



2015

Annual Activity Report

ANNEXES

DG Environment

ANNEXES

ANNEX 1: Statement of the Resources Director

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

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

Brussels, 23 March 2015

SIGNED

Bruno Robert PRAGNELL

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

ANNEX 2: Human and financial resources

Human Resources by ABB activity				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel	Total
07 02	Environmental policy at Union and international level	337	87	424
07 AWBL 02	Policy strategy and coordination for the Directorate-General for environment	53	4	57
Total		390	91	481

Human Resources by ABB activity				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel	Total
07 AWBL 01	Shared management for Environment and Climate Action	72	12	84
Total		72	12	84

75% of SRD's staff work is allocated to DG ENV, 25% to DG CLIMA.

Financial resources – implementation of decentralised administrative credits						
	Budget line	FMC	Credits	Commitment	Payment	% EXECUTION
07	07.010211.00	ENV	3,313,528			
07	07.010211.00.01.10	ENV		1,585,000	1,313,042	
07	07.010211.00.01.30	ENV		15,000	8,155	
07	07.010211.00.02.20	ENV		862,909	570,498	
07	07.010211.00.02.40	ENV		212,231	137,380	
07	07.010211.00.03	ENV		400,000	309,105	
07	07.010211.00.04	ENV				
07	07.010211.00.05	ENV		79,858	33,690	
07	07.010211.00.06	ENV		158,531	73,916	
07 Total			3,313,528	3,313,528	2,445,785	100.00%

General remark: the above data rely on the snapshot of Commission personnel actually employed in each DG/service as of 31 December of the reporting year. These data do not necessarily constitute full-time-equivalents throughout the year.

Annex 3 Financial Reports - DG ENV - Financial Year 2015**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures (excluding Building Contracts)****Table 12 : Summary of Procedures (excluding Building Contracts)****Table 13 : Building Contracts****Table 14 : Contracts declared Secret**

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2015 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Enterprise and industry					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (Cosme)	0,19	0	0,00 %
Total Title 02			0,19	0	0,00%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	4,97	4,62	92,96 %
	07 02	Environmental policy at Union and international level	181,62	178,45	98,25 %
Total Title 07			186,59	183,07	98,11%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	3,64	3,64	100,00 %
Total Title 11			3,64	3,64	100,00%
Total DG ENV			190,42	186,71	98,05 %

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

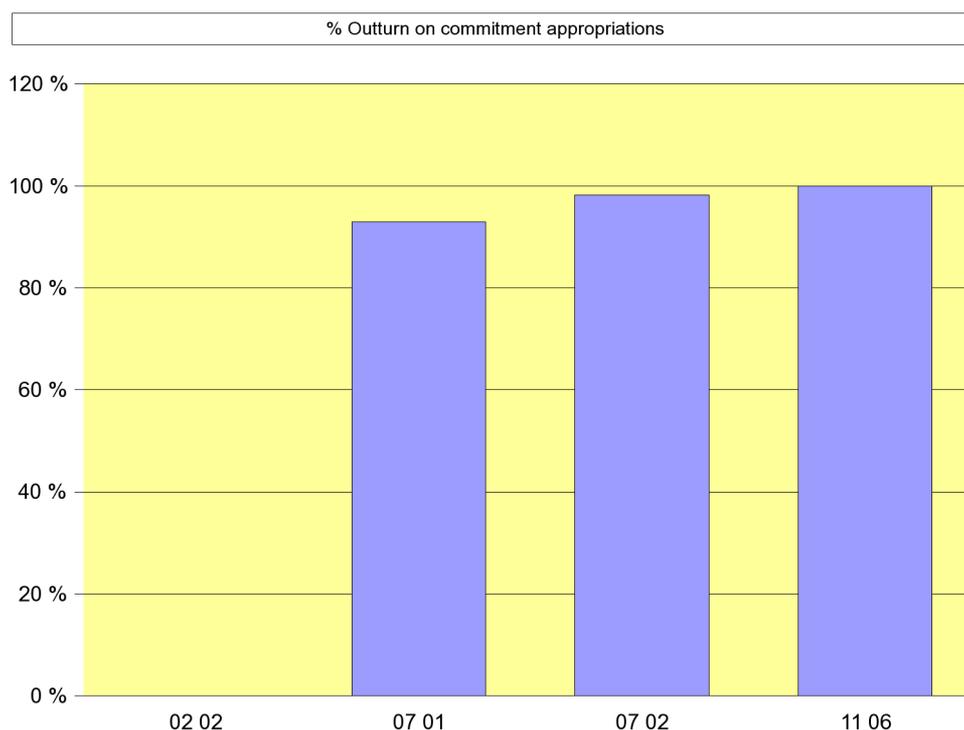


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2015 (in Mio €)

Chapter		Payment appropriations authorised *	Payments made	%	
		1	2	3=2/1	
Title 02 Enterprise and industry					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (Cosme)	1,84	1,51	82,20 %
Total Title 02			1,84	1,51	82,20%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	19,3	16,45	85,23 %
	07 02	Environmental policy at Union and international level	278,45	276,51	99,30 %
Total Title 07			297,75	292,96	98,39%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	3,64	3,64	100,00 %
Total Title 11			3,64	3,64	100,00%
Total DG ENV			303,23	298,11	98,31 %

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

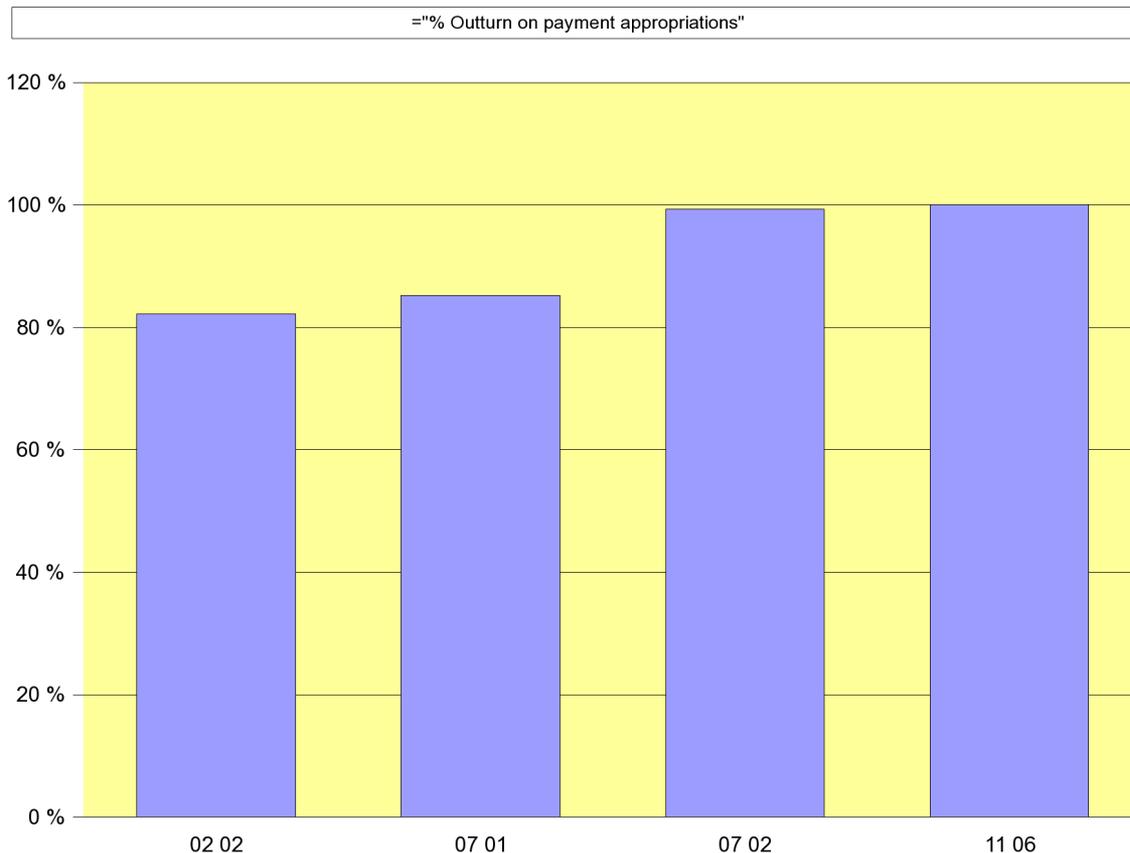
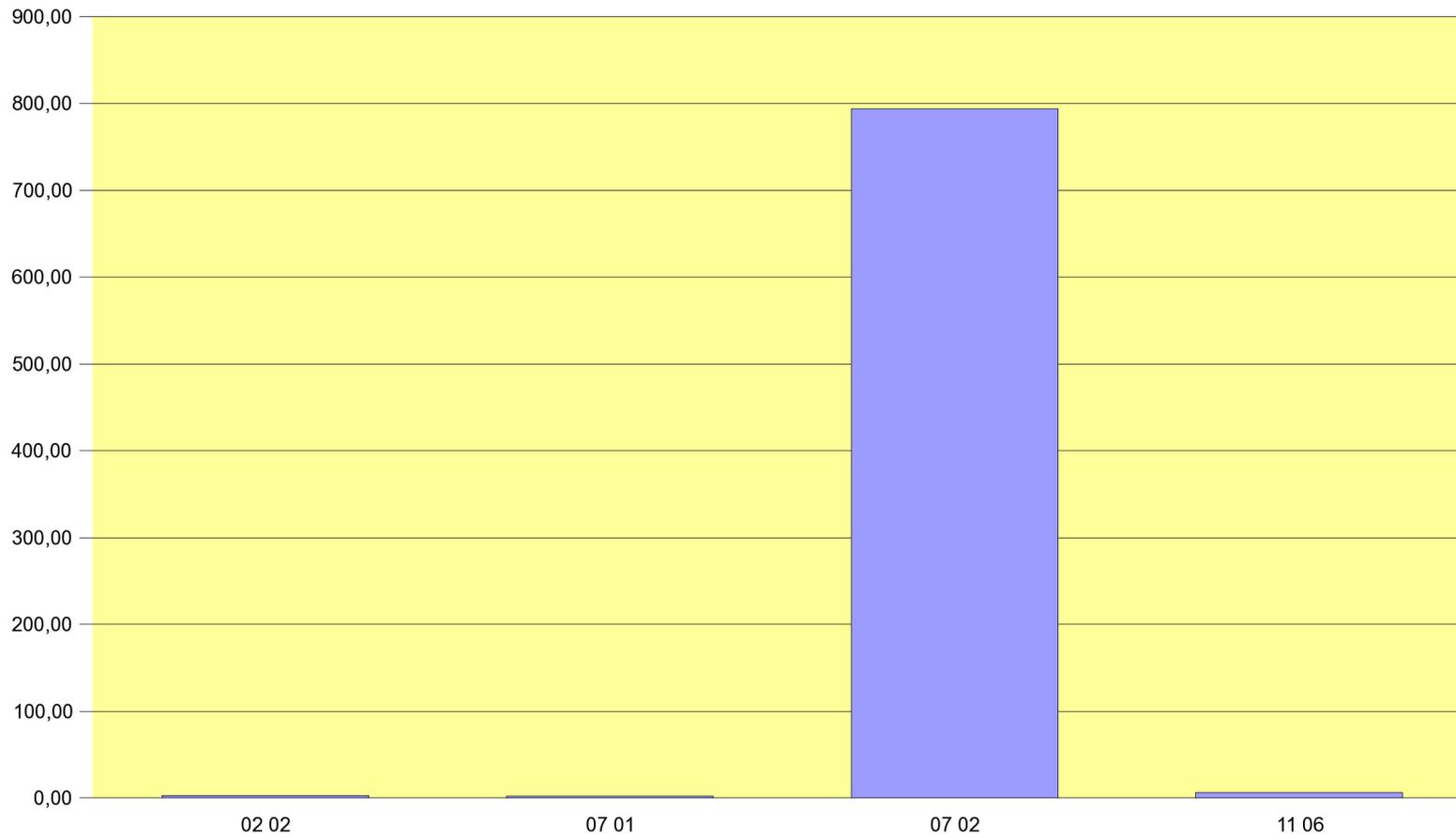


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2015 (in Mio €)

Chapter			2015 Commitments to be settled				Commitments to be settled from financial years previous to 2015	Total of commitments to be settled at end of financial year 2015 (incl corrections)	Total of commitments to be settled at end of financial year 2014 (incl. corrections)
			Commitments 2015	Payments 2015	RAL 2015	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 02 : Enterprise and industry									
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (Cosme)	0	0,00	0	#DIV/0	2,95	2,95	6,02
Total Title 02			0	0,00	0	#DIV/0	2,95	2,95	6,02
Title 07 : Environment									
07	07 01	Administrative expenditure of the 'Environment' policy area	4,62	2,82	1,8	39,03 %	0,00	1,80	14,33
	07 02	Environmental policy at Union and international level	178,45	55,82	122,63	68,72 %	671,05	793,68	893,33
Total Title 07			183,07	58,63	124,44	67,97%	671,05	795,49	907,66
Title 11 : Maritime affairs and fisheries									
11	11 06	European Maritime and Fisheries Fund (EMFF)	3,64	0,16	3,48	95,71 %	2,57	6,05	5,64
Total Title 11			3,64	0,16	3,48	95,71%	2,57	6,05	5,64
Total DG ENV			186,71	58,79	127,92	68,51 %	676,57	804,49	919,32

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

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



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

TABLE 4 : BALANCE SHEET

BALANCE SHEET	2015	2014
A.I. NON CURRENT ASSETS	32.945.163,69	53.528.311,31
A.I.6. Non-Current Pre-Financing	32.945.163,69	53.528.311,31
A.I.7. OLD LT Pre-Financing		0,00
A.II. CURRENT ASSETS	158.825.249,33	166.543.527,01
A.II.2. Current Pre-Financing	89.293.487,12	108.338.463,87
A.II.4. Exchange Receivables	1.373.693,81	1.157.790,22
A.II.5. Non-Exchange Receivables	56.408.068,40	53.797.272,92
A.II.7. Cash and Cash Equivalents	11.750.000,00	3.250.000,00
ASSETS	191.770.413,02	220.071.838,32
P.III. CURRENT LIABILITIES	-111.068.703,11	-131.901.823,51
P.III.4. Accounts Payable	-23.034.355,64	-31.130.288,76
P.III.5. Accrued charges and deferred incom	-88.034.347,47	-100.771.534,75
LIABILITIES	-111.068.703,11	-131.901.823,51
NET ASSETS (ASSETS less LIABILITIES)	80.701.709,91	88.170.014,81

P.I.2. Accumulated Surplus / Deficit	636.418.463,94	360.695.278,13
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Non-allocated central (surplus)/deficit*	-717.120.173,85	-448.865.292,94
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TOTAL	0,00	0,00
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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

STATEMENT OF FINANCIAL PERFORMANCE	2015	2014
II.1 REVENUES	-137.223.642,1	-53.053.624,64
II.1.1. NON-EXCHANGE REVENUES	-140.364.143,25	-58.432.360,57
II.1.1.4. FINES	-134.886.400,00	-53.013.600,00
II.1.1.5. RECOVERY OF EXPENSES	-1.104.801,61	-1.028.691,67
II.1.1.6. OTHER NON-EXCHANGE REVEN	-4.372.941,64	-4.390.068,90
II.1.2. EXCHANGE REVENUES	3.140.501,15	5.378.735,93
II.1.2.1. FINANCIAL INCOME	-63.577,57	-179.439,07
II.1.2.2. OTHER EXCHANGE REVENUE	3.204.078,72	5.558.175,00
II.2. EXPENSES	318.323.329,31	328.776.810,45
II.2. EXPENSES	318.323.329,31	328.776.810,45
II.2.10. OTHER EXPENSES	8.813.826,52	17.814.957,67
II.2.2. EXP IMPL BY COMMISS&EX.AC	259.472.282,19	254.473.063,61
II.2.3. EXP IMPL BY OTH EU AGENC&BO	41.751.239,61	48.491.046,89
II.2.4. EXP IMPL BY 3RD CNTR & INT OR	8.220.992,19	8.059.013,02
II.2.5. EXP IMPL BY OTHER ENTITIES	259.637,88	197.554,65
II.2.6. STAFF AND PENSION COSTS	-208.363,05	-309.546,60
II.2.8. FINANCE COSTS	13.713,97	50.721,21
STATEMENT OF FINANCIAL PERFORMANCE	181.099.687,21	275.723.185,81

Explanatory Notes (facultative):

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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 2015 - DG ENV

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	572	532	93,01 %	12,5	40	6,99 %	79,03
45	28	25	89,29 %	30,56	3	10,71 %	82
60	176	172	97,73 %	19,11	4	2,27 %	75
90	156	146	93,59 %	59,18	10	6,41 %	103,8
105	381	283	74,28 %	71,08	98	25,72 %	170,86

Total Number of Payments	1313	1158	88,19 %		155	11,81 %	
Average Payment Time	46,42			34,07			138,64

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	15	11	73,33 %	15,18	4	26,67 %	25,75
30	151	129	85,43 %	13,72	22	14,57 %	43,18
75	3	1	33,33 %	71	2	66,67 %	87,5
90	381	176	46,19 %	54,59	205	53,81 %	132,94

Total Number of Payments	550	317	57,64 %		233	42,36 %	
Average Payment Time	72,9			36,64			122,23

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
3	89	435	33,13 %	1313	120.298.432,34	38,48 %	312.633.950,16

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

Late Interest paid in 2015			
DG	GL Account	Description	Amount (Eur)
ENV	65010000	Interest expense on late payment of charges	0,00
ENV	65010100	Interest on late payment of charges New FR	16 774,10
			16 774,10

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

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2015

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	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	212.306,76	464,87	212.771,63	210.487,3	0	210.487,3	2.284,33
60	CONTRIBUTIONS TO UNION PROGRAMMES	4.372.941,64	0	4.372.941,64	4.372.941,64	0	4.372.941,64	0
66	OTHER CONTRIBUTIONS AND REFUNDS	4.293.275,26	2.352.919,09	6.646.194,35	2.386.410,03	654.724,37	3.041.134,4	3.605.059,95
71	FINES	133.278.000	0	133.278.000	123.278.000	0	123.278.000	10.000.000
Total DG ENV		142.156.523,66	2.353.383,96	144.509.907,62	130.247.838,97	654.724,37	130.902.563,34	13.607.344,28

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

Annex 3 Financial Reports - DG ENV
Report printed on 17/03/2016

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2015 Year of Origin (commitment)	Error		Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2004			1	1.088,33	1	1.088,33	1	1.088,33	100,00%	100,00%
2005			1	26.185,61	1	26.185,61	1	26.185,61	100,00%	100,00%
2006			5	126.472,37	5	126.472,37	5	126.472,37	100,00%	100,00%
2008			3	59.603,21	3	59.603,21	3	59.603,21	100,00%	100,00%
2009			8	1.400.997,84	8	1.400.997,84	8	1.400.997,84	100,00%	100,00%
2010			2	5.978,91	2	5.978,91	3	206.636,93	66,67%	2,89%
2011			5	1.566.809,14	5	1.566.809,14	6	1.647.039,72	83,33%	95,13%
2013			1	44.983,57	1	44.983,57	2	797.370,11	50,00%	5,64%
2014			1	184.638	1	184.638,00	2	295.758,38	50,00%	62,43%
2015	1	486,7			1	486,70	1	486,70	100,00%	100,00%
No Link							11	133.278.000,00		
Sub-Total	1	486,7	27	3.416.756,98	28	3.417.243,68	43	137.839.639,20	65,12%	2,48%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	1	51,66	141	5.879.385,14			142	5.879.436,8	143	5.879.933,90	99,30%	99,99%
CREDIT NOTES	8	269.948,56	2	15.200			10	285.148,56	12	353.382,73	83,33%	80,69%
Sub-Total	9	270.000,22	143	5.894.585,14			152	6.164.585,36	155	6.233.316,63	98,06%	98,90%

GRAND TOTAL	10	270.486,92	170	9.311.342,12			180	9.581.829,04	198	144.072.955,83	90,91%	4,28%
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2016.

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2015 FOR ENV

	Number at 01/01/2015	Number at 31/12/2015	Evolution	Open Amount (Eur) at 01/01/2015	Open Amount (Eur) at 31/12/2015	Evolution
2005	1	1	0,00 %	4.366,51	4.366,51	0,00 %
2008	2	2	0,00 %	172.550,44	172.550,44	0,00 %
2009	1	1	0,00 %	64.086,52	64.086,52	0,00 %
2010	1		-100,00 %	162.695,57		-100,00 %
2012	2	2	0,00 %	554.460,75	554.460,75	0,00 %
2013	1	1	0,00 %	38.167,14	38.167,14	0,00 %
2014	10	4	-60,00 %	1.357.057,03	865.028,23	-36,26 %
2015		13			11.908.684,69	
	18	24	33,33 %	2.353.383,96	13.607.344,28	478,20 %

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

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TABLE 10 : RECOVERY ORDER WAIVERS IN 2015 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
1	3233150046	3241001570	-162.695,57	Private Companies		

Total DG	-162.695,57
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Number of RO waivers	1
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Justifications:

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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG ENV - 2015**Procurement > EUR 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(a)	1	881.530,00
Art. 134.1(b)	1	150.000,00
Art. 134.1(e)	1	99.800,00
Art. 134.1(f)	1	129.950,00
Total	4	1.261.280,00

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

External Procedures > € 20,000			
	Procedure Type	Count	Amount (€)
Proced ures >	(Ext. act) Service - Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	1	129.950,00
	(Ext. act) Service - International Open Procedure with prior publication (Art. 265(1)(a)(ii) RAP)	2	999.775,00
	TOTAL	3	1.129.725,00

Internal Procedures > € 60,000			
	Procedure Type	Count	Amount (€)
Proced ures >	Call for expressions of interest - List of vendors (Art. 136.1(b) RAP)	1	119.580,55
	Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	3	1.131.330,00
	Open Procedure (Art. 127.2 RAP)	36	46.987.406,66
	Restricted Procedure (Art. 127.2 RAP)	6	1.251.949,50
	TOTAL	46	49.490.266,71

Additional comments

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TABLE 13 : BUILDING CONTRACTS

Total number of contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :	
Total amount :	

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

No data to be reported

ANNEX 4: Materiality criteria

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

1. Qualitative criteria

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

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

2. Quantitative criteria

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

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

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

Procurement – direct management

Stage 1: Procurement

A: Planning

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	with the Directorate.	<ul style="list-style-type: none"> Once per year for every Directorate. 	compliance with Financial Regulation, efficient budget estimate and selection of proper procedure	<ul style="list-style-type: none"> Cost of reviewing Man Plan fiches compared to costs from not assuring compliance with Financial Regulation, inefficient budget estimate and selection of wrong procedure.
<ul style="list-style-type: none"> Lack of competition 	<ul style="list-style-type: none"> Prior information notice (PIN) published; Desk officers consider possible market response before publishing tenders (market research). 	<ul style="list-style-type: none"> Once per year- 1st quarter of the year. PIN provides an overview of foreseen contracts; its subject and approximate value. 	<ul style="list-style-type: none"> Costs: estimation of costs involved (staff involved on the process) Benefits: steady decrease of cancelled procedures and insufficient number of offers; receipt of better offers and new market players. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Higher average number of offers received per procedure. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of publishing PIN and performing market research compared to cost of cancelling or repeating a procedure.
<ul style="list-style-type: none"> Insufficient time allocation 	<ul style="list-style-type: none"> Management plan launch dates; Financial dashboard; Individual follow-up by FU of procedures which are late; Planning tool provided on the Intranet pages of SRD2. 	<ul style="list-style-type: none"> All items in management plan have a target date for launch; Financial dashboards monitor compliance with target launch dates set in Management Plan. Produced 6 times per year; Monitoring covers 	<ul style="list-style-type: none"> Costs: estimation of costs involved (staff involved on the process) Benefits: avoidance of bottlenecks at the end of the year; decrease risks of contracts not signed before end of the year. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of global commitments; High level of budgetary execution; Evenly distributed budgetary execution. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of proper planning and time allocation compared

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
		all items in the management plan; <ul style="list-style-type: none"> Establishing a time table for every procedure. 		to cost of poor budget/ Man Plan implementation.

B: Needs assessment & definition of needs

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

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

C: Selection of the offer and evaluation

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<ul style="list-style-type: none"> • Biased, inaccurate, unfair evaluation procedure 	<ul style="list-style-type: none"> • Opening Committee and Evaluation Committee; • Opinion by consultative committee ENVAC; • Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision; • Training organized by the FU on evaluation of tenders; • Model evaluation report and guidelines; • Tenderers able to attend openings; • Award decision communicated to tenderers. 	<ul style="list-style-type: none"> • Formal evaluation process; nomination of the Committees by the AOS for every file above 60.000, 00€. Minimum of three members (one from another Directorate); • ENVAC assesses full procurement and evaluation process and the draft award decision for all files above 500.000, 00€ and number of files below the amount by a random selection (all documents related to the procurement procedure publications, committee reports, winning offer, draft contract); • 100% when conditions are fulfilled; Templates and guidelines up-to-date following DG 	<ul style="list-style-type: none"> • Costs: Estimation of costs involved. • Benefits: Compliance with FR, prevention of fraud, limit the risk of litigation, better quality PVs, composition of the evaluation team ensures neutrality and objectivity, transparency 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of files rejected or suspended for comments by ENVAC. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of staff involved (opening, evaluation committee members, ENVAC members, FU) compared to cost of possible litigation.

		<p>BUDG updates;</p> <ul style="list-style-type: none"> For open calls tenderers are able to attend the opening of offers; Successful and unsuccessful tenderers always informed on the evaluation outcome. 		
<ul style="list-style-type: none"> Confidentiality issues/ conflict of interest 	<ul style="list-style-type: none"> Opening and Evaluation Committee members' signed declaration of absence of conflict of interests; Checks by the FU. 	<ul style="list-style-type: none"> 100% of the members of the opening committee and the evaluation committee; Red flags checked by the FU for every file. 	<ul style="list-style-type: none"> Costs: Estimation of costs involved. Benefits: Potential irregularities/inefficiencies prevented. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> No or very low amount of indemnities. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of FU staff involved compared to cost of possible litigation.
<ul style="list-style-type: none"> Inadequate number of offers/ poor quality offers 	<ul style="list-style-type: none"> Award criteria announced in advance; FR followed in terms of minimum time granted for preparation of tenders. 	<ul style="list-style-type: none"> Award criteria in every tender specifications published with the call; 100% FR respected. 	<ul style="list-style-type: none"> Costs: Estimation of costs involved. Benefits: Ensure better quality offers. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of cancelled procedures. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of financial unit staff involved compared to cost of possible procedure cancellation or repetition.
<ul style="list-style-type: none"> Unreliable contractor/ declarations <p style="text-align: right;">False</p>	<ul style="list-style-type: none"> Exclusion criteria determined; Early warning system (EWS); Satisfaction certificates. 	<ul style="list-style-type: none"> 100% checked. The required documents provided by the tenderers are consistent with the specifications and 	<ul style="list-style-type: none"> Costs: Estimation of costs involved. Benefits: Avoid contracting with excluded economic 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of discontinued contracts. <p>Efficiency:</p>

		<p>appropriate for evaluation purposes (as required by the FR); Financial turnover and declaration on honour;</p> <ul style="list-style-type: none"> • 100% of successful contractors checked in the EWS; • Satisfaction certificates are an increasing requirement in tender specifications, especially for high value or sensitive files. 	<p>operators.</p>	<ul style="list-style-type: none"> • Cost of staff involved compared to cost of contract discontinuation.
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Stage 2: Contract implementation and Financial transactions

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

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

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

Stage 3: Supervisory measures and ex post control

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

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

Financial Instruments - Indirect management

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

DS = Designated service (competent DGs)

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

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

<p>reporting arrangements would not provide sufficient transparency (True & Fair View)</p>	<p><i>to be kept by the IFI; and harmonised reporting has been required by the Commission (cf. FAFA & Das).</i></p>	<p>100%</p> <p>Depth: In depth assessment of the statement of expenses</p>	<p>the monitoring of the Financial Instrument. Cost of contracted services, if any Training of the concerned staff.</p>	
<p>e) the remuneration of the IFI¹, the reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the objective</p>	<ul style="list-style-type: none"> • <i>Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap;</i> • <i>Reimbursement of cost for technical assistance and additional tasks to be defined in the FAFA and the delegation agreement;</i> • <i>Review by the designated service of the statement of expenses together with evidence provided by the IFI;</i> • <i>Ex-ante and ex-post controls, On-the-spot verifications (risk-based or representative samples).</i> 	<p>Coverage / Frequency: 100%</p> <p>Depth: In depth assessment of the statement of expenses Training of the concerned staff</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</p>	<p>Remuneration and costs for actually managed funds (compared to benchmark)</p>

¹ Remuneration includes administrative and performance fees.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>f) Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not compliant with applicable regulations.</p>	<ul style="list-style-type: none"> • <i>Monitoring or supervision ⁽²⁾ of entrusted entities;</i> • <i>Regular reporting by the IFI to the Commission "Designated Service" on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year;</i> • <i>Independent audit opinion;</i> • <i>In case of weak reporting, negative audit opinion, high risk operations, etc: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub)FI levels;</i> • <i>Regular submission of disbursement and</i> 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p> <p>Depth: depends on risk criteria such as past experience of/with the IFI/FI, complexity or lack of experience on the area of financed actions or the management modalities</p> <p>If needed: suspension or interruption of payments, or even application of exit strategy (winding up)</p>	<p>Costs: estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</p> <p>Benefits: value of the funding and disbursement forecast rejected. Exposure of the guarantees not provided. Budget value of the part of the Financial Instrument not paid out to FR.</p> <p>Losses: eg write-offs of equity/loans, loan guarantees called above expectations</p>	<p>Effectiveness:</p> <p>Success performance ratios (eg "leverage", "co-risk-taking", number of FR supported by the Financial Instrument, disbursement rate)</p> <p>Number of control failures detected; value of the issues concerned prevented/corrected.</p> <p>Number and value of internal control, auditing and monitoring "issues", number of interventions, number of issues under reinforced internal control, auditing and monitoring, number of critical IAS and ECA findings</p> <p>Number of cases submitted to OLAF</p> <p>Efficiency:</p> <p>e.g. Management (fees) and supervision costs (FTE) over assets under</p>

² The nature of these measures is similar. We distinguish between those cases in which the Commission has a direct (legal/contractual) say in the management process, such as the right to block ex-ante a transaction (supervision), or can merely flag its disagreement (monitoring), and influence the fundamental options foreseen under the FR related to stopping/suspending/reconfiguring/winding-down the FEI.

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

Grants – direct management

Stage 1 – Programming, evaluation and selection of proposals

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities set are not coherent and in line with the WP and/or the essential eligibility, selection and award criteria are not appropriate and adequate to ensure the evaluation of the proposals and award of the grant.</p>	<p>Hierarchical validation of the contribution to the annual working programme within the authorising department. Inter-service consultation, including all relevant DGs.</p> <p>Adoption by the Commission of a Financing Decision.</p> <p>For grants without call for proposals funded under external relations' budget, a committee of SRD.2, ENV and DEVCO staff examines all proposals on the base of a concept fiche before proposing grants to the financing decision of DEVCO.</p> <p>Each individual call for proposals is prepared by the technical unit (assisted by the finance units) and then checked by the finance Units.</p> <p>Direct grants are checked by the finance and the technical Units and may subsequently be submitted to internal advisory Committee (ENVAC) by request of the Finance Unit if</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular. Possible impact could be 100% of budget involved and furthermore significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: The check is made for each individual call for proposals or direct grant.</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</p> <p>Benefits: The (average annual) total budgetary amount of the annual work programmes or calls with prevented, detected and/or corrected errors.</p>	<p>Effectiveness: Budget amount of the work programmes concerned. Success ratios; % of number/value proposals received over number expected / budget available.</p> <p>Number/Amount of direct grant with a negative opinion from ENVAC.</p> <p>Efficiency: Average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution over time.</p>

	monopoly situation is not clear.			
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B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
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	Assignment of staff (including technical unit desks) to evaluate the proposals.	100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) of evaluators.	Costs: estimation of cost of staff (costs of initiation and verification related to controls) involved in the evaluation and selection of proposals. Benefits: Amount of expenditures declared ineligible compared to total amount of proposals received. Benefit equals to value of deserving projects otherwise	Effectiveness: No litigation cases. Number of candidate expert evaluators barred. Rejected/corrected/suspended transactions compared to total number of transactions. Number of supervisory control failures. Efficiency Indicators: Average cost per call and/or per (selected) proposal. % cost over annual amount disbursed in grants. Time-to grant (inform applicants
	Assessment by staff (e.g. programme officers)	100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).		

<p>in the annual work programme and subsequent calls for proposals.</p>	<p>Review (e.g. by a mixed panel) and hierarchical validation by the AO of ranked list of proposals.; publication.</p>	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>Depth depends on several risk factors: e.g. conflicts of interest, nationality bias, ex-employer bias, collusion.</p>	<p>not selected plus value of non-deserving projects that would have been selected (=amount redirected to eligible and necessary projects).</p>	<p>of the results within 6 months from the call deadline; additional 3 months to make a legal commitment).</p>
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Stage 2 - Contracting: Transformation of selected proposals into legally binding grant agreements

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

<p>Main risks <i>It may happen (again) that...</i></p>	<p>Mitigating controls</p>	<p>How to determine coverage frequency and depth</p>	<p>How to estimate the costs and benefits of controls</p>	<p>Possible control indicators</p>
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<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with the regulatory or financial framework.</p>	<p>Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed Adjustments / budget reviews.</p> <p>Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO.</p> <p>In-depth financial checks and taking appropriate measures (e.g. guaranty, lack or deferral of pre-financing(s)) for high risk beneficiaries.</p> <p>Reinforce financial and contractual circuits. Financial viability checks</p>	<p>100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements.</p> <p>Depth/Risk may be determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures, start-up companies, long-term working relations) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p> <p>Based on legal nature of the applicant/beneficiary</p>	<p>Costs: estimation of cost of staff involved in the contracting process (costs of initiation and verification related to controls).</p> <p>Benefits: Prevented, detected, corrected errors or irregularities during the evaluation and selection.</p>	<p>Effectiveness: % of selected proposals with recommendations implemented in grant agreement.</p> <p>Amount of proposed costs rejected.</p> <p>Efficiency Indicators: Value of grant agreements completed over budget requested in the corresponding proposals (%).</p> <p>Time-to-Grant.</p>
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Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The 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.</p>	<p>Operational and financial checks in accordance with the financial circuits. Approval of technical reports by the operational Units.</p> <p>Operation authorisation by the AO.</p> <p>Audit certificates.</p> <p>For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For LIFE projects: each project is visited every year by the monitoring team and once in its lifetime by the operational Unit.</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>For LIFE projects (80% of the Budget) visit of each project once a year by the monitoring team and once in its lifetime by the desk from the operational Unit.</p> <p>Riskier operations subject to in-depth and/or on-site controls.</p> <p>The depth depends on the risk criteria.</p>	<p>Costs: Estimation of cost of staff involved in the actual management of running projects (costs of initiation and verification related to controls; allocated time of technical staff; allocated cost of monitoring visits). Costs of audit certificates.</p> <p>Benefits: Prevented, detected, corrected errors or irregularities during the execution phase, through monitoring. Budget value of the costs claimed by the beneficiary, but rejected by the project officers. Budget value of the part of the grant not paid out as pre-financing for projects that have been terminated by the Commission. Budget value of penalties and liquidated damages.</p>	<p>Effectiveness: % of time sheet error reports of total number of on-site monitoring visits. Number of control failures; budget amount of the errors concerned.</p> <p>Number of projects with cost claim errors; budget amount of the cost items rejected. Number of penalties damages; amount of the penalties damages. Success ratios; % of value of cost claims items adjusted over cost claims value.</p> <p>Efficiency Indicators: Cost/benefit ratio % cost over annual amount disbursed.</p>
	<p>For high risk operations, reinforced monitoring.</p> <p>LIFE projects: Ex-ante verification on-the spot (OV and/or FV) – e.g. monitoring visits. Identify projects for risk-based ex-post audit.</p>	<p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, unstable consortium, requesting many amendments, EWS or anti-fraud flagging, etc.</p>		
	<p>If needed: application of suspension/interruption of payments, Penalties or liquidated damages. Referring grant beneficiaries to OLAF.</p>	<p>Depth: depends on results of ex-ante controls.</p>		

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

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

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

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

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

ANNEX 6: Evaluations and other studies finalised or cancelled in 2015

Reference N° of Annex 4 MP2015	Title	Reason ¹	Scope ²	Type of evaluation or other study			Associated DGs	Costs (EUR)	Comments	Reference	Cancelled
				Focus ³	Author ⁴	Type ⁵					
I. Evaluations finalised or cancelled in 2015											
II. Other studies finalised or cancelled in 2015											
a. other studies finalised in 2015											
No 1 in Annex 4 of MP2015	Further development of the European reference model on waste generation and management		to support implementation	P	E	R		174,995.80	SI2.682849		
No 2 in Annex 4 of MP2015	Environmental fiscal reform potential in 14 EU Member States		to inform policy development	P	E	R		129,970.00	SI2.685390		
No 3 in Annex 4 of MP2015	Assessment of RoHS exemption requests for cadmium anodes in Hersch cells and for lead in solders		to support implementation	P	E	R		17,837.50	SI2.585462		
No 4 in Annex 4 of MP2015	Potential of impact assessments to support environmental goals		to inform policy development	P	E	R		43,995.00	SI2.685866		
No 5 in Annex 4 of MP2015	Economic and environmental implications for the EU of strengthening cooperation with the Eastern Neighbourhood countries		to inform policy development	P	E	R		29,800.00	SI2.686304		
No 6 in Annex 4 of MP2015	8th adaptation to scientific and technical progress of certain exemptions to the End-of-life Vehicles Directive		to support implementation	P	E	R		On-going			
No 7 in Annex 4 of MP2015	WEEE recovery targets, preparation for reuse targets and the method for the calculation of the recovery targets		to support implementation	P	E	R		117,090.00	SI2.687778		

No 8 in Annex 4 of MP2015	Analysis of impacts of the RoHS 2 Directive on non-road mobile machinery without an on-board power source, on windows and doors with electric functions and on the refurbishment of medical devices		to support implementation	P	E	R		44,997.50	SI2.587871		
No 9 in Annex 4 of MP2015	Green public procurement networking needs		to inform policy development	P	E	R		14,850.00	SI2.688415		
No 10 in Annex 4 of MP2015	Assessment of the impacts of different classification approaches for hazard property "H 14" on selected waste streams		to support implementation	P	E	R		123,666.00	SI2.688635		
No 11 in Annex 4 of MP2015	Support to Member States in improving hazardous waste management based on assessment of their performance		to support implementation	P	E	R		On-going			
No 12 in Annex 4 of MP2015	Assessment of exemptions for hazardous substances in crates and pallets		to support implementation	P	E	R		25,000.00	SI2.689489		
No 13 in Annex 4 of MP2015	Environmental and economic benefits for the EU of strengthening co-operation with the Latin American region in the field of environment		to inform policy development	P	E	R		29,950.00	SI2.689766		
No 14 in Annex 4 of MP2015	Ratification of the Minamata Convention by the EU - Complementary assessment of the mercury export ban		to inform policy development	P	E	R		49,705.00	SI2.690723		
No 15 in Annex 4 of MP2015	Municipal waste compliance & promotion exercise 2014-2015		to support implementation	P	E	R		On-going			
No 16 in Annex 4 of MP2015	Assessment of separate collection schemes in the 28 EU capitals		to support implementation	P	E	R		181,400.00	SI2.691401		
No 17 in Annex 4 of MP2015	Socioeconomic impact of increased reparability		to inform policy development	P	E	R		On-going			
No 18 in Annex 4 of MP2015	Study to provide time-series data for the cost of environmental legislation for selected industries over time		to support implementation	R	E	R		On-going			
No 19 in Annex 4 of MP2015	Sustainability criteria for cities and development of a mathematical model for assessing environmental performance		to inform policy development	P	E	R		67,650.00	SI2.693097		

No 20 in Annex 4 of MP2015	Environmental impacts and risks resulting from exploration and production of hydrocarbons		to inform policy development	P	E	R		On-going			
No 21 in Annex 4 of MP2015	Interaction of resource and labour productivity		to inform policy development	P	E	R		On-going			
No 22 in Annex 4 of MP2015	Resource efficiency and fiduciary duties of investors		to inform policy development	P	E	R		104,150.00	SI2.694043		
No 23 in Annex 4 of MP2015	Framework for Member States to support business in improving its resource efficiency		to inform policy development	P	E	R		On-going			
No 24 in Annex 4 of MP2015	Environmental and economic benefits for the EU of strengthening cooperation with ASEAN member countries in the field of environment		to inform policy development	P	E	R		59,775.00	SI2.694451		
No 25 in Annex 4 of MP2015	Feasibility of a financial instrument to facilitate safe and sound ship recycling		to inform policy development	P	E	R		on-going			
No 26 in Annex 4 of MP2015	Efficient functioning of waste markets in the EU - legislative and policy options		to inform policy development	P	E	R		On-going			
No 27 in Annex 4 of MP2015	Calculation of the benefits of chemicals legislation on human health and the environment		to support implementation	P	E	R		On-going			
No 28 in Annex 4 of MP2015	Harmonization of the format for the registration and reporting of procedures of electrical and electronic equipment to the national register and on the frequency of reporting		to support implementation	P	E	R		On-going			
No 29 in Annex 4 of MP2015	Biomass for energy imported from North America		to inform policy development	P	E	R		On-going			
No 30 in Annex 4 of MP2015	Development of a guidance document on the definition and classification of hazardous waste		to support implementation	P	E	R		89,800.00	SI2.697025		
No 31 in Annex 4 of MP2015	Assessment of four renewal requests for certain RoHS 2 Annex III exemptions		to support implementation	P	E	R		On-going			
No 32 in Annex 4 of MP2015	Biodiversity financing		to inform policy development	P	E	R		On-going			
No 33 in Annex 4 of MP2015	Health and social benefits of nature and biodiversity protection		to inform policy development	P	E	R		On-going			

No 34 in Annex 4 of MP2015	Conformity checking of Member State measures to transpose directives in the sector of the environment and climate change		to support implementation	P	E	R		230,095,00	SI2.689414		
No 35 in Annex 4 of MP2015	Survey on the public perception of environmental risks		to inform policy development	P	E	R		119,670.00	SI2.691225		
No 36 in Annex 4 of MP2015	Conformity checking of Member State measures to transpose directives in the sector of the environment and climate change		to support implementation	P	E	R		Double of N° 34			
No 37 in Annex 4 of MP2015	Dynamics of the Great Cormorant population of Europe		to support implementation	P	E	R		91,000.00	SI2.657707		
No 38 in Annex 4 of MP2015	Assessment of exemptions to the End-of-life Vehicles Directive		to support implementation	P	E	R		On-going			
No 39 in Annex 4 of MP2015	Restoration efforts required for achieving the objectives of the Birds and Habitats Directives		to support implementation	P	E	R		On-going			
No 40 in Annex 4 of MP2015	Impact of accounting systems and rules on companies		to inform policy development	P	E	R		77,938.00	SI2.665182		
No 41 in Annex 4 of MP2015	Analysis of differences in implementation costs of EU policies		to inform policy development	P	E	R		80,325.00	SI2.665248		
No 42 in Annex 4 of MP2015	Impacts of resource efficiency on future EU demand for bioenergy		to inform policy development	P	E	R		On-going			
No 43 in Annex 4 of MP2015	Cases of implementing resource efficiency policies by the EU industry		to inform policy development	P	E	R		84,000.00	SI2.666956		
No 44 in Annex 4 of MP2015	Active dissemination of environmental information		to inform policy development	P	E	R		84,006.50	SI2.667141		
No 45 in Annex 4 of MP2015	Tracking biodiversity-related expenditure in the EU budget		to inform policy development	P	E	R		55,828.50	SI2.667263		
No 46 in Annex 4 of MP2015	Collection rates of waste electrical and electronic equipment (WEEE)		to support implementation	P	E	R		133,152.60	SI2.667383		
No 47 in Annex 4 of MP2015	Assessment of Waste Management Plans		to support implementation	P	E	R		On-going			
No 48 in Annex 4 of MP2015	Assessment of options for an effective sustainable product policy framework		to inform policy development	P	E	R		77,000.00	SI2.667393		
No 49 in Annex 4 of MP2015	Implementation Report 2010-2012 covering the harmonised Directives, the Batteries Directive and the Waste Shipment Regulation		to support implementation	P	E	R		105,187.60	SI2.688632		

No 50 in Annex 4 of MP2015	Invasive alien species – prioritising prevention efforts through horizon scanning		to support implementation	P	E	R		Cancelled tbc			
No 51 in Annex 4 of MP2015	How much biodiversity Natura 2000 covers		to support implementation	P	E	R		On-going			
No 52 in Annex 4 of MP2015	Identification and mitigation of the negative impacts of EU demand for certain commodities on biodiversity in third countries		to inform policy development	P	E	R		83,300.00	SI2.640120		
EP-2014 Pilot project	Biodiversity Protection through result-based remuneration		to inform policy development	P	E	R		339,845.80	SI2.668186		
NEW	Strengthening the co-operation with business sector against Illegal trade in Wildlife		to inform policy development	P	E	R		95,550.00	SI2.707476		
b. other studies cancelled in 2015											

ANNEX 7: Performance tables

<p>General objective: to contribute to securing the Union's long term prosperity within ecological limits, based on a smart, sustainable and inclusive economy, improved quality of life and wellbeing of citizens and a healthy environment</p> <p><input checked="" type="checkbox"/> Non-programme based³ <input checked="" type="checkbox"/> Programme based (LIFE)⁴</p>																														
<p>Impact indicator 1: Resource productivity, measured as GDP (Gross Domestic Product) over DMC* (Domestic Material Consumption) → proxy for greening the economy, sustainable competitiveness and reducing environmental impacts of resource use.</p> <p>Source: Eurostat; target based on COM (2001)264 "European Union Strategy for Sustainable Development", COM(2010) 2020 "Europe 2020, A strategy for smart, sustainable and inclusive growth", COM (2011)571 and SEC(2011) 2168 "Roadmap to a Resource Efficient Europe".</p>																														
Baseline	Target (continuous)	Current situation																												
<p>(2005, EU28)</p> <p>1.4 €/kg</p>	<p>Steady increase indicating decoupling of economic growth from resource use</p>	<table border="1"> <caption>Index of resource productivity (2005 = 100)</caption> <thead> <tr> <th>Year</th> <th>Index</th> </tr> </thead> <tbody> <tr><td>2002</td><td>100</td></tr> <tr><td>2003</td><td>102</td></tr> <tr><td>2004</td><td>100</td></tr> <tr><td>2005</td><td>100</td></tr> <tr><td>2006</td><td>102</td></tr> <tr><td>2007</td><td>102</td></tr> <tr><td>2008</td><td>105</td></tr> <tr><td>2009</td><td>112</td></tr> <tr><td>2010</td><td>118</td></tr> <tr><td>2011</td><td>115</td></tr> <tr><td>2012</td><td>125</td></tr> <tr><td>2013</td><td>127</td></tr> <tr><td>2014</td><td>128</td></tr> </tbody> </table> <p>Index: 2005 = 100</p>	Year	Index	2002	100	2003	102	2004	100	2005	100	2006	102	2007	102	2008	105	2009	112	2010	118	2011	115	2012	125	2013	127	2014	128
Year	Index																													
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2013	127																													
2014	128																													

*This indicator was described as measuring GDP over RMC (Raw Material Consumption) in 2015 Management Plan. DMC was finally preferred because of good time and country coverage; it is currently available for all Member States and widely used in other key indicator sets. Baseline set at 2005 EU28 following change of the source by Eurostat.

³ Reflecting the goal of the Europe 2020 Strategy and the 7th Environment Action Programme; specific objectives reflect priority objectives set in the 7th Environment Action Programme.

⁴ This objective is supported by the four General Objectives of the LIFE Programme, included in the *Draft General Budget of the European Commission for the Financial Year 2015, Working Document Part I: Programme Statements of operational expenditure* at http://ec.europa.eu/budget/library/biblio/documents/2015/DB/DB2015_WDI_en.pdf:

1. To contribute to the shift towards a resource-efficient, low-carbon and climate-resilient economy, to the protection and improvement of the quality of the environment and to halting and reversing biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems;
2. To improve the development, implementation and enforcement of Union environmental and climate policy and legislation, and to act as a catalyst for, and promote, the integration and mainstreaming of environmental and climate objectives into other Union policies and public and private sector practice, including by increasing the public and private sector's capacity;
3. To support better environmental and climate governance at all levels, including better involvement of civil society, NGOs and local actors;
4. To support the implementation of the 7th Environment Action Programme

Impact indicator 2: Common birds population, index 1990 = 100 → proxy for the state of biodiversity and the integrity of ecosystems; reflects wide-ranging pressures coming e.g. from agriculture, fisheries, energy and transport sectors

Source : Eurostat; ; headline target for biodiversity based on COM(2011) 244 "Our life insurance, our natural capital: an EU biodiversity strategy to 2020"

Baseline (2010)	Target (2020)	Current situation #
88*	Reverse or halt the decline	

* Baseline change in line with new index year fixed by Eurostat in 1990

<p>Specific objective 1: to protect, conserve and enhance biodiversity, the Union's natural capital</p>	<input checked="" type="checkbox"/> Non-programme based ⁵ <input checked="" type="checkbox"/> Programme based (LIFE) ⁶
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Indicator 1: Conservation status of species and habitats of European importance (percentage in conservation categories)

Source: Report on the state of nature in the EU; target based on COM (2011)244 'Our life insurance, our natural capital: an EU biodiversity strategy to 2020', Directive 2009/147/EC on the conservation of wild birds and Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora

Baseline (2001-2006, EU 25)	Target (2020)	Current situation
<p>Habitats: favourable (17%), unfavourable – inadequate (28%), unfavourable – bad (37%), unknown (18%)</p> <p>Species: favourable (17%), unfavourable – inadequate (30%), unfavourable – bad (22%), unknown (31%)</p>	Improve conservation status	

⁵ This and subsequent specific objectives reflect priority objectives set in the 7th Environment Action Programme; they also refer to the same ABB activity and general objective.

⁶ This objective is in particular supported by specific objective 2 of the LIFE Programme: Halting and reversing the biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems (see footnote 2).

<p>Indicator 2: Mean annual urban land take as a percentage of artificial land in 2000⁷ Source: Land Take, European Environment Agency 2013; target based on COM (2011)571 'Roadmap to a Resource Efficient Europe'; COM (2011) 244 'Our life insurance, our natural capital: an EU biodiversity strategy to 2020'</p>		
Baseline (2000-2006, EU28)	Target (2050)	Current situation
<p>The average value of EU-28 is 0.51% (data for Greece are not available) with a very wide range from 2.8 % in Spain or 2.3 % in Cyprus to 0.1% in Romania or Malta</p>	<p>No net land take</p>	<p>Provisional results for the period 2006-2012 (Spain still missing until early march) indicates a decrease in the mean annual urban land take, with 0.35% compared to 0.44% in the period 2000-2006, although some Member States (such as Poland, Latvia, Luxembourg or Estonia are experimenting an opposite trend)</p>

<p>Indicator 3: Percentage of the surface area of marine waters (marine regions and sub-regions) conserved through spatial protection measures⁸ (networks of marine protected sites in the context of Habitat, Birds and Marine Strategy Framework Directives) Source: EU draft budget 2014 – Working document of the Services of the Commission Part I – Programme Statements of operational expenditure; target based on Aichi Target 11 under the Convention on Biological Diversity (CBD) to cover at least 10% of all waters</p>		
Baseline	Target (2020)	Current situation
<p>5.9% in 2012 (including 4% through Natura 2000)</p>	<p>- in the 0-12nm zone: 20% - in Exclusive Economic Zone: 10%</p>	<p>5.9% in 2012 (including 4% through Natura 2000) Updated figures to monitor progress should become available in end 2016</p>

Main outputs 2015	Current situation
Mid-term review of the Biodiversity Strategy*	Adopted
An assessment of the state of nature in the EU*	Adopted
Preparation of the fitness check of the Birds and Habitats Directive* - Completion of MS, stakeholder & public consultations, organisation of stakeholder conference	Actions completed as planned
Completion and management of Natura 2000 and implementation of the nature legislation** - Adoption of COM decisions on Sites of Community Importance;	COM decisions adopted Seminars held

⁷ More information at: <http://www.eea.europa.eu/data-and-maps/indicators/land-take-2/assessment-2>

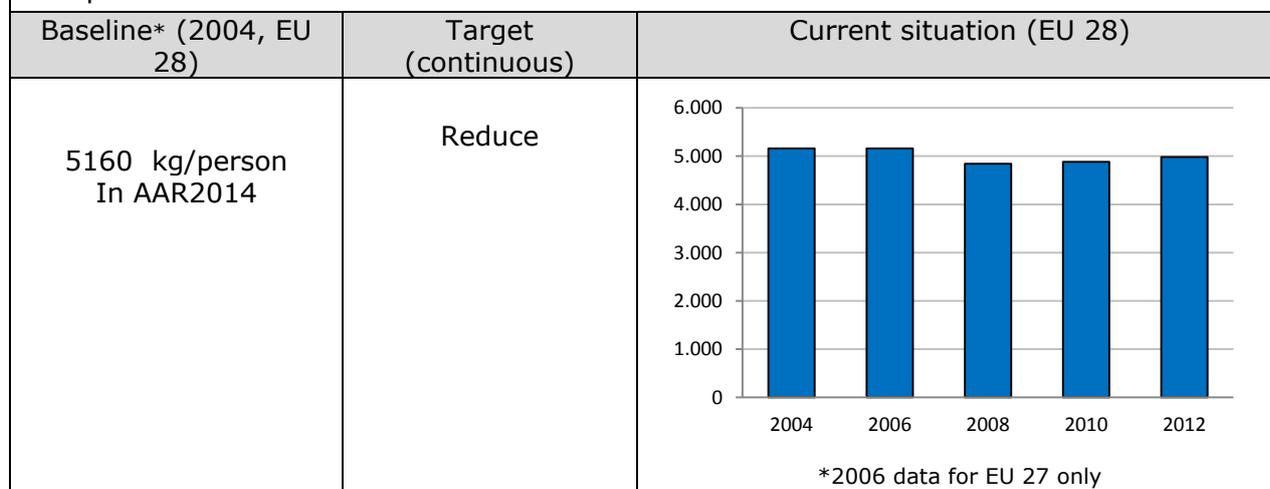
⁸ As required by Article 13.5 of Marine Strategy Framework Directive

Biogeographical Seminars for Marine, Continental, Pannonian, Black Sea and Steppe Regions*	
Implementation of the recently adopted Regulation on invasive alien species** Completion of Commission-led actions supporting implementation (e.g. preparation of initial list of species of EU concern and establishment of European Alien Species Information Network)	First list of invasive alien species of EU importance to be adopted in first half of 2016
Effective implementation of the Nagoya Protocol on access and benefit-sharing of genetic resources in the EU and the EU ABS Regulation	Commission Implementing Regulation adopted
Implementation of the Timber Regulation**	Review carried out in 2015, Report adopted early 2016
Further development of the biodiversity knowledge base: the Initial Mapping and Assessment of Ecosystems and their Services (MAES) and the enhancement of the EU Biodiversity Information System for Europe (BISE)*	Further progress achieved
Integration of biodiversity into key EU sectoral policies** Mobilisation and tracking of adequate financing support from key EU sectoral policies; evaluation of Prioritised Action Frameworks for Natura 2000	Estimates of contributions from relevant sectoral policies to biodiversity objectives included in the draft annual budget
Implementation of the Marine Strategy Framework Directive** (including Article 21 report on Marine Protected Areas and Article 12 report on monitoring programmes)	Art. 21 report adopted; Art. 12 report postponed to early 2016
Work on marine litter and implementation of the recently adopted Directive on Maritime Spatial Planning*	Action included in CE Strategy
Natura 2000 Award Scheme to promote awareness about the network and recognise excellence in its management*	Successful event
Green Week*	Successful event

Specific objective 2: To turn the EU into a resource-efficient, green and competitive economy

Non-programme based
 Programme based (LIFE)⁹

Indicator 1: Total waste generated kg/person (excluding major mineral wastes)
 Source: Eurostat, 2015; target based on COM (2011)571 'Roadmap to a Resource Efficient Europe'



*Note: slight change to baseline data (2004) due to statistical updates

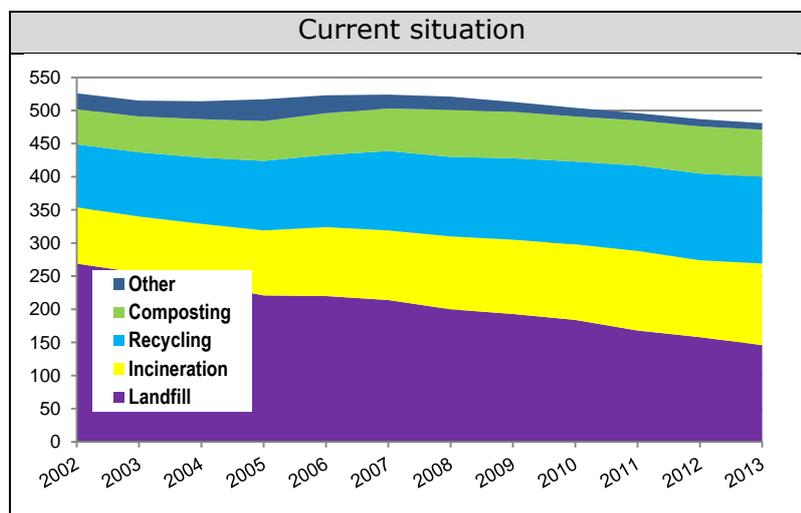
Indicator 2: Municipal waste generation (kg/person) and treatment (%): movement up through the waste hierarchy

Source: Eurostat, 2014; targets based on Directive 2008/98/EC (Waste Framework Directive) and COM (2011)571 'Roadmap to a Resource Efficient Europe'

Baseline* (2002, EU 27)	Milestone (2020)	Target (continuous)
Generation: 527 kg/person Recycling & composting: 28% Incineration: 16% Landfilling: 51%	Recycling: 50% Proposal for 2030: 70%	Reduce generation Increase recycling & composting Reduce landfilling (towards virtual elimination)

*Note: Slight change to baseline data (2002) due to statistical updates

⁹ This objective is in particular supported by Specific Objective 1 of the LIFE Programme: Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation (see footnote 2).



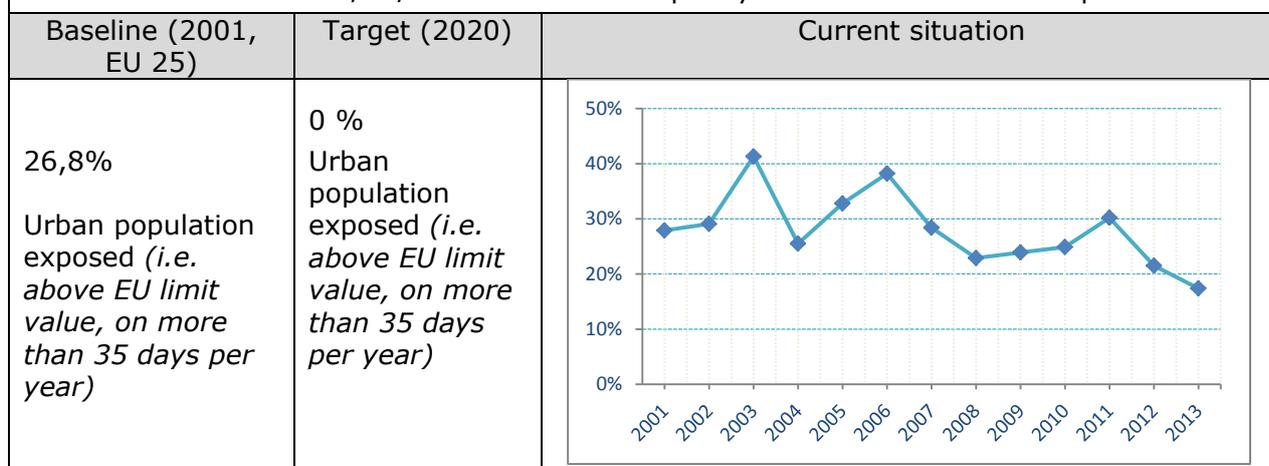
Main outputs 2015	Current situation
Providing input to the EU Semester and the Country Specific Recommendations *	Completed for 2015
Implementation of the different strands of the waste legislation, including the assessment of the MS Waste Management Plans, Waste Prevention Programmes and ex-ante conditionality under the cohesion policy**	On-going
Preparatory work for a report on the financial incentive mechanism under the Ship Recycling Regulation – interim report *	On-going
Report on WEEE scope and collection targets*	Adoption postponed to 2016
Proposal on RoHS scope*	Adoption postponed to 2016
Circular Economy Package*	Adopted
Contribution to the implementation of new state aid rules and promotion of market-based instruments to achieve environmental policy objectives, in particular in the EU semester context, including environmental taxation and green public procurement*	Completed
Advancing work on the environmental footprint of products and organizations *	In progress. Pilot phase on-going until end of 2016
Review of the Eco-innovation Action Plan*	External review completed. Follow-up internal activities on-going
Work on the direct and indirect impacts of bioenergy and bio-economy on land (forests, agricultural and natural) and on wider environmental and economic impacts *	On-going

Specific objective 3: to safeguard the Union's citizens from environment-related pressures and risks to health and wellbeing

☒ Non-programme based
☒ Programme based (LIFE)¹⁰

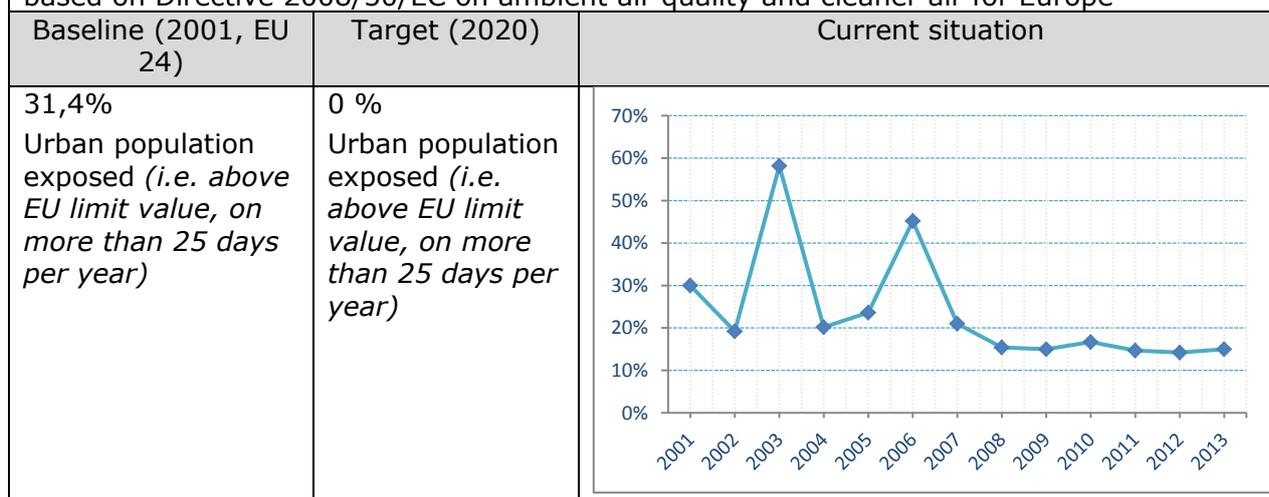
Indicator 1: Exposure to air pollution (part 1): Percentage of urban population exposed to **PM10** concentrations above the EU limit value (i.e. a daily PM10 concentration exceeding 50 µg/m³ on more than 35 days a year)

Source: European Environment Agency (data for GR, HR and MT is not included); target based on Directive 2008/50/EC on ambient air quality and cleaner air for Europe



Indicator 2: Exposure to air pollution (part 2): Percentage of urban population exposed to ozone concentrations above the EU target value (i.e. maximum daily 8 hour mean O₃ concentration exceeding 120 µg /m³ on more than 25 days a year).

Source: European Environment Agency (data for CY, GR, HR and MT not included); target based on Directive 2008/50/EC on ambient air quality and cleaner air for Europe



¹⁰ This objective is supported by Specific Objective 1 of the LIFE Programme: Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation (see footnote 2).

Indicator 3: Percentage of surface water bodies in good ecological status or with good ecological potential (as defined by the Water Framework Directive)

Source: Commission report on the Implementation of the Water Framework Directive - River Basin Management Plans (RBMP) - COM(2012) 670; countries that have not reported RBMP, or not reported exemptions or have high unknown status, are not included; target based on Directive 2000/60/EC "Water Framework Directive"

Note: Good Ecological Status also requires respecting the environmental flow necessary for ecosystems to be healthy. It expresses both qualitative and quantitative aspects of water status in surface water bodies. Therefore, this indicator is also relevant to specific objectives 1 and 2 above on preserving natural capital and the efficient use of resources.

Baseline (2009, EU 21)	Target (2015)	Current situation*
43%	100% of water bodies to which justified exemptions do not apply	53%** (for 21 MS which reported their RBMP)

* More recent information will be available when Member States report on their updated RBMP, reporting due in March 2016. Responsibility for compliance with the Water Framework Directive lies with the Member States. Implementing measures in other environmental legislation on pollution control, respecting environmental conditionality when implementing the Common Agricultural Programme and taking the appropriate national measures should lead to improved compliance. The Commission has assisted and continues to assist Member States in their efforts through a variety of actions including guidance.

** Best estimate on basis of current data to be confirmed.

Indicator 4: Nitrate concentrations in ground- and surface waters: percentage of sampling points with concentration greater than 50 mg nitrate/ L

Source: Report on implementation of Council Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources based on Member State reports for the period 2008-2011, COM (2013) 683; target based on Directive 91/676/EEC on the protection of waters against pollution caused by nitrates from agricultural sources.

Note: Lower concentration of nitrates in surface waters are normal, because of a dilution factor compared to groundwater. However surface water hotspots with high concentrations can occur and even if the nitrate concentration is below 50 mg/L, surface waters can be polluted because of eutrophication - eutrophication was not chosen as an indicator for issues of simplicity and comparability.

Baseline (2004-2007, EU 27)	Target*	Current situation*
Ground waters: 15% Surface waters: 3%	Reduction of nitrate concentrations in waters; no sampling points (= 0%) above 50 mg nitrates per L	Ground waters: 14,4% (2008-2011) Surface waters: 2,4 % (2008-2011) *note from AAR 2014: Compliance with the threshold of 50 mg/l nitrates does not imply necessarily compliance with the Water Framework Directive, for which 'good status' of water bodies must be achieved (only 43% of the River Basin Management Plans reported by 21 MS have reached the status). In many river basins, the nutrient conditions consistent with good status require nitrate concentrations much lower than 50 mg/l.

(Next report 2012-2015 due in 2016)

Indicator 5: Production of toxic chemicals, share of toxicity classes (from most to least

dangerous) (million tonnes /year and percentage)¹¹

Source: Eurostat; target based on the review of the EU Sustainable Development Strategy - European Council conclusions of June 2006 and Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

Baseline (2004, EU 28)*	Target	Current situation
<p>Total production: 335 million tonnes, of which 233 million tonnes were toxic chemicals: 66% CMRs¹²: 11% Chronic toxic: 6% Very toxic: 13% Toxic: 16% Harmful: 19%</p>	<p>A shift away from the two most dangerous classes of toxic chemicals towards less harmful chemicals</p>	<p>The chart displays the production of toxic chemicals in million tonnes from 2004 to 2014. The total production starts at approximately 335 million tonnes in 2004 and shows a general downward trend, ending at approximately 325 million tonnes in 2014. The production is broken down into six categories: Harmful chemicals (19%), Toxic chemicals (15%), Very toxic chemicals (13%), Chronic toxic chemicals (6%), CMRs (10%), and All toxic chemicals (63%). The 'All toxic chemicals' category is the largest, followed by 'Harmful chemicals' and 'Toxic chemicals'.</p>

* In 2015 Eurostat revised the methodology for the calculation of the indicators on chemicals. These changes were not known when ENVs 2015 ManPlan was drawn up. The break-down into five toxicity classes has been adapted to the hazard classification of the Globally Harmonised System for the classification and labelling of chemicals, implemented in the EU by the CLP Regulation. The revised methodology also includes for the first-time information from the Classification and Labelling Inventory of the European Chemicals Agency (ECHA) established under REACH.

Indicator 6: Exposure to noise: Percentage of population in urban areas exposed to more than 55 dB Lden and 50 dB Lnight

Source: European Environment Agency – EIONET; 'reduce' target based on Directive 2002/49/EC relating to the assessment and management of environmental noise, and on the 7th EAP for WHO values

Baseline (2007, EU 27)	Target	Current situation
65%	Reduce and approach WHO values	Data are incomplete and not comparable to the baseline due to the change in scope of the reporting requirements. However, noise remains a serious issue in the EU, as an estimated 125 million people are affected by noise levels greater than 55 decibels (dB) from road traffic alone.

Main outputs 2015

¹¹ Includes chemicals covered by biocides and REACH legislation

¹² CMRs - carcinogenic, mutagenic and reprotoxic chemicals

	Current Situation
Review of the Shale Gas Recommendation*	On-going
Implementing acts under the REACH legislation to improve implementation of authorization and the functioning of the Substance Information Exchange Forums**	For adoption in 2016
Endocrine disruptors: implementing the 1999 strategy, including test method development + on-going related work at OECD, and REACH related work *	On-going
Follow-up to the Communication on Chemical Mixtures, including an assessment report*	Adoption in 2016
Commission Regulations amending the Annexes to REACH for registration of nano-materials*	Adoption in 2016
Implementation of the Water Framework Directive, including the development of tools under the Common Implementation Strategy**	On-going
Reports on the implementation of the Water Framework Directive and the Floods Directive*	Adopted
Preparation of measures for water reuse*	Included in CE strategy
Commission / EEA Report on Bathing Water**	Published
Commission Report on Urban Wastewater Directive**	Adoption early 2016
Implementation of the Nitrates Directive**	On-going
Commission Directive (EU) 2015/1480 amending several annexes to Directives 2004/107/EC and 2008/50/EC of the European Parliament and of the Council laying down the rules concerning reference methods, data validation and location of sampling points for the assessment of ambient air quality	Adopted
Implementation of the air quality legislation and further evolution of air quality policy**	On-going
Inter-institutional discussions on the Air package**	On-going. First part completed with the adoption of Directive on medium combustion plants
Implementation of the Industrial Emissions Directive and development of Best Available Techniques (BAT) conclusions for selected industrial sectors**	BAT conclusions adopted for production of wood-based panels
Ratification of Minamata Convention on mercury*	Adoption of proposals in early 2016

Specific objective 4: To create and maintain the enabling framework for environmental policy based on smart implementation, a strong knowledge and evidence base, investment, and improved environmental integration and policy coherence.

☒ Non-programme based
☒ Programme based (LIFE)¹³

Indicator 1: Effectiveness of application of EU environment legislation: Number of open infringement cases and EU pilot files.

Source: DG Environment

Baseline (2013)	Target	Current situation
Infringements: 353 - Non-communication cases: 94 - Non-conformity cases: 68 - Bad application cases: 191 EU Pilots: 432	<i>For infringements:</i> effective and uniform implementation of EU environmental legislation as reflected into the decrease in the number of open infringement cases <i>For EU Pilots:</i> effective and uniform implementation of EU environmental legislation via this resolution mechanism	Infringements: 286 - Non-communication cases: 56 - Non-conformity cases: 47 - Bad application cases: 183 EU Pilots: 291

Indicator 2: Media outreach: Audience reached by awareness campaigns (Internet, social media, other media, viral videos, events), DG Environment website visits, viewers of audio-visual products

Source: DG Environment; target set by DG Environment

Baseline (2010, EU 27)	Target	Current situation
Awareness campaigns audience: 17.3 millions DG Environment website visits: 7.7 millions Viewers of Audio-visual products: 2.3 billions	Increase	<p>The chart displays three data series from 2010 to 2015:</p> <ul style="list-style-type: none"> Viewers of audio-visual products (millions): Represented by light orange bars, showing values of approximately 17.3 (2010), 18.0 (2011), 29.0 (2012), 26.5 (2013), 9.5 (2014), and 10.0 (2015). DG ENV website - visits / visitors (millions): Represented by dark orange bars, showing values of approximately 7.7 (2010), 6.5 (2011), 8.5 (2012), 10.0 (2013), 9.0 (2014), and 10.0 (2015). Awareness campaigns audience (billions)*: Represented by dark brown bars, showing values of approximately 0.2 (2010), 0.1 (2011), 0.3 (2012), 0.1 (2013), 0.1 (2014), and 0.1 (2015). <p>*whole series, including baseline updated following new corporate method for monitoring total reach</p>

¹³ This objective is in particular supported by specific objective 3 of the LIFE Programme: Support better environmental governance and information at all levels, together with specific objective 2: Resource Efficiency (see reference in footnote 2).

Indicator 3: Structural funds interventions

Source: DG REGIO

	Baseline	Target (2017-2015 cumulative)	Latest known results (2014-2020 cumulative)
Additional waste recycling capacity **	Not applicable (NA)	NA**	3,3 million tonnes/year (CF) 2,5 million tonnes/year (ERDF)**
Additional population served by improved water supply*	NA	15 million*	7,9 million persons (CF) 4,5 million persons (ERDF)
Additional population served by improved wastewater treatment*	NA	19,7 million*	8,3 million population equivalent (CF) 8,5 million population equivalent (ERDF)
Total surface area of rehabilitated land**	NA	NA**	689 Hectares (CF) 2876 Hectares (ERDF)**
Surface area of habitats supported to attain a better conservation status**	NA	NA**	326 806 Hectares (CF) 6 046 867 Hectares (ERDF)**

* Targets result from 2007-2013 Operational Programmes (OPs);

** Specific to 2014-2020 framework

Indicator 4: % of EAFRD payments related to environment and climate

Source: DG AGRI. Target based on Regulation (EU) 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

Note: EAFRD within DG AGRI portfolio. DG Environment provides input on policy matters.

Baseline (2012, EU 27)	Target	Current situation
45 %	Maintain the percentage	51.3% (for year 2014, not cumulative, total for both periods 2007-2013 and 2014-2020)*

* Despite the fact that the expenditure earmarked for the environment remains high in 2014, the farmland bird indicator continues to decline, the status of the habitats and species indicator is poor and the gap for achieving good water status is still important. This indicates that the fund is partially effective: only part of this spending is well designed, targeted, used on measures with high environmental added value and consistent with environmental legislation.

Indicator 5: Fish catches from stocks outside safe biological limits: managed by the EU in the North-East Atlantic¹⁴ (% of total catches per year)

Source: International Council for the Exploration of the Sea, 2012; target based on COM (2011)244 'Our life insurance, our natural capital: an EU biodiversity strategy to 2020'

Note: Fisheries within DG MARE portfolio. DG Environment provides input on policy matters.

Baseline (2008)	Target (2015)	Current situation*
<p>Total: 10.8%</p> <p>Pelagic (e.g. herring): 7.4%</p> <p>Benthic(e.g. prawns.): 11%</p> <p>Demersal (e.g. cod): 49.6%</p> <p>Industrial (e.g. Sand eel): 0%</p>	<p>0% of catches outside safe biological limits in all areas in which EU fishing fleets operate</p>	<p>Legend for Current situation*:</p> <ul style="list-style-type: none"> Total (Orange bar) Demersal (Yellow line): e.g. Cod, Haddock, Hake, Other roundfish Benthic (Green dashed line): e.g. Sand eel, Norway pout, Sprat Pelagic (Teal line): e.g. Herring, Anchovy, Sardine, Horse mackerel, Redfish Industrial (Black dashed line): e.g. Prawns, Flattish, Anglerfish

* No update available; a new indicator is under development

Indicator 6: Indicator 6: Getting prices right; environmental taxation: share of environmental taxes (energy, transport, pollution/resources) in total tax revenue (%), subsidies to fossil fuels (FFS) phased out

Source: Taxation trends in the European Union 2014, ESTAT and TAXUD; target based on COM (2011)571 'Roadmap to a Resource Efficient Europe'

Baseline (2010, EU27)	Target	Current situation
<p>Environmental taxation: 6.2% covering:</p> <p>energy: 4.7%</p> <p>transport: 1.3%</p> <p>pollution/resources: 0.2 %</p>	<p>Increase</p>	<p>Legend for Current situation:</p> <ul style="list-style-type: none"> Env-pollution/resources (Light grey) Env-transport (excl fuel) (Medium grey) Env-energy (Dark grey)
<p>FFS: €35.8 billion¹⁵</p>	<p>By 2020 environmentally harmful subsidies to be phased out</p>	

¹⁴ It is considered that a stock is within safe biological limits if its current biomass is above the Maximum Sustainable Yield (MSY) level advocated by the Common Fisheries Policy and Marine Strategy Framework Directive (MSFD), which ensures a high probability that the stock will be able to replenish itself.

¹⁵ Institute for Environmental Studies (IVM), "Enhancing comparability of data on estimated budgetary support and tax expenditures for fossil fuels", 2014.

Main outputs 2015	Current situation
<p>Legal enforcement and compliance work, as illustrated by the dynamics of the volumes of complaints, petitions, requests for access to documents, parliamentary questions, EU pilot and infringement procedures (see indicator 1) and number of cases dealt with in structured dialogue meetings with the Member States *</p> <p>Cooperation for compliance promotion and assurance purposes with professional networks, stakeholders and permanent bodies of international frameworks (IMPEL – European Union Network for the Implementation and Enforcement of the Environmental Law; BRIG – Better regulation Group of IMPEL; EUFJE – European Federation of Environmental Law Judges; ENPE – European network of Prosecutors; EIA/SEA experts group, Aarhus and Espoo Conventions secretariats.</p>	Continuous activity
<p>Integration of environmental elements (relating to biodiversity, soil, marine, water, air) into the implementation of the reformed CAP, CFP, Cohesion policies and into other key sectors (climate, maritime, transport, energy, health, research, enterprise), to ensure policy coherence and the sustainability of EU action**</p> <p>(a) Ex-ante conditionalities (b) Major Projects (c) Connecting Europe Facility (d) Macro-regional strategies (e) Financial instruments and mechanisms (EIB, EBRD, EEA).</p>	All 118 Rural Development Programmes have been assessed and negotiated by DG ENV in terms of environmental integration (biodiversity, air, water and soil).
Research policy: input to the Horizon 2020 work programme 2016-2017*	Completed
Dissemination of scientific information*	Published
Promotion of a systematic policy approach on environmental risk*	On-going
Report on the Environmental Liability Directive*	Adoption in 2016

Specific objective 5: to enhance the sustainability of the Union's cities	<input checked="" type="checkbox"/> Programme based (LIFE) <input checked="" type="checkbox"/> Non-programme based
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Indicator 1: Number of eligible cities (of 100,000 or more inhabitants) applying for the European Green Capital Award (EGCA)		
Source: DG Environment, EU28, Norway, Switzerland and Liechtenstein; target set by DG Environment		
Baseline (2013)	Target	Current situation
14 cities applied for EGCA in 2012-2013*	Increased number of cities applying for EGCA each year	7 cities applied for EGCA 2018

*This was a two-year award

Main outputs 2015	Current situation
Development of urban environment performance criteria and indicators*	On-going
European Green Capital Award*	Awarded

Specific objective 6: to increase the Union's effectiveness in addressing international environmental challenges.		<input checked="" type="checkbox"/> Non-programme based <input checked="" type="checkbox"/> Programme based (Environment component of the Global Public Goods and Challenges Thematic Programme ¹⁶)
Indicator 1: Level of progress towards a "greener", resource efficient global economy as <i>inter alia</i> reflected by clear policy commitments at the multilateral level Source: DG Environment; target based on the outcome of the UN RIO+20 conference		
Baseline (2013)	Target	Current situation
Following the Rio+20 outcome document <i>The Future We Want</i> (June 2012), the UN agreed a roadmap towards a post-2015 development agenda that brings together the poverty eradication and sustainable development objectives. A set of Sustainable Development Goals is being elaborated and the High Level Political Forum (HLPF) on sustainable development had its inaugural session.	Successful agreement on Sustainable Development Goals, part of the overall post-2015 development framework, resulting in overcoming the divide between economic, social and environmental policies and achieving a shift towards a more resource efficient economy.	Agenda 2030 on Sustainable Development and 17 SDGs adopted, setting out a comprehensive and universal path to poverty eradication and sustainable development

Indicator 2: EU participation in Multilateral Environmental Agreements: Number of MEAs the EU is a signatory or a party to Source: DG Environment		
Baseline (2014)	Target	Current situation
EU signatory or party to 48 MEAs On-going accession to CITES (Sustainable Trade in wildlife species)	The EU joins Conventions to which it is not yet a party (e.g. CITES and Bucharest Convention) and ratifies newly agreed Conventions and Protocols (e.g. Minamata Convention on mercury)	The CITES accession process was completed in July 2015 and the EU is now party to CITES. All necessary proposals submitted to enable ratification of the Minamata Convention on reducing emissions of mercury.

Indicator 3: Progress along pre-accession path for candidate countries and potential candidates (implementation of the Stabilisation and Association Agreements) Source: DG Environment		
Baseline (2012)	Target	Current situation
Enlargement countries are making gradual progress towards transposition and implementation of the EU <i>acquis</i> . However, institutions are generally weak, technical capacity is limited, finance is insufficient and	Alignment with EU environment legislation by candidate and potential candidate	Serbia and Montenegro are at an early stage of preparation in the area of environment although some progress was made in further aligning policies and legislation with

¹⁶ Part of the Instrument for Development Cooperation (IDE)

<p>stakeholder involvement is limited. New impetus for enlargement came with decisions of the European Council to open negotiations with Montenegro and Serbia and to negotiate a Stabilisation and Association Agreement with Kosovo. To complement support at national level, the Environment and Climate Regional Accession Network (ECRAN) will assist countries in moving closer to the implementation of EU policy¹⁷.</p>	<p>countries</p>	<p>the environment <i>acquis</i>. After three years' hiatus bilateral dialogue on environment was resumed with Turkey. Horizontal legislation, water, air quality and nature protection areas still need to be addressed. All enlargement countries continued working on approximation of environment legislation in the ECRAN framework.</p>
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<p>Indicator 4: Environmental provisions introduced in bilateral agreements between the EU and third countries and regions Source: DG Environment</p>		
Baseline (2013)	Target	Current situation
<p>Ensure a strong environment component in the Partnership and Co-operation Agreements (PCAs), Free Trade Agreements (FTAs) and EDF/DCI (European Development Fund/ Development Cooperation Instrument) Programming plans (MIPs) agreed with third countries and regions.</p>	<p>Environment provisions appropriately reflected and implemented in the PCAs, FTAs and MIPS and Annual Action Plans.</p>	<p>In May 2015, The EU co-chaired the Union for the Mediterranean Ministerial Conference on Environment and Climate Change held in Athens. The Ministerial Declaration, the first in the Euro-Mediterranean context in almost a decade, establishes a robust political base for further work and progress in the adoption of EU standards. Following the first Eastern Partnership Informal Ministerial Dialogue on Environment in 2015, DG ENV will organise in October 2016 a formal Ministerial on Environment. The main outcome of this meeting will be a Ministerial Declaration.</p> <p>2014 marked the entry into force of the Association Agreements with Moldova, Georgia and Ukraine which contain a very ambitious environmental chapters requiring approximation with a significant portion of the EU environmental <i>acquis</i>. Bilateral dialogues on environment to implement the environmental parts of</p>

¹⁷ ECRAN is financed from a regional IPA (Instrument for Pre-Accession Assistance) programme sub-delegated to DG environment

		Agreements were re-launched with these countries in 2015. New agreement is currently being negotiated with Armenia and planned to be negotiated with Azerbaijan. DCFTAs are currently being negotiated with Morocco and Tunisia.
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Indicator 5: Number of significant timber exporting countries with which the EU has signed agreements to prevent illegal logging (Voluntary Partnership Agreements) → as a means of reducing trade in timber products related to illegal logging to negligible levels¹⁸
Source: DG Environment 2014

Baseline (2012)	Target	Current situation
VPAs ratified to date: 5 VPAs negotiations concluded but pending ratification : 1 VPAs under negotiation: 9 Significant timber exporting countries (globally): 20	Increased number of ratified VPAs	VPAs ratified to date: 6 VPAs negotiations concluded but pending ratification : 0 VPAs under negotiation: 9 Significant timber exporting countries (globally): 20

Main outputs 2015	Current situation
Contribution to the Post-2015: Global Partnership, Means of Implementation, Monitoring, Review and Accountability Communication*	2030 Agenda / SDGs adopted
Effective functioning of the Nagoya Protocol on access and benefit-sharing at the international level**	Ongoing efforts to increase the number of Parties, to strengthen their capacities and to monitor compliance
Implementation and review of the Forest Law Enforcement Governance and Trade (FLEGT) Action Plan**	Court of Auditor report and Commission Evaluation of the FLEGT Action Plan were conducted in 2015
Negotiations, conclusion and implementation of FLEGT Voluntary Partnership Agreements**	Negotiations still ongoing in 9 countries; final preparations for start of import of FLEGT-licensed timber from Indonesia
Increased EU focus on wildlife trafficking*	Action plan prepared for adoption in 2016
Effective implementation of the EU Wildlife Trade Regulations**	Updated implementing regulations and "suspension" regulation and guidance documents adopted
Greater effectiveness of international environmental governance, including at the United Nations Environment Assembly (UNEA) and through the UN Environment Programme (UNEP)**	Ongoing preparations for UNEA 2 in May 2016; Commission strengthened its framework for policy dialogue with UNEP
Coordination and representation of the EU positions at the 2015 Basel, Rotterdam and Stockholm Conferences of the Parties, at INC-7 on mercury and SAICM's ICCM-4	Mostly completed; preparations ongoing for INC 7 in March 2016

¹⁸ Among others, stimulated by the entry into force of the EU Timber Regulation (Regulation (EU) No 995/2010 laying down the obligations of operators who place timber and timber products on the market)

(chemicals)**	
Integration of sustainability/environmental concerns into trade agreements, including free trade agreements (FTA), the Transatlantic Trade and Investment Partnership (TTIP), and the Environmental Goods Agreement (EGA)**	FTA negotiations with Vietnam concluded in December 2015, with substantive provisions on environment. TTIP negotiations ongoing: in October 2015 the EU tabled a proposal for a chapter on Trade and Sustainable Development including substantive provisions on environment. Other FTAs and EGA negotiations are ongoing.
A more effective implementation of multilateral environmental agreements (MEAs), including their operational sustainability**	Commission renewed its programmatic cooperation on improved environmental governance with UNEP and MEAs for 2014-2017; Preparations ongoing for the start of the Special programme to support the institutional strengthening at the national level for implementation of the Basel, Rotterdam, Stockholm, and Minamata Conventions
Cooperation with strategic partners, candidate and potential candidate countries as well as neighbourhood countries and regions**	On-going