	21-27 HR and Democracy	Azerbaijan	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-01-2023	31-12-2025	1.100.000,00	Due to a very restrictive civil society legal framework in Azerbaijan, it is not possible to launch call for proposals. For this reason, the most suitable method of implementation is the indirect management with IO. There are no other IO represented in Azerbaijan with the same level of expertise on child protection as UNICEF. Given the focus of the project on rights of the child, UNICEF was identified as the most suitable partner for the implementation and no other IO were considered.	The reasons for choosing UNICEF as implementing partner are the following: a) specific sector/thematic expertise - as the UN agency specialized in providing humanitarian and developmental aid to children worldwide, UNICEF had a very relevant expertise in the area of child protection. This has allowed UNICEF to be directly involved in the elaboration and revision of the national legislation on child protection and carry out large capacity building activities for both government officials and CSOs on this area. b) Logistical and/or management capacities - UNICEF has large logistical and management capacities with a staff of 29 people highly specialized in child protection programmes. The organisation has proven capacities to work together with the government of Azerbaijan at central level and to implement projects in the regions.	The project aims at supporting all children, especially the most vulnerable girls and boys in Azerbaijan, to benefit from a strengthened protective environment from all forms of violence, exploitation, and abuse; and increased opportunity for maximizing their wellbeing, civic engagement and participation for a smooth transition to adulthood. The project has two components: 1) Social protection coverage is improved and the national social protection system is strengthened to better serve the most vulnerable families and children and 2) Children in six districts/cities have access to quality social services focusing on the prevention of VAC, and the foster care model was piloted within the national child protection system. UNICEF provides technical assistance and capacity building to both government officials and CSOs in order to improve the child protection and social protection systems in Azerbaijan. The project also includes a large component of financial support to third parties to support CSOs which will be selected via call for proposals.

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434092	EU4Belarus – Support to Advanced Learning and Training (SALT II)	21-27 NDICI Neighbourhood	Belarus	Contribution Agreement	VIESOJI ISTAIGA CENTRINE PROJEKTU VALDYMO AGENTURA	01-07-2022	31-10-2025	14.000.000,00	Due to the specific situation in Belarus, taking into account the EU Council Conclusions adopted on 12 October 2020, excluding working with Belarusian authorities, it was decided to use indirect centralised management with a MS agency based in a neighbouring country where many Belarusian organisations and people have been re-located.	The entity has extensive experience on working in the sector of education and mobility, proven experience in public policy advice, managing technical assistance projects in the EU Eastern Neighbourhood countries, operational capacity. The entity location was also taken as added value, as many stakeholders of the programme are located in Lithuania.	CPMA performs the role of the implementing agency of the Action. The CPMA oversees the management of all contractual, administrative, financial, and logistical aspects of the Action implementation for the whole duration of the Action.

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440450	R2D Syunik: Recovery, Resilience, Development for Syunik	21-27 NDICI Neighbourhood	Armenia	Contribution Agreement	AUSTRIAN DEVELOPMENT AGENCY GMBH	01-01-2023	31-12-2027	9.000.000,00	The Contribution Agreement (CA) was selected as a modality because the project implementation entails different types of assistance, including technical assistance, sub-granting, co-funding of works and equipment. Moreover, the size of the project budget as well as the fact that the implementing partner could also bring his own financial contribution of 2mio EUR was another reason for choosing this implementation modality.	The following criteria for the selection of the implementing partner(s) were applied:- An established operational presence in Armenia;- Strong management and operational capacity;- Specific expertise, technical competence and experience in the respective field and in specific areas specified at the selection stage, in particular private sector development, investment, trade facilitation and community-based support;- In depth understanding of the situation in Armenia in the respective field of operation, and its strengths and weaknesses, including the capacity to mobilise sufficient expertise in a short time and presence in the country;- Added value, co-financing, as well as innovative approaches proposed by the entity to effectively reach sustainable results; Austrian Development Agency (ADA) is a reliable partner of the EU in Armenia. Since 2015, ADA has been implementing several EU funded projects. ADA's experience in implementation of rural economic development projects and established networks and relations in the country, as well as its experience in localising local economic development methodologies (LEADER) in Eastern Partnership countries (Georgia and Moldova) and in Armenia were taken into account when identified as the best-suited implementing partner for this project.	Perform the market system analysis and identify the sectors of support and potential gaps Establish the partnerships with the existing SME development actors (for incubation and acceleration.)Set up the grant scheme for start-ups and existing SMEs Provide combined non-financial and financial support to start-upsSupport improvement and expansion of business activities (non-financial and financial support) for MSMEsFacilitate provision of the business support services to start-ups and existing SMEs Facilitate access to information and training for entrepreneurs on managerial skills, fiscal management, organisation developmentOrganize training/upskilling activities for employees and vulnerable groups on specific technical skills that may increase their possibilities for economic participation Support the organization of networking activities of female entrepreneurs and women in business life Develop the funding and procurement mechanism for implementation of the rehabilitation works Select community infrastructure rehabilitation/ development initiatives for funding Implement rehabilitation of the selected infrastructuresFacilitate capacity development measures for the relevant community staff for maintenance of the rehabilitated infrastructures

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440895	EU4Energy Efficiency and Renewable Energy in Armenian Communities	14-20 ENI	Armenia	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	15-01-2023	14-11-2024	2.699.336,00	A non-substantial modification introduced the new result under objective 1 "Result 1.3 Pilot innovative and scalable energy efficiency solutions and initiatives", to include indirect management under objective 1 and to supplement new selection criteria for the choice of entrusted entity.	In Armenia, GIZ is the leading development agency in the area of private sector development, particularly active in economic development and employment promotion, energy and the environment.	1. Relevant investment plans and project designs for attracting further investments,2. Pilot innovative and scalable energy efficiency solutions and initiatives.
435018	EU4 Rule of Law: Supporting evidence-based policy-making on justice system performance in the Western Balkans and Türkiye	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	16-12-2022	15-12-2027	5.200.000,00	Need for an international organisation with relevant expertise but not directly related to those implementing judicial reforms.	Expertise	A series of detailed enquiries into the effectiveness of the justice systems in Western Balkan countries targeting largely the professionals and users of the systems

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435029	EU Regional Support to Protection-Sensitive Migration Management Systems in the Western Balkans – Phase III (contract 4)	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES	01-01-2023	31-12-2025	2.011.019,71	As part of a project implemented by EU Agencies	Experience	Legal advice to victims of human trafficking
436168	Supporting the development of a modern payment system and a regional investment area in the Western Balkans	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	15-01-2023	31-01-2026	5.000.000,00	Need for an international organisation with relevant expertise and experience in the region.	Experience	Advise Western Balkan on regional investment policy and financial issues.
437134	EU support to confidence-building in the Western Balkans	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-01-2023	31-12-2026	7.000.000,00	Need for an international organisation agreed upon by all countries in the region	Experience/Neutrality	Support to judicial bodies, civil society organisations, victims of war crimes and co-operation between jurisdictions

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431487	EU Regional Support to Protection-Sensitive Migration Management Systems in the Western Balkans – Phase III (contract 1)	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN BORDER AND COAST GUARD AGENCY	01-01-2022	31-12-2025	5.500.000,00	Core mandate of EU Agency	Expertise	Support to and capacity-building of Western Balkan countries border control bodies.
432411	Enhancing cross-border cooperation in criminal justice in the Western Balkans - "WB CRIM JUST"	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROJUST	15-09-2022	14-09-2026	6.000.000,00	Core mandate of EU Agency	Expertise	The action is intended to integrate Western Balkan countries into EUROJUST system.
434577	Enhancing protection of public spaces and critical infrastructures in the Western Balkans	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	CIVI POL CONSEIL, SOCIETE DE CONSEIL ET DE SERVICE DU MINISTERE DE L'INTERIEUR	01-03-2023	28-02-2026	4.000.000,00	CIVIPOL was chosen on the basis of a call for proposals open to Member States	Most complete proposal	Advise Western Balkan countries on protection of public spaces and critical infrastructure against terrorist threats.

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436162	Increased integration of the Western Balkans in the activities of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and the REITOX network	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION	01-01-2023	31-12-2026	1.500.000,00	Core mandate of EU Agency	Technical competence and high degree of specialisation	Alignment with EU acquis and international standards in drug information and monitoring.

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432173	Bridging Digital Divide in Serbia for the Most Vulnerable Children	14-20 IPA	Serbia	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-11-2020	30-04-2023	3.235,04	The situation required that an organisation already present on the field in Serbia - with substantial experience and expertise and capacity for quick and effective mobilisation - could provide support to the resilience of the education system in Serbia in relation to the COVID-19 crisis, with particular focus on Roma children. Addendum 1 to the Financing Agreement was processed in October 2020 as part of the COVID-19 crisis mitigation measures.	UNICEF was selected as a UN-mandated organisation that had the administrative and financial capacities to effectively implement the support in the COVID-19 context.	UNICEF is supporting the education system in Serbia to further develop, standardise and monitor an inclusive digital learning system, establish ICT libraries and develop capacities of school staff and provide learning support, peer support and psycho-social support to the most vulnerable children in the wake of the COVID-19 crisis.

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432549	Serbia Advancing Innovation and Entrepreneurship - RETF part	14-20 IPA	Serbia	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	23-05-2022	31-12-2025	28.500.000,00	The complexity of the activities and the operating environment required an implementing partner with specific capacities and experience in the same field. The complexity further required a partner that had a proven track record. Finally, considerations linked to complementarity and synergy were taken into account, given that the World Bank loan was planned in complementarity with Result 5 of this Action Document. The loan is aimed at providing TA and financing for the Science Fund programs/activities and linked to the grant components provided by the EU through IPA.	The envisaged entity has been selected using the following criteria: - Excellent results in similar initiatives implemented in the previous period (such as within the framework of the Competitiveness and Jobs Project) - The strong role of the WB in monitoring the implementation of policies and economic growth through tools such as the Doing Business Index of Competitiveness and others- The complementarity with the WB Country Strategy 2020-23 related to a new growth agenda that focuses more on sustainable economic growth with competitiveness as one of its pillars and the fact that the WB Group is already involved in the regulatory reform in Serbia through support for improving the business environment from GGFThe WB has a good record in managing IPA project implementation in Serbia. The successful cooperation record among various entities here, make the connection between the WB and the beneficiary stronger by day, and the WB country office that operates in Belgrade is well developed.	The results to be implemented include:-Increased coordination of reforms in the area of business environment- Optimisation of administrative environment for enterprises.

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432766	Digitalization for business environment - RETF part	14-20 IPA	Serbia	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	19-05-2022	30-09-2025	2.500.000,00	The complexity of the activities and the operating environment required an implementing partner with specific capacities and experience in the same field. The complexity further demanded a partner that had a proven track record. Finally, considerations of complementarity and synergy were taken into account, given that the World Bank loan was planned in complementarity with Result 5 of this Action Document. The loan is aimed at providing TA and financing for the Science Fund programs/activities and linked to the grant components provided by the EU through IPA.	The envisaged entity has been selected using the following criteria: - Excellent results in similar initiatives implemented in the previous period (such as within the framework of the Competitiveness and Jobs Project) - The strong role of the WB in monitoring the implementation of policies and economic growth through tools such as the Doing Business Index of Competitiveness and others- The complementarity with the WB Country Strategy 2020-23 related to a new growth agenda that focuses more on sustainable economic growth with competitiveness as one of its pillars and the fact that the WB Group is already involved in the regulatory reform in Serbia through support for improving the business environment from GGFThe WB has a good record in managing IPA project implementation in Serbia. The successful cooperation record among various entities here, make the connection between the WB and the beneficiary stronger by day, and the WB country office that operates in Belgrade is well developed.	The results to be implemented include:-Increased coordination of reforms in the area of business environment- Optimisation of administrative environment for enterprises.

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436075	EU-UNICEF partnership to strengthen national child protection system for prevention and protection of children from all forms of violence and exploitation	14-20 IPA	Montenegro	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-12-2022	31-05-2024	300.000,00	The COVID 19 pandemic situation has exacerbated the already existing problem of violence against children in Montenegro. An urgent activity has been developed within the context of the EU-UNICEF cooperation on the field of child development and child protection. UNICEF brings a clear added value to this activity given its official engagement and entrustment by the Montenegro government in the area of child protection. The intervention will complement the existing activities implemented by the Government of Montenegro with the UN System in the country, under the framework of the Integrated United Nations Programme for Montenegro (2017-2021)	UNICEF has been selected using the following criteria: Unique technical expertise, knowledge of local situation and direct access to policymaking institutions.	The project will support the efforts of the Government of Montenegro to strengthen the child protection system to create safe and protective environment and enhance prevention and protection of children from violence, abuse, neglect and exploitation, especially after more than two years of COVID-19 pandemic. It aims to support Montenegro to develop the new National Strategy on Prevention and Protection of Children from Violence for the next five-years period and facilitate its implementation.

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439477	Support to the Rule of Law and Fundamental Rights Sector - Application of Unique Information System of Judiciary	14-20 IPA	Montenegro	Contribution Agreement	UNITED NATIONS OFFICE FOR PROJECT SERVICES	02-12-2022	01-08-2024	2.100.000,00	Given the lack of IT technical knowledge of the EU Delegation and in order to ensure the rapid and effective contracting of the different projects envisaged by the Rule of Law action, it has been necessary to identify a suitable partner with the adequate knowledge and capacities. UNOPS has been identified as the best organisation that combines IT technical knowledge, access to markets and capacity to implement the envisaged activities.	UNOPS has been selected using the following criteria: Specific technical knowledge, access to products at an advantageous cost and ability to timely procure the most urgent goods. UNOPS has been identified as the organisation filling in all above mentioned requirements. No other local organisation has this combination of skills and competencies. In addition, the fact that UNOPS has a physical presence in the region, with a regional office in Belgrade, will ease the communication with the beneficiary.	This implementation entails that UNOPS will manage the implementation of Result 2 – Unique Information System for the Judiciary. The ICT strengthening in the judiciary is a complex and highly technical activity which is essential to enhance the ability of the administration to provide e-services, simplify procedures and reduce procedure duration. In summary, to increase efficiency and provide better and faster services to the citizens. This activity can positively contribute to mitigate the number of COVID-19 infections by reducing number of public offices to be visited in person and waiting times during legal procedures. It is therefore needed to implement the action urgently and in the most efficient way possible.

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439531	EU Support to Migration Management - Strengthening Migration Management and Border Control	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	12-12-2022	11-12-2025	6.300.000,00	The services are of a nature that require a specialised agency that has sufficient reach and capacities, as well as the mandate to deal with the issues of migration in the specific context.	The organisation has the mandate to support the Government in migration management policy implementation. IOM has offices and sufficient administrative capacities in Serbia; it has the capacity to respond without delays and ensure business continuity in the provision of already provided services; it has a proven track record and expertise in migration management related programmes in Serbia. It has experience with all tasks that are required under this part of the Action and it has successfully completed the EU 'pillar assessment'.	Support to the Commissariat for Refugees and Migration (SCRM) for the maintenance and infrastructural improvements of accommodation facilities for migrants through refurbishment as well as the provision of furniture and additional equipment as needed. Furthermore, IOM will procure necessary non-food items (NFI) for migrants.- Continued support to SCRM monitoring standards, procedures for quality control and evaluation of services.- Support the MoESTD in ensuring access to quality education for migrant children in Serbia, in the municipalities where centres for migrants are located through their inclusion in mainstream education, provision of quality non-formal education programmes and support to relevant national institutions to coordinate educational activities and services.- Support the MoLEVSA in reconstruction, refurbishment and the provision of additional equipment for centres accommodating UASC, as well as engagement of additional qualified social protection professionals and support staff needed to ensure adequate access and quality of services for unaccompanied minors, as well as their transportation from, to and between relevant institutions/services.

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439773	Support in establishing fully operational Emergency Operating Centre	14-20 IPA	Montenegro	Contribution Agreement	WORLD HEALTH ORGANIZATION	01-02-2023	30-11-2025	940.006,00	As an international organisation positively pillar-assessed by the EC with a technical expertise and operational capacity necessary for the project. In addition, this organization is selected due to the urgency related to the ongoing COVID-19 outbreak, relevance and sustainability of this element of the action. The WHO is cooperating with and support the Government of Montenegro and key government entities, primarily the Ministry of Health and the Institute for Public Health.	Selecting WHO was introduced in 2020 with the amendment (signed on 17 November 2020) of IPA II AAP 2018 to accommodate COVID-19 support.	The objective of the Contribution Agreement with WHO is to provide support to Montenegro in establishing operational Public Health Emergency Operating Centre (PHEOC), including development/purchase, delivery, installation and operationalization of the necessary ICT hardware and software solutions for EOC. In such a way, national capacities will be strengthened to respond effectively to public health requirements for the present and all future outbreaks of contagious diseases in the country.

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440467	Individual measure to strengthen border management in Montenegro	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-03-2023	28-02-2027	15.000.000,00	The action demanded that an organisation already experienced in the region and Montenegro in the field of migration and border management - with substantial experience and expertise and capacity for quick and effective mobilisation - could provide support to the authorities while cooperating with EU partner - FRONTEX.	<ul style="list-style-type: none"> - Presence in Montenegro and in the Western Balkans. - Sufficient administrative capacity - Capacity to respond quickly to emerging situations - Proven track record and expertise in border management related programmes in the Western Balkans - Experience with all tasks that are required under the individual measure - logistical support, procurement, managing large and complex operations, capacity building - Successfully completed the EU 'pillar assessment' 	<ul style="list-style-type: none"> - Expert assessment of the existing infrastructure pertaining to electronic border surveillance systems - Procurement of requisite electronic border surveillance equipment - Organise trainings for border police officials on the use of electronic border surveillance equipment - Construction of the NCC building - Procure the IT and communication infrastructure for identification and registration of migrants based on the Frontex Masterplan for Montenegro

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441190	"EU Public Finance Management Facility"	21-27 IPA III Operational	Serbia	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-02-2023	31-01-2027	13.500.000,00	The complexity of the acquis chapters that the project covers and the type of capacity building needed required a complex type of support by a specialised institution. The UNDP in partnership with the Centre of Excellence in Finance (CEF) and the Slovak Ministry of Finance was selected following a procedure based on expressions of interest implemented by the EC's services using the following criteria: • Financial and operational capacity of the applicant to manage large and complex reform programmes; • Substantial experience and active involvement in the reform process in the area of public finance management, preference for experience in Serbia or the region, • Capacity to mobilise relevant networks in the EU MS, Serbia and the region, • Relevance, effectiveness, feasibility, sustainability and cost-effectiveness of the action.	In order to select the entity which will implement the facility under the Action, invitation letters were sent on 14/06/2021 by the EUD to a list of pre-selected MS agencies (based on experience in the field of GG and PFM). Following the online information meeting, held with the agencies and with MS embassy representatives based in Serbia, it was clarified that participation is not limited to entities that received the letter of invitation from the EUD. All pillar assessed entities which meet the set of technical requirements were welcome to send concept notes. The DDL for submission of the proposals was 31/08/2021. In line with article 155 of Financial regulation 2018, the nominated committee proceeded with the selection process, and selected the UNDP from the 3 expressions of interest received.	Activity 1.6.1: Improvement of performance of all stakeholders in the areas of public internal financial control, public procurement, budget planning and implementation, tax administration and customs administration; Activity 1.6.2: Improvement of managerial accountability and the management and control system; Activity 1.6.3: Enhancement of the Public Procurement Office capacities; Activity 1.6.4: Improvement of capacities of Custom Administration; Activity 1.6.5: Improvement of capacities of Tax Administration; Activity 1.6.6: Strengthening capacities of other major PP stakeholders;

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441215	EU for Enabling a More Responsive Healthcare System	21-27 IPA III Operational	Serbia	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	06-02-2023	05-02-2027	12.000.000,00	The entities were selected using the following criteria: - Extensive presence in Serbia- Relevance of past projects in the health sector and response to pandemic-Special competences in the area of disaster risk reduction and resilience building activities- Proficiency in the procurement and management of activities the planned intervention is to carry out	Based on the elaborated criteria the selected leading body is the UNDP. Along with UNDP, the WHO because of its organisational mandate, as well as observing the relevance of past projects and initiatives. WHO has also unique competencies and experience in strengthening capacities and establishing functional preparedness and response system for health emergencies and health aspect of any kind of disasters and emergencies.	Providing a crucial contribution to enhancing the resilience and further reform of healthcare, contributing to social inclusion and cohesive development. This will be achieved through investing in structures for detecting and responding to epidemiological hazards, developing capacities of healthcare institutions at all levels of care provision.

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430062	Nearly zero energy buildings in Serbia	14-20 IPA	Serbia	Contribution Agreement	KREDITANSTALT FUR WIEDERAUFBAU	01-11-2022	30-04-2026	4.500.000,00	This action is a follow up of REEPWB, REEP Plus, and REEP Plus replenishment, launched in October 2013, February 2017 and 2019 respectively. KfW in particular is implementing the following REEP windows: - (Window 2a) Credit Line facility through local financial institutions for the corporate, SME and municipal sectors- (Window 4a) Capital expenditure grants to co-finance municipal loans to the State, cities or municipal companies, under guarantee of the City or the State as well as technical assistance to improve energy efficiency in public buildings (i.e. schools, hospitals, government buildings).	KfW has the adequate managerial, administrative, operational and logistical capacities to carry out the required tasks in Serbia with adequate efficiency and quality. Aside from the thematic expertise and the longer term sustainability that the KfW provides to the action, the selection of KfW took place based on the fact that it has a worldwide reputation and follows high project management standards that are necessary to provide support to the introduction of an energy efficiency approach in the building sector, using works, services, supplies and grant schemes, as well as partnerships of different actors at the national and local level.	The programme's aim is to bolster an enabling policy environment, support investment preparation and provide medium-term financing to encourage households, businesses and especially the public sector in Serbia to prioritise investment in energy efficiency. As a priority, the action will continue supporting the City of Belgrade based on the pilot action under IPA 2018 promoting energy efficiency, based on the assessments and recommendations from that action agreed with beneficiaries.

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433710	Enhancing land consolidation in North Macedonia	14-20 IPA	North Macedonia	Contribution Agreement	THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS	01-08-2022	31-01-2026	1.000.000,00	The grant has been awarded for implementation to FAO following a procedure of (open) Call for proposals EuropeAid/172785/DD/ACT/MK according to IPA II 2019 decision and action document	The International organisation FAO was a single applicant on Call for proposals ref. EuropeAid/172785/DD/ACT/MK	The duration of the contract is 42 months and with intended start on 1 July 2022 Main entrusted implementation activities are to 1/update of strategic and legal framework for land consolidation (soft component); and 2/ Full-fledged implementation of two land consolidation projects in Chiflik and Dabjani, including infrastructure works (hard component). Main results to be achieved are as follows: <ul style="list-style-type: none"> • New National strategy and programme for land consolidation • Improved legal framework and procedures for land consolidation • Enhanced capacities of stakeholders for implementation of land consolidation • Two complete land consolidation in the areas of village Chiflik and village of Dabjani, including completed infrastructure works

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433764	Further support to strengthen the response capacity to manage migration flows in North Macedonia	21-27 IPA III Operational	North Macedonia	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-06-2022	31-12-2023	4.000.000,00	The International Organisation for Migration (IOM) is considered the most appropriate partner as it meets criteria, essential for bringing the action on the ground quickly and to the highest professional standards	It has offices and sufficient administrative capacities in North Macedonia, it has the capacity to respond quickly, it has a proven track record and expertise in border management related programmes, it has experience with all tasks that are required under the action: logistical support, procurement, managing large and complex operations, it has successfully completed the EU 'pillar assessment'	to contribute to the efforts of the Government of the Republic of North Macedonia to address the social and health vulnerabilities of migrants and refugees as well as to strengthen capacities in addressing cross-border crime, with a focus on trafficking in human beings and smuggling of migrants in line with international standards.

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433929	Building Effective, Transparent and Accountable Public Financial Management Institutions in North Macedonia	14-20 IPA	North Macedonia	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	19-07-2022	19-07-2025	5.500.000,00	Core expertise of the World Bank (design and roll out of IFMIS system) and need to blend funding (the project envisages EU Grant + WB loan)	Expertise in the area	Provide technical assistance for the design and implementation of Integrated Finance Management Information System (IFMIS). Oversight of procurement procedures

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434518	Agriculture Modernization Project – Safe Disposal of Animal By-Products Activities	14-20 IPA	North Macedonia	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	19-07-2022	31-12-2025	4.500.000,00	The Selection of the International organisation was done at the stage of preparation of the Action Document “EU supports Rural Development and Competitive Sustainable Agriculture” IPA 2019/041-263/06.02/MK/ARD. In Annex to the Commission Implementing Decision adopting an Annual Action Programme for the Republic of North Macedonia for the year 2019, Implementation modalities, page 9, it is stated: ‘A part of this Action may be implemented in indirect management with the World Bank.	The World Bank has been selected using the following criteria: • Financial and operational capacity of the World Bank globally and significant support for the agriculture in the North Macedonia. A USD 40 million Agriculture Modernisation Project is being put in place to promote the agriculture sector's competitiveness, through establishing advisory one-stop shop and agriculture purchasing and distribution centres and strengthening the capacity of the Ministry of Agriculture Sector for Rural Development, the Paying Agency and the Food Safety Agency to implement effective agriculture policy in support of farmers and operators in the agri-food businesses. The World Bank was also contracted by the Commission to conduct a functional review of the Ministry for Agriculture, Forestry and Water Economy. • Interest on behalf of the World Bank to support the construction of the rendering plant and synergy of donors' operations. Preliminary discussions on possible loans were held with KfW, European Bank for Reconstruction and Development and European Investment Bank, none of which expressed interest to participate in the project due to the very small size of the operation. In addition, the option of indirect management with the beneficiary country was also analysed but was rejected due to the administrative and procedural burden which would be created for ensuring a conferral of management for one single project. In March 2019, the Government of North Macedonia decided to ensure the national co-financing through the loan from the World Bank for the Agriculture Modernization Project. Blending an IPA grant with the World Bank loan for the agriculture sector will increase the financial leverage of EU funds and strengthen the ownership. The financial structure is 50:50%.	This implementation entails Construction and putting in operation of a Rendering Plant to ensure the disposal of the animal by-products in line with the EU and national legislation. The rendering plant will make it possible to collect and process all categories of materials of animal origin subject to disposal. The plant's capacity is calculated to process 8,000 tons of animal by-products every year. This is a classic circular economy investment, allowing the collected and processed material to be transformed from polluting waste into products that can be used in other production cycles. The implementation of this activity will support the achievement of Output 2: Decreased risks to human, animal and plant health.

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432998	EU for Law Enforcement in Albania (EU4LEA)	14-20 IPA	Albania	Contribution Agreement	REPUBBLICA ITALIANA	01-06-2022	31-05-2024	2.499.868,06	No alternative were available. Out of 18 entities consulted, only one consortium submitted an expression of interest.	The entity has proved experience in providing capacity building, mentoring and operational support to law enforcement agencies and prosecution offices in Albania.	Reinforce the capacity of internal monitoring system at institutional level. Ensure both leadership and ownership of the assistance provided by mentoring the senior management and ultimate beneficiaries.
436032	EU for Justice EU4Justice	14-20 IPA	Albania	Contribution Agreement	AGENZIA ITALIANA PER LA COOPERAZIONE ALLO SVILUPPO	02-02-2023	01-02-2025	2.500.000,00	The eligibility assessment conducted by the evaluation committee was positive and the entity assessed as compliant with the selection criteria	Strong experience in implementing EU funded projects in the field of rule of law. Proved experience in capacity building, mentoring and operational support to justice governance institutions in Albania.	Reinforce the capacity of internal monitoring system at institutional level.

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440004	EU for better municipal governance - DEMOS III Contribution agreement with Sida	21-27 IPA III Operational	Kosovo (under UNSCR 1244/99)	Contribution Agreement	SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY SIDA	01-01-2022	31-12-2025	13.000.000,00	SIDA is well rooted in Kosovo, and has been contributing in the implementation of the Decentralization and Municipal Support project (DEMOS) phase I (2014-2017) and phase II (2018-2021) through the Swiss NGO Helvetas Swiss Inter-cooperation.	EU Office in Kosovo has delegated funds to SIDA in Kosovo also regarding the support to Development of Statistics in Kosovo a) SIDA has good experience working with the support to Municipal Performance Grant. b) SIDA has been working on the sector before and has the management capacity	The implementation entails the following outputs: Municipal assemblies are empowered to hold their municipal executives accountable Municipalities are enabled to provide better access to public information and to include citizens in decision-making processes Municipalities are stimulated to provide opportunities for inclusion of marginalised groups Municipalities are supported in addressing audit recommendations Municipalities are encouraged to comply with Human Resource Management requirements The project in cooperation with implementing party provides the Government of Kosovo with policy advice for decentralised local governance Modalities are developed for a long term performance incentive within the governmental system Government is supported in successful implementation of Performance-Based Grant Scheme

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440802	EU4Innovation	21-27 IPA III Operational	Albania	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-01-2023	30-06-2026	10.000.000,00	The Action represents the continuation of the EU for Innovation I implemented under IPA 2017, which is being implemented under indirect management by the two entrusted entities above.	Comparative advantage and expertise in the sector and logistical and management capacities	Continue to support ownership by transferring knowledge and experience on the implementation of the Quadruple Helix mode. Policy advice to relevant Albanian policy makers and public agencies on startup, SME and innovation policy.

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431671	European Union Support to Sustainable Management of Water Services in Bosnia and Herzegovina (EU4MEG)	14-20 IPA	Bosnia and Herzegovina	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	06-05-2022	05-05-2025	1.900.000,00	Long term presence in the Bosnia and Herzegovina	UNDP is proposed to implement this activity due to operational capacity proven in implementing similar actions. This is proposed to ensure consistency in the approach and compatibility of the proposed international organisation was already implementing related and relevant assistance actions as covering the same area (such as the MEG: Municipal Environmental and Economic Governance project and WB project addressing water sector reform and in particular the water services).	Sustainable Management of the water services in selected municipalities. Improved provision of water services and sustainability of investments in local communities will be achieved by determining up-to-date information on progress in water services, determining necessary legislative, institutional and financial framework to ensure countrywide harmonized reform in line with EU directives, ensuring implementation of cost-reflective tariff systems in targeted municipalities and by generating reliable statistics on the state of access and performance of the water and sanitation sector.

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432681	War Crimes Monitoring Project: Fourth Phase	14-20 IPA	Bosnia and Herzegovina	Contribution Agreement	ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE	01-04-2022	31-03-2024	500.000,00	The Action is the continuation of previous phases of indirect management implementation via entrusted entity that has extensive experience in war crimes monitoring (OSCE). It has over 15 field offices throughout the country where staff on a daily basis monitor case processing.	OSCE has technical competence and high degree of specialisation with regard to war crimes case monitoring in BiH.	The OSCE will conduct qualitative monitoring of war crime cases. OSCE Mission staff will use its dedicated trial monitoring programme, including monitoring of war crimes trials in all courts in BiH, to gather and access data on the processing of war crime cases at the beneficiary institutions. The information assessed throughout the trial monitoring programme will, in turn, represent the foundation for analysing and reporting on the overall progress.
435616	Individual measure to strengthen the response capacity to manage migration flows in Bosnia and Herzegovina	21-27 IPA III Operational	Bosnia and Herzegovina	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-04-2022	31-03-2025	39.500.000,00	The Action is the continuation of previous phases of indirect management implementation via entrusted entity that has extensive experience in war crimes monitoring (OSCE). It has over 15 field offices throughout the country where staff on a daily basis monitor case processing.	OSCE has technical competence and high degree of specialisation with regard to war crimes case monitoring in BiH.	The OSCE will conduct qualitative monitoring of war crime cases. OSCE Mission staff will use its dedicated trial monitoring programme, including monitoring of war crimes trials in all courts in BiH, to gather and access data on the processing of war crime cases at the beneficiary institutions. The information assessed throughout the trial monitoring programme will, in turn, represent the foundation for analysing and reporting on the overall progress.

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436113	Extension of the multi-purpose reception centre at Lipa	21-27 IPA III Operational	Bosnia and Herzegovina	Contribution Agreement	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	05-09-2022	04-03-2023	500.000,00	The services are of nature that require a specialised agency that has sufficient reach and capacity as well as mandate	Expertise in the sector and logistical and management capacities.	Manage, oversee and implement construction work to enhance the multi-purpose reception centre in Lipa. Procurement of all necessary equipment.
439006	EU Support to BiH Health Sector Reform (WB)	14-20 IPA	Bosnia and Herzegovina	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	09-12-2022	08-12-2026	4.100.000,00	Need for an international organisation agreed upon by all final beneficiaries in country	Expertise in the sector and logistical and management capacities	Activities that are funded are those related to improvement of primary and preventive health care envisaged by the World Bank in its Programme of Health System Reform in BiH which was adopted and approved by the entities' governments in BiH. The action is related to improving health care in Bosnia and Herzegovina and are directly connected to COVID-19 pandemic and improving capacities of BiH health system(s) to assist all patients affected by COVID-19 and also by other diseases. It aims at strengthening primary health care and improving preventive health care.

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439009	EU Support to BiH Health Sector Reform - Realizing the Potential of Primary Health Care-driven Health Systems Reforms in Bosnia and Herzegovina (WHO)	14-20 IPA	Bosnia and Herzegovina	Contribution Agreement	WORLD HEALTH ORGANIZATION	09-12-2022	08-12-2026	5.900.000,00	Need for an international organisation agreed upon by all final beneficiaries in country	Expertise in the sector and logistical and management capacities	Activities that are funded are those related to improvement of primary and preventive health care envisaged by WHO, foreseen by its comprehensive Health System Reform Programme and by UNICEF in accordance with its mandate to strengthen child health services and prevention within primary health care in BiH with specific focus on childhood immunization, early childhood development services, nutrition and mental health, many of which were neglected during the COVID-19 pandemic. Both programmes were adopted and approved by the respective entities' governments in BiH. All the above mentioned actions are related to improving health care in Bosnia and Herzegovina and are directly connected to COVID-19 pandemic and improving capacities of BiH health system(s) to assist all patients affected by COVID-19 and other diseases as well. These actions strengthen primary health care and improve preventive health care.

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440379	Sarajevo Water Project	14-20 IPA	Bosnia and Herzegovina	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	13-12-2022	12-04-2027	4.000.000,00	Long term presence in the Bosnia and Herzegovina	EBRD was proposed to implement this activity due to operational capacity proven in implementing similar actions together with the EU Delegation in the water sector.	Support to implementation of Sarajevo Water Project on expansion and rehabilitation of water supply network in selected municipalities in Canton Sarajevo. The Project will be implemented in cooperation with European Bank for Reconstruction ("EBRD") and Water Utility of Canton Sarajevo. The EBRD is working with the Sarajevo Canton and its Water Utility Company - "Vodovod i kanalizacija" d.o.o. (ViK) to improve water supply services in the 6 municipalities which are covered by the ViK in the Canton (namely, Municipalities Stari Grad, Centar, Novo Sarajevo, Novi Grad, Ilidža and Vogošća). The Canton has requested EBRD to assist in the preparation and financing of a comprehensive water distribution network rehabilitation programme, as one of the priority interventions foreseen in the Canton's investment programme 2021 - 2023. The EBRD has provided a loan of EUR 25 million which was signed in May 2017. The Project Implementation Agreement between EBRD and ViK Sarajevo was signed in July 2017. The loan will finance the rehabilitation of the water supply system and will be available in three tranches: Tranche 1 EUR 10 million, Tranche 2 EUR 10 million and Tranche 3 EUR 5 million. The total cost of the Action is expected to amount to EUR 32.1 million. It includes an EBRD loan of EUR 25 million, an IPA II grant of up to EUR 4 million and other activities amounting to EUR 3.1 million to be financed from other sources including the Western Balkans Investment Framework (WBIF) and the Canton/ViK. The EBRD will enter into Grant Agreement with the Canton Sarajevo for the IPA 2020 investment grant of EUR 4 million. The investment grant of up to EUR 4 million will be provided under this Action to finance the modernisation of wells in water sources Bačevo, Sokolovići and Stup and pumping stations in Hrasno, Igman, Hrasnica, Novi Pofalići and Podhrastovi.

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440414	Improvement and Rehabilitation of Irrigation Systems Project	14-20 IPA	Kosovo (under UNSCR 1244/99)	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	01-01-2023	30-09-2026	10.000.000,00	The World Bank is actively involved in the areas of water security and agriculture through various programs.	The envisaged entity has been selected using the following criteria:- The World Bank is actively involved in the areas of water security and agriculture through various programs. It is supporting the development of the irrigation master plan and investment framework, has the appropriate safeguards mechanisms to support infrastructure investments and the convening power to support policy dialogue and institutional reform processes.	This implementation entails the following result: an economically, environmentally and financially sustainable irrigation sector is developed through investment and technical assistance measures that will increase the efficiency of water utilisation and boost agricultural productivity.

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440458	Gender Equality Facility	21-27 IPA III Operational	Kosovo (under UNSCR 1244/99)	Contribution Agreement	UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN	01-02-2023	31-07-2025	1.500.000,00	The envisaged entity has been selected using the following criteria:• UN Women is an entity dedicated to gender equality and the empowerment of women. • It works to position gender equality as fundamental to Sustainable Development Goals, and a more inclusive world. • UN Women has worked in Kosovo since 1999 and collaborates closely with institutions, government, civil society on building and advancing the gender equality mechanisms at the central and local levels to foster gender equality and women's empowerment. • In recent years, UN Women in Kosovo has supported activities and programmes that focus on ending the violence against women and advancing the women, peace and security agenda. UN Women has implemented other Gender Equality Facilities in neighbouring countries since 2016 and several other actions also jointly with the EU.	a) The entity is dedicated to gender equality and the empowerment of women. It works to position gender equality as fundamental to Sustainable Development Goals. UN Women has implemented other Gender Equality Facilities in neighbouring countries since 2016 and several other actions also jointly with the EU.b) The entity has proven to have sufficient logistical and project management capacities through other similar projects. UN Women in Kosovo has supported activities and programmes that focus on ending the violence against women and advancing the women, peace and security agenda.	The implementation entails the following outputs: Output 1: Sector reforms, strategies, post-COVID-19 recovery/development programmes, and plans are designed with gender sensitivity consistently. Output 2: Local government units engaged in gender mainstreaming.

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441553	EU4EMPLOYMENT in Bosnia and Herzegovina	14-20 IPA	Bosnia and Herzegovina	Contribution Agreement	INTERNATIONAL LABOUR ORGANIZATION	01-02-2023	31-01-2026	4.000.000,00	The services are of a nature that require a specialised agency that has sufficient reach and capacities, as well as the mandate	The development of the Youth Guarantee Implementation Plan for BiH started in 2022 and the ILO began the development of action plans at the entity level.	Support the implementation of Youth Guarantee in BiH
440593	Improved waste management infrastructure - Provision of adequate infrastructure for an integrated waste management system in Pristina, Prizren and Gjilan	14-20 IPA	Kosovo (under UNSCR 1244/99)	Contribution Agreement	KREDITANSTALT FUR WIEDERAUFBAU	16-12-2022	03-09-2027	13.000.000,00	Taking in consideration a very complex situation regarding the state of environment of the existing waste disposal infrastructure (in particular the situation of Mirash landfill, Pristina region), it is considered necessary to involve an IFI in the implementation of the project.	The envisaged entity has been selected using the following criteria: The added value of involving KfW is bridging the financial gap in project financing, but also the experience of KfW in similar complexity projects, (such as the ongoing projects related to construction of the waste water treatment plants in Prizren and Gjakova).	This implementation entails the following result: improvement of waste disposal infrastructure, in particular closure/rehabilitation of the landfill in Mirash, construction of three new landfills in Gjilan, Prizren and Pristina region and provision of adequate infrastructure for an integrated waste management system such as facilities for construction and demolition waste, transfer and sorting stations.

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433785	Addendum 2 to Additional Support to the Regional Housing Programme (RHP) - NB: Technical Assistance and Partners' Implementing Structures	21-27 IPA III Operational	Westerns Balkans region	Delegation agreement	BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE 9	01-01-2018	31-12-2023	2.300.000,00	Continuation of an existing programme	Continuation of an existing programme	The CEB carries out several tasks in relation to the RHP: <ul style="list-style-type: none"> • as Secretariat, it facilitates coordination between stakeholders and reports on operational activities • as Fund Manager, it manages Donor contributions and reports on financial activities • as Finance Institution, it assists Partner Countries in implementing the Programme, including overseeing Technical Assistance.

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439116	Promoting jobs and the care economy	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	03-01-2023	30-11-2025	1.700.000,00	a) Specific sector/thematic expertise; b) Logistical and/or management capacities;	Solid financial and operational capacity to allow the implementation of this contract, with dedicated teams in charge of collecting data, analysis and reporting on results.	Component I. Regional Component. Providing advisory services to Western Balkans countries through, inter alia: (i) assessments of the care economy and constraints to female labour force participation, with focus on constraints imposed by the lack of care; (ii) assessments of selected international best practices in the provision of childcare or elderly home care services, as relevant; and (iii) supporting consultation, dissemination and study tours/knowledge, exchange events within and between Western Balkan countries, as well as with other countries, as relevant. Component II. Deep dives on the provision of home care services for the elderly in North Macedonia, and childcare services in Kosovo.

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439288	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework REEP 2022	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	29-12-2022	30-12-2032	102.600.000,00	Main reason for funding international organisation; experience EU funds supporting WBIF projects are implemented through the European Western Balkans Joint Fund since its establishment in 2009 (EU contributions from IPA I and IPA II resources).Fund Managers: EWBJF and EIB (as per General Conditions of the EWBJF)	Part of the EU funds supporting WBIF projects are channelled through the European Western Balkans Joint Fund (including the Investment grants for the major infrastructure projects). EBRD, as EWBJF Manager, has a long experience in managing the EWBJF together with the EIB.	The Fund Managers are responsible for the same tasks as already identified in the General Conditions of the Joint Fund (currently applicable the 2016 version), in particular:- Managing IPA Funds through the Joint Fund;- Disbursing funds from the Joint Fund to the lead IFIs;- Channelling funds recovered from lead IFIs;- Compiling reports on the Joint Fund;- Collecting reports from lead IFIs and submitting these reports to Commission and WBIF stakeholders*Revisions of the currently applicable General Conditions are ongoing.

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439289	WeLead, EU Scheme for Young Professionals in the Western Balkans	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	CENTER ZA RAZVOJ FINANC	01-01-2023	31-12-2026	3.999.996,84	financial and operational capacity, experience in implementing similar regional actions and ability to mobilise partners in the Western Balkans and in the EU Member States	CEF has: 1) Specific sector/thematic expertise – The entity has proven experience and excellent track-record in the field of learning delivery and capacity development of public officials in the Western Balkan region. 2) Logistical and/or management capacities –The entity has a strong experience in implementing EU funded projects in support of civil servants in the region and is able to mobilise its vast network of experts and public officials from the Western Balkans and the EU	Managing and implementing all aspects of the Scheme for Young Professionals with the aim to improve knowledge and experience of the EU accession process by the next generations of public administrators and policy makers in the Western Balkans and enhance stronger professional network between them.

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439836	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework - Allocation 2021-2022 for Digital, Energy, Environment and Social infrastructure sectors	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	22-12-2022	31-12-2030	188.314.673,00	Main reason for funding international organisation; experience EU funds supporting WBIF projects are implemented through the European Western Balkans Joint Fund since its establishment in 2009 (EU contributions from IPA I and IPA II resources). Fund Managers: EWBJF and EIB (as per General Conditions of the EWBJF)	Part of the EU funds supporting WBIF projects are channelled through the European Western Balkans Joint Fund (including the Investment grants for the major infrastructure projects). EBRD, as EWBJF Manager, has a long experience in managing the EWBJF together with the EIB.	The Fund Managers are responsible for the same tasks as already identified in the General Conditions of the Joint Fund (currently applicable the 2016 version), in particular:- Managing IPA Funds through the Joint Fund;- Disbursing funds from the Joint Fund to the lead IFIs;- Channelling funds recovered from lead IFIs;- Compiling reports on the Joint Fund;- Collecting reports from lead IFIs and submitting these reports to Commission and WBIF stakeholders*Revisions of the currently applicable General Conditions are ongoing.

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439911	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework - Allocation 2021-2022 for the Sustainable Transport Connectivity sector	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	22-12-2022	30-12-2030	550.000.000,00	Main reason for funding international organisation; experience EU funds supporting WBIF projects are implemented through the European Western Balkans Joint Fund since its establishment in 2009 (EU contributions from IPA I and IPA II resources).Fund Managers: EWBJF and EIB (as per General Conditions of the EWBJF)	Part of the EU funds supporting WBIF projects are channelled through the European Western Balkans Joint Fund (including the Investment grants for the major infrastructure projects). EBRD, as EWBJF Manager, has a long experience in managing the EWBJF together with the EIB.	The Fund Managers are responsible for the same tasks as already identified in the General Conditions of the Joint Fund (currently applicable the 2016 version), in particular:- Managing IPA Funds through the Joint Fund;- Disbursing funds from the Joint Fund to the lead IFIs;- Channelling funds recovered from lead IFIs;- Compiling reports on the Joint Fund;- Collecting reports from lead IFIs and submitting these reports to Commission and WBIF stakeholders*Revisions of the currently applicable General Conditions are ongoing.

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440507	Eco - Industrial Parks in the Western Balkans	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	01-06-2023	31-08-2027	2.499.715,00	a) Specific sector/thematic expertise; b) Logistical and/or management capacities; d) Specific mandate for the local context in question. International Finance Corporation (IFC) was assessed as meeting the criteria mentioned in the Financing Decision for the selection of an implementing partner, in particular as an entity with a long-lasting experience and length cooperation in supporting the private sector development.	IFC is a member of the World Bank Group entity and an entrusted (pillar assessed) entity. It is the largest global development institution focused exclusively on the private sector. FC is among the largest international financiers in the Western Balkans region. IFC works with private sector clients, governments and civil society to bring the benefit of global expertise to the Western Balkans region through advisory services and investment projects in priority sectors such as: agribusiness, infrastructure development with a focus on climate change and improvements in investment climate	The first component - Pilot case studies for the four previously selected industrial parks and/or separate business units within industrial parks. The second component - Capacity-building activities for additional industrial parks and/or separate business units within industrial parks to increase their readiness for EcoIP framework implementation.

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440533	Pilot Programme on Inclusive and Socially Responsible Procurement (ISRP)	21-27 IPA III Operational	Western Balkans region	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	20-12-2022	19-12-2028	2.499.120,00	Specific sector/thematic expertise; Logistical and/or management capacities	EBRD is an entrusted pillar assessed organisations working under the Western Balkans Investment Framework, selected based on their comparative advantages, expertise, capacity and experience with managing project preparation facilities in the past.	(1) a preparatory policy mapping for North Macedonia and two additional countries to be identified including the preparation of template contract wording to integrate Inclusive Socially Responsible Procurement (ISRP) into procurement processes; (2) the training, design and implementation of ISRP on the selected investment.
440559	SMEs Go Green Programme in the Western Balkans	21-27 IPA III Operational	Western Balkans region	Contribution Agreement	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	20-12-2022	19-12-2029	24.943.625,00	Specific sector/thematic expertise; Logistical and/or management capacities	EBRD is an entrusted pillar assessed organisations working under the Western Balkans Investment Framework, selected based on their comparative advantages, expertise, capacity and experience with managing project preparation facilities in the past.	Component 1: Financing for SMEs' investments in green technologies and competitiveness and sustainability solutions. Component 2: Investment incentives for SME sub-borrowers. Component 3: Technical assistance package to support programme implementation in the form of support to PFIs and SMEs

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440703	Roma Integration Phase III	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	CONSEIL DE L' EUROPE	01-05-2023	30-04-2026	2.700.000,00	Long-lasting partnership and collaboration with the EU and with partner countries in its neighbourhood	(1) Mandate (ensuring human rights and fundamental freedoms in Europe), and (2) expertise in the topic and in the region (e.g. Council of Europe's Strategic Action Plan for Roma and Traveller Inclusion and previous IPA-funded projects such as ROMACTED Phase I 2017-2020 and Phase II 2021 - 2024).	Support the implementation of Roma-inclusion policies enhancing access to basic socio-economic rights (education, employment, housing, health, civil registration), and support institutional capacities for Roma inclusion in Western Balkans and Türkiye. The latter also include the organization of the Roma Ministerial.

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439759	Integrating Western Balkan partners in the work of the European Environment Agency and support to implementing the adapted Governance Regulation	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN ENVIRONMENT AGENCY	01-01-2023	31-12-2025	3.912.000,00	Core mandate of EU Agency	Expertise and experience on EU environment and climate legislation	For 'Integrating Western Balkan (WB) partners in the work of EEA' (Component I), the strategic objective is to support the beneficiaries in the approximation process with a view to "technical readiness" for EEA membership. For 'Support to implementing the adapted Governance Regulation' (Component II), the strategic objective is to increase the capacity of the Contracting Parties of the Energy Community to fulfil their responsibilities under Decision 2021/14/MC-EnC and ensure the timeliness, transparency, accuracy, consistency, comparability and completeness of reporting by the Contracting Parties.

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439820	Preparation measures for approximation and implementation of REACH, CLP, BPR, PIC and POPs as well as ECHA delegated tasks in the Western Balkans and Türkiye.	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN CHEMICALS AGENCY	01-01-2023	30-06-2026	675.103,00	Core mandate of EU Agency	Expertise and experience on EU Chemicals legislation	Alignment with EU acquis in the field of chemicals. More specifically: (1) building capacity and facilitating WB authorities' future participation in the work of ECHA through i.e. participation in ECHA events, tailor-made workshops and possible study visits to EU Member States' competent authorities; (2) transfer of regulatory/scientific knowledge that will enable appropriate implementation of the EU acquis; and (3) the stimulation of the cooperation of beneficiary authorities with ECHA, EU Member States authorities, and other stakeholders.

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440372	Preparatory measures for the future participation of IPA III beneficiaries in the network of the European Agency for Safety and Health at Work	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK	01-02-2023	31-01-2026	598.078,00	Core mandate of EU Agency	Expertise and mandate of the EU agency EU-OSHA in relation to the nature/sector of the intervention; good track record on implementing assistance, and in liaising and networking with their counterparts in the beneficiaries; and financial and operational capacity of the entity.	EU-OSHA will carry out preparatory measures with IPA beneficiaries in view of their future participation in this EU agency upon membership or earlier. The support will aim as well at knowledge transfer and capacity building in the respective area of expertise of EU OSHA.

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440558	Green Finance for Inclusion - GF4I	21-27 IPA III Operational	Westerns Balkans region	Contribution Agreement	CASSA DEPOSITI E PRESTITI SOCIETA PER AZIONI	01-01-2023	31-12-2027	10.057.540,00	Specific sector/thematic expertise; Management capacities. Cassa Depositi e Prestiti S.p.A. (CDP) was assessed as meeting the criteria mentioned in the Financing Decision for the selection of an implementing partner (pillar assessed), in particular as an entity with a long-lasting experience and length cooperation in supporting the private sector development	CDP possesses a distinctive expertise to intervene in market gaps/failures and to mobilize additional financial and non-financial resources, both private and public. Moreover, it complements the expertise of the current WBIF partner financial institutions addressing an area of extreme importance for the implementation of the Economic and Investment Plan for Western Balkans, in its aspects of competitiveness of the private sector in agribusiness, sustainable tourism, sustainable agriculture	Promotion of access to finance for MSMEs; LFI Capacity building; advisory activities to build and monitor the portfolio according to the target objectives; Communication, visibility and stakeholder engagement activities; Advisor for the structuring of the transactions ; Promotion of financial instruments; Coordination Evaluation and Monitoring (e.g. Independent Audit activities and monitoring).

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433502	Supporting Protection, Transit, Voluntary Return and Reintegration of Eastern Partnership Citizens and Third Country Nationals affected by the conflict in Ukraine	21-27 NDICI Neighbourhood	Moldova	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	24-02-2022	23-02-2025	15.000.000,00	Specific added value of the partner in the sector	IOM is the IO the European Commission works with in order to perform returns (the only one who has the expertise and can support in performing returns)	Further safe and dignified first line processing of border crossing by affected Eastern Partnership citizens and TCNs is conducted at the border; National stakeholders in the Government of the Republic of Moldova are able to effectively implement first line processing of border crossing, voluntary, informed and dignified return and protection for affected Eastern Partnership citizens and TCNs; Vulnerable Eastern Partnership citizens and TCNs benefit from safe transit, facilitation of movement, resettlement, and voluntary, informed and dignified return with reintegration support options in countries of voluntary return.
436525	Completion of the integrated coastal surveillance system in Tunisia - Phase III BMP	21-27 NDICI Neighbourhood	Tunisia	Contribution Agreement	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	03-11-2022	02-10-2025	5.000.000,00	This is a top up of a previous action already implemented through indirect management	This is the follow up on a previous action implemented by ICMPD. The IO has a recognised expertise and mandate on Border Management trainings and activities and is already well established in Tunisia.	The action aims at procuring and installing a functioning costal surveillance system for the Tunisian Coast Guard.

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437385	Support for maritime safety and security management in Libya to address all forms of transnational organized crime in line with human rights principles	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	UNITED NATIONS OFFICE ON DRUGS AND CRIME	01-01-2023	31-12-2025	5.000.000,00	Specific mandate of the IO which is well established in a very challenging context as Libya	Specific mandate and expertise of UNODC in maritime operations, safety and security.	The contract aims at enhancing maritime safety and security in Libya through the support to the development of a functioning Maritime Rescue Coordination Centre (MRCC).
437457	Strengthening the Tunisian Coast Guard Training Pillar	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	01-01-2023	30-06-2026	13.500.000,00	Added value to keep working with a trusted partner in the sector and need to quickly kick off the action	ICMPD has a recognised expertise and mandate on Border Management trainings and activities. The IO is already well established in Tunisia and working with the EU in the country in other BM programmes.	The action aims at developing the training curricula for the Tunisian coast guards and at providing the physical infrastructure for the Academy.
437458	EU training support to Libya's border security and management institutions	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	01-01-2023	31-12-2025	5.000.000,00	Specific mandate of the IO which is well established in a very challenging context as Libya	The IO has a recognised expertise and mandate on Border Management trainings and activities and is already well established in Libya.	The action aims at enhancing the training curricula for border guards in Libya

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437699	Strengthening the operational capacity of the Egyptian Coast Guard and Egyptian Border Guards to manage migration flows through effective border surveillance and search and rescue at land and sea	21-27 NDICI Neighbourhood	Egypt	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-11-2022	31-10-2025	22.920.000,00	IOM was put forward by the EG government based on the partnership established between EG MoD and IOM since 2019, France entered the implementation based on an in-kind contribution offered to the EG Coast Guard	Working with the EG MoD is sensitive by nature and implementation could only be done by partners trusted by EG. IOM has entered into a partnership with MoD since 2019 and France has a strategic partnership with EG in the maritime domain.	Improve the Egyptian Coast Guard's and Border Guard's surveillance capacities through equipment and training. (CIVIPOL) Improve the Egyptian Coast Guard's and Border Guard's knowledge and skills on humanitarian border management and search and rescue of migrants in respect to national and international obligations and with a human rights-based approach. (IOM) Improve the Egyptian Coast Guard's and Border Guard's well-being and mental health to prevent potential burnout and cope with traumatic working conditions. (IOM) Improve Egyptian border authorities' ability to respond to migration flows, while safeguarding human rights of migrants. (IOM)

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437852	MIGRANT PROTECTION, RETURN AND REINTEGRATION IN NORTH AFRICA (MPRR-NA)	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-01-2023	30-06-2025	47.000.000,00	Continuation of a previous action. Added value compared to other implementing modalities is to go through mandated IO	The project builds on the national and regional actions of the EUTF-funded "EU-IOM Joint Initiative" in North Africa. More specifically, this Action builds on IOM's extensive experience in design and delivery of Migrant Protection and Assisted Voluntary Return and Reintegration (AVRR) programmes and Voluntary Humanitarian Returns (VHR) in Libya. The Action thus will benefit from all accumulated experiences, including achievements, best practices, lessons learned and insights gained from the previous programme	The Overall Objective of this Action is that vulnerable and stranded migrants from North Africa safely and voluntarily return to and from North Africa, and returnees sustainably reintegrate into their countries of origin. The Action will focus on the following areas: • Protection and direct assistance to vulnerable migrants stranded in North Africa • Assisted Voluntary Return from Northern African countries to countries of origin • Reintegration activities for migrants wishing to return home from North African countries will be provided either through the existing or future EU-funded programmes or through this Action for nationals of countries where such an EU-funded reintegration Initiative is non-existent. • Capacity building of national counterparts including regional, national and local authorities and civil society organizations

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438141	Resilience-Building Programme for Vulnerable Children in Libya, including Host Communities, Migrant and Refugee Children	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	UNITED NATIONS CHILDREN'S FUND	01-04-2023	31-12-2024	4.000.000,00	Continuation of a previous action.	The project builds on another action implemented by UNICEF under the EUTF and is the continuation of it.	Overall Objective: Children and adolescents, especially the most vulnerable including children on the move, will have their rights progressively fulfilled in an inclusive and protective environment and have increased resilience to shocks

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438358	A vision for tuberculosis in Libya: Building the foundation for a sustainable response	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	WORLD HEALTH ORGANIZATION	01-01-2023	30-06-2024	1.500.000,00	Continuation of a previous action. Added value compared to other implementing modalities is to go through mandated IO	Continuation of a previous action. An important feature of this agreement, that fully goes into the exit strategy of the EU from Tuberculosis in LY, is the support that WHO will offer to NTP and NCDC in order to apply for funding to the Global Fund. The mandated IO is the best place to support that process	The contract here presented aims at continuing the work initiated through the previous agreement (T05-EUTF-LY11-T05. 1418) with continuous technical support for the NTP. This will span over clinical preparedness and management structures. It will allow to follow up with the identification, contact tracing, diagnosis and treatment already initiated. An important feature of this agreement, that fully goes into the exit strategy of the EU from Tuberculosis in LY, is the support that WHO will offer to NTP and NCDC in order to apply for funding to the Global Fund.

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438412	Protection and assistance to refugees and asylum-seekers in Libya 2022-2023	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES	01-01-2022	31-12-2023	22.000.000,00	Continuation of a previous action. Added value compared to other implementing modalities is to go through mandated IO	Specific mandate for refugee and asylum critical for this action in the context in Libya, notably to register person of concerns but also to organise the evacuation transit mechanisms or durable solution. UNHCR is one of the few, if not the single one organisation which manage to get some people at risk out of DC. this support is also a political support to the organisation which has not yet managed to sign any host agreement with Libya	This contract focuses on very critical activities at disembarkation points, detention centers as well as in urban settings including advocacy for the prevention of <i>refoulement</i> , alternatives to detention and release of detained refugees, the establishment of detention related decisions judicial review mechanism, refugee status determination under UNHCR's mandate for resettlement purposes, registration and documentation, legal assistance and counselling on a variety of issues facing refugees and asylum-seekers. It also include funds for Evacuation Transit Mechanisms
438542	Protecting vulnerable migrants and stabilizing communities in Libya /Phase III	21-27 NDICI Neighbourhood	Libya	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	01-11-2022	31-12-2023	17.000.000,00	Continuation of a previous action. Added value compared to other implementing modalities is to go through mandated IO	Specific mandate for migrants, capacity to conduct DTM, lead in the coordination system for migration	This contract focuses on very critical activities at disembarkation points, detention centers as well as in urban settings including labour migration agreements, etc

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437469	Support search and rescue operations at sea in Tunisia	21-27 NDICI Neighbourhood	Tunisia	Contribution Agreement	CIVI POL CONSEIL, SOCIETE DE CONSEIL ET DE SERVICE DU MINISTERE DE L'INTERIEUR	01-01-2023	31-12-2027	16.500.000,00	Added value to keep working with a trusted partner in a sensitive sector and need to quickly kick off the action	Specific mandate and expertise of Civipol in law enforcement, maritime operations safety and security.	The action aims at supporting SAR operations in Tunisia through provision of capacity building and equipment for the coast guard and the navy
437774	Soutenir la réinsertion durable des tunisiens et des tunisiennes de retour en Tunisie	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	EXPERTISE FRANCE	01-06-2023	31-05-2026	3.000.000,00	Specific added value of the partner in the sector. The contract is a continuation to a previous successful EU funded project under the EUTF for Africa ²	Continuity of a previous action. Expertise France has already implemented the EUTF-funded action "Accompagner la réinsertion économique et sociale des migrants tunisiens de retour" of the programme "Favoriser la mise en œuvre de la stratégie nationale migratoire en Tunisie", commonly called ProGreS Migration Tunisie. Expertise France was thus selected as best placed entity to carry out the proposed activities, taking into account the nature of the action.	The action will contribute to the capacity building of the operational actors of Tounesna, to the improvement and institutionalization of programmes supporting the reintegration of male and female returnees, as well as to a better communication and outreach to returnees and their communities.

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437847	Sustainable reintegration support for Egyptian returning migrants	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-10-2023	28-02-2026	4.000.000,00	Continuation of a previous action supported by a MS. Added value compared to other implementing modalities is to go through a MS cooperation agency	GIZ is closely working with the Egyptian authorities, in particular the Ministry of State for Emigration and Egyptian Expatriates Affairs (MoSEEA) in the field of reintegration of returned migrants and legal migration. The Egyptian-German Center for Jobs, Migration and Reintegration (EGC) opened in November 2020 as part of the "Programme Migration for Development" (PME), which was commissioned by BMZ and implemented by GIZ. GIZ was thus selected as best entity to carry out the proposed activities, taking into account the nature of the Action. Notably, the Partner's thematic capacities and expertise in the very sector of reintegration and its logistical and management capacities were considered; as well as its strong and effective mandate within the local context in question.	The aim of this Action is twofold: first, it supports the linking of return assistance and sustainable economic and social reintegration activities for Egyptian migrants after return by providing comprehensive and holistic measures as well as capacitation measures for Egyptians prone to irregular migration. Second, it aims to strengthen national capacities and ownership to ensure sustainable reintegration in the long term.

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438075	Soutenir la réintégration durable des marocains et des marocaines de retour au Maroc	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-03-2023	28-02-2026	6.000.000,00	Continuation of a previous action supported by a MS. Added value compared to other implementing modalities is to go through a MS cooperation agency	Since 2017, GIZ is closely working with the Moroccan authorities, in particular the Employment Agency (ANAPEC) in the field of the reintegration of returning migrant. Seven Advisory Centers for Migration and Professional Insertion in the main Moroccan cities were set up to support psychosocial and socio economic reintegration of Moroccan returnees. Except IOM, which obtained results below target in the framework of the EU OIM Joint Initiative, there is no other EUMS agency with the same level of expertise in Morocco. Ensuring implementation by a EUMS agency may also facilitate mobilization and coordination with MS interested in providing support to returning migrants.	The aim of this Action is twofold: first, it supports the linking of return assistance and sustainable economic and social reintegration activities for Moroccan migrants after return by providing comprehensive and holistic measures as well as capacitation measures for Moroccan prone to irregular migration. Second, it aims to strengthen national capacities and ownership to ensure sustainable reintegration in the long term.

Contract Number	Contract Title	Programmes concerned (Instrument)	Benefiting zone	Legal Commitment Type description	Complete Name of Legal Entity	Contract Start date	Contract End date	Com L2 Accepted Amount (EUR)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
438924	Towards a Holistic Approach to Labour Migration Governance and Labour Mobility in North Africa III (THAMM III)	21-27 NDICI Neighbourhood	Mediterranean Region	Contribution Agreement	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-09-2023	31-08-2026	5.000.000,00	Continuation of a previous action. Added value compared to other implementing modalities is to go through mandated IO	GIZ demonstrates the required expertise in this sector and the maturity to conduct a second phase based on the lessons learned and adaptations needed in the upcoming years. GIZ has demonstrated the thematic capacities and expertise in the sector of labour migration and mobility, as well as its strong and effective mandate within the national contexts in question. In addition to its operational capacities, the value added of operating on a complementary/follow-up contract was taken into consideration. Positive implementation capacities in previous programme also made it clear that GIZ was the best-placed entity to step in this Action.	The purpose of the contract is to provide GIZ with financial resources to continue supporting a comprehensive approach to legal migration and mobility and ensuring the continuation of the ongoing Programme "Towards a Holistic Approach to Labour Migration Governance and Mobility in North Africa" (THAMM I) that will end in August 2023. To ensure the achievement of the Specific Objective, the Action will be structured around 2 outputs: 1) the establishment of an operational and scalable system for sustainable, mutually beneficial labour mobility; 2) New or extended mutually beneficial mobility schemes are implemented between North African countries and EU Member States

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435125	EU Support to Urgent Housing Needs for IDPs in Ukraine	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	NORDIC ENVIRONMENT FINANCE CORPORATION	10-08-2022	09-02-2025	19.400.000,00	Urgent measure, previous cooperation with municipalities and infrastructure repair	Experience in the country/region	The project supports the municipal programme for restoration and renovation of existing municipal buildings in the areas under the control of the Ukrainian government, meant for hosting IDPs; and improves the capacities of municipalities in providing housing with satisfactory living conditions and municipal services for IDPs relocated to the municipalities from war zones of Ukraine
436236	“EU Support to Strengthening IBM in Ukraine (EU for Solidarity Lanes and IBM)”	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	INTERNATIONAL ORGANIZATION FOR MIGRATION	18-10-2022	17-07-2023	2.900.000,00	Successful performance by IOM under the previous project on migration, as well as specific expertise and technical competence in the development of migration IT systems and performing works at BCPs	Specific expertise	Improvement of border infrastructure and information systems to increase the capacity for export flows

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436306	EU4Recovery – Empowering Communities in Ukraine	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-10-2022	30-09-2024	35.000.000,00	UNDP will implement the action building on previous support and continuing to work with the strong partnerships created at the national and subnational levels, civil society and the private sector.	Experience in the country/region and continuation of an existing programme	Supporting resilience and early recovery of selected target communities in Ukraine by increasing access to quality public services and enhancing community security.
438103	EU Support to Strengthening IBM in Ukraine – Resilience (EU4IBM-Resilience)	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	02-12-2022	01-06-2024	10.500.000,00	UNDP has been chosen to implement this Action because of its expertise and technical competence as well as its operational and management capacities. UNDP has been preferred to other organisations because the proposed Action is the continuation – on a countrywide scale – of previous cooperation in this field in Ukraine's eastern regions under the UNDP-implemented 'EU Support to the East of Ukraine: Recovery, Peacebuilding and Governance' project	Specific expertise, Experience in the country/region	Provide access of target communities to quality public services, with particular focus on the most vulnerable

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438533	EU-UNDP Technical Assistance to the Final Beneficiaries of the EIB Early Recovery and Ukraine Recovery Programmes	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	UNITED NATIONS DEVELOPMENT PROGRAMME	01-01-2023	31-12-2023	2.000.000,00	UNDP will extend the provision of EU-funded technical assistance from the first to the second phase of the European Investment Bank's financial support to the rehabilitation of critical social infrastructure in war-affected regions and municipalities of Ukraine that they have successfully implemented since 2018.	Continuation of an existing programme	Supporting the proper implementation of the European Investment Bank (EIB)'s Ukraine Early Recovery and Ukraine Recovery Programmes, EIB's framework loans financing priority investments in the recovery of conflict-affected areas under the control of the Government of Ukraine as well as basic infrastructure needs of internally displaced persons.
439353	'Housing for internally displaced persons (IDPs) and rehabilitation of liberated cities in Ukraine'	14-20 ENI	Ukraine	Contribution Agreement	NORDIC ENVIRONMENT FINANCE CORPORATION	21-12-2022	20-09-2025	4.995.458,00	Specific expertise and previous experience in working with municipalities on infrastructure development in Ukraine	Experience in the country/region	Providing capacity to municipalities in implementation of grant contracts on reconstruction of public infrastructure (construction of new housing for IDPs and social infrastructure rehabilitation, such as schools, kindergartens, hospitals).
432474	EU support to strengthening cyber security in Ukraine	14-20 ENI	Ukraine	Contribution Agreement	E-RIIGI AKADEEMIA SIHTASUTUS	01-03-2022	31-08-2023	10.778.000,00	Urgent measure	Experience in the country/region and continuation of an existing programme	Urgent assistance to support the resilience of Ukrainian state bodies digital infrastructure and cybersecurity needs

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437106	Reinforcement to EU4DigitalUA: institutional strengthening, communication and data protection	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	FUNDACION INTERNACIONAL Y PARA IBEROAMERICA DE ADMINISTRACION Y POLITICAS PUBLICAS	05-11-2022	04-05-2024	1.600.000,00	FIIAPP has previous experience from implementing the ongoing EU4DigitalUA and therefore has a solid network in Ukraine and an established relationship to the main beneficiary	Continuation and enhancing of an existing programme	Provide support to the Government in developing more and better public electronic services to the citizens
437127	EU Support for Digital Transformation of Ukraine	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	E-RIIGI AKADEEMIA SIHTASUTUS	01-11-2022	30-04-2025	17.400.000,00	The eGA has previous experience from implementing the ongoing EU4DigitalUA and therefore has a solid network in Ukraine and an established relationship to the main beneficiary of this contract the Ministry for digitalisation and numerous other governmental recipients.	Continuation and enhancing of an existing programme	Development of e-services and services provision environment, of interoperability between registers and serviceproviders and of the eID infrastructure

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437660	EU4Business: SME Recovery Programme in Ukraine	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-12-2022	30-04-2025	10.000.000,00	Expansion of the SME wartime resilience and recovery support provided through a repurposed GIZ-implemented programme	Experience in the country/region; established business networks and implementation capacities, quick and efficient deployment of support through existing channels and support instruments	Larger scale liquidity relief in form of microgrants and advisory support to internally displaced businesses and companies most affected by the war,
438430	U-LEAD with Europe Phase II: Reform and Reconstruction	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01-09-2022	31-12-2023	20.000.000,00	GIZ was preferred because the proposed Action is the continuation – on a countrywide scale – of previous cooperation in this field of decentralisation and regional development adding the context of crisis recovery.	Continuation and enhancing of an existing programme	The project seeks to enhance the capacities of key actors at national, regional and local levels to further implement Ukraine's decentralisation and related regional policy, and to contribute to defining the functions for each level of government within specific policy areas in support of a nationwide recovery process
440318	EU Support for Ukrainian MSMEs	21-27 NDICI Neighbourhood	Ukraine	Financial Instruments	BANK GOSPODARSTWA KRAJOWEGO	21-12-2022	20-12-2035	10.200.000,00	Financial instrument	Specific expertise	Implementation of a guarantee program in support of SMEs in priority sectors and regions

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439396	Repair of critical infrastructure, Ukraine	21-27 NDICI Neighbourhood	Ukraine	Contribution Agreement	NORDIC ENVIRONMENT FINANCE CORPORATION	15-12-2022	14-06-2025	50.000.000,00	NEFCO has experience in administering grant schemes for local development, organisation and management of calls for proposals for local authorities and other eligible partners to implement a selection of local priority projects, inter alia attracting investments of migrant capital into local projects on sustainable development;	Experience in the country/region	Support to recovery of damaged critical infrastructure to provide access to municipal services for population of local communities of Ukraine that have been severely destroyed during the hostilities
153							Sum:	2.143.019.234,48			

ANNEX 12: EAMR of the Union Delegations

NEAR B	DZ	Algeria	NDICI
NEAR B	EG	Egypt	NDICI
NEAR B	PS	West Bank and Gaza Strip	NDICI
NEAR B	IL	Israel	NDICI
NEAR B	JO	Jordan	NDICI
NEAR B	LB	Lebanon	NDICI
NEAR B	MA	Morocco	NDICI
NEAR B	SY	Syria	NDICI
NEAR B	TN	Tunisia	NDICI
NEAR B	TR	Türkiye	IPA
NEAR C	AM	Armenia	NDICI
NEAR C	AZ	Azerbaijan	NDICI
NEAR C	BY	Belarus	NDICI
NEAR C	GE	Georgia	NDICI
NEAR C	MD	Moldova	NDICI
NEAR E	UA	Ukraine	NDICI
NEAR D	AL	Albania	IPA
NEAR D	BA	Bosnia and Herzegovina	IPA
NEAR D	XK	Kosovo	IPA
NEAR D	ME	Montenegro	IPA
NEAR D	MK	The Republic of North Macedonia	IPA
NEAR D	RS	Serbia	IPA

ANNEX 13: EU Regional Trust Fund in response to the Syrian Crisis

(Double click to open PDFs)



Annex 5.1



Annex 5.1_Report
Deviations

Annex 5.2



Annex 5.2_KPI report

Annex 5.3



Annex 5.4



Annex 5.4_Financial
Overview

Annex 5.5



Annex 5.5_Project
Monitoring

Annex 5.6



Annex 5.5_Action
Documents