



DRAFT GENERAL BUDGET OF THE EUROPEAN UNION

for the financial year 2018



Working Document Part I

Programme Statements of operational expenditure

Draft General Budget of the European Union for the Financial Year 2018



Working document Part I Programme Statements of operational expenditure

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Draft Budget Working Documents

The 2018 Draft Budget is accompanied by twelve 'Working Documents', as follows:

Part I: Programme Statements of operational expenditure

Working Document I contains Programme Statements, which constitute the main instrument for justifying the operational appropriations requested by the Commission in the Draft Budget. These Statements are coherent with the corresponding legal bases and provide details on the resources which are dedicated to each spending Programme.

Part II: Commission Human Resources

Working Document II presents information on Commission human resources, both for the establishment plans and for external personnel, across all headings of the multiannual financial framework. Moreover, pursuant to Article 38(3)(b)(v) of the Financial Regulation, it provides a summary table for the period 2014 – 2017 which shows the number of full-time equivalents for each category of staff and the related appropriations for all institutions and bodies referred to in Article 208 of the Financial Regulation.

Part III: Bodies set up by the European Union having legal personality and Public-private partnership

Working Document III presents detailed information relating to all decentralised agencies, executive agencies and Public-Private Partnerships (joint undertakings and joint technology initiatives), with a transparent presentation of revenue, expenditure and staff levels of various Union bodies, pursuant to Articles 208 and 209 of the Financial Regulation.

Part IV: Pilot projects and preparatory actions

Working Document IV presents information on all pilot projects and preparatory actions which have budget appropriations (commitments and/or payments) in the 2018 Draft Budget, pursuant to Article 38(3)(c) of the Financial Regulation.

Part V: Budget implementation and assigned revenue

Working Document V presents the budget implementation forecast for 2017, information on assigned revenue implementation in 2016, and a progress report on outstanding commitments (RAL) and managing potentially abnormal RAL (PAR) for 2016.

Part VI: Commission Administrative Expenditure

This document encompasses administrative expenditure under all budgets (heading 5) to be implemented by the Commission in accordance with Article 317 of the Treaty on the Functioning of the European Union, as well as the budgets of the Offices (OP, OLAF, EPSO, OIB, OIL and PMO).

Part VII: Commission buildings

Working Document VII presents information on buildings under Section III - Commission, pursuant to Article 203(3) of the Financial Regulation.

Part VIII: Expenditure related to the external action of the European Union

Working Document VIII presents information on human resources and expenditure related to the external action of the European Union.

Part IX: Funding to international organisations

Working Document IX presents funding provided to international organisations, across all MFF headings, pursuant to Article 38(3)(d) of the Financial Regulation.

Part X: Financial Instruments

Working Document X presents the use made of financial instruments, pursuant to Article 38(5) of the Financial Regulation.

Part XI: EU Trust funds

Working Document XI presents the activities supported by EU Trust Funds, their implementation and performance.

Part XII: Payment schedules (*on-line publication only*)

Working Document XII presents summary statements of the schedule of payments due in subsequent years to meet budgetary commitments entered into in previous years, pursuant to Article 38(3)(f) of the Financial Regulation.

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The Multiannual Financial Framework 2014-2020 (MFF) and its spending programmes are one of the EU levers contributing to the achievement of the Europe 2020 political objectives of smart, sustainable and inclusive growth. The Europe 2020 targets express the longer-term direction necessary to sustain Europe's future. They help to measure and guide the different aspects of the strategy, with a view to steer political awareness and policy focus at both national and EU level. In line with the Europe 2020 strategy, the 10 Juncker priorities provide a clear and focussed agenda/strategy for the Commission. While the Commission's institutional performance framework is aligned with the Commission's political priorities, the performance frameworks of EU spending programmes are defined in their basic act, i.e. by the legislators. Both are coherent with the Europe 2020 strategy¹ and are designed to provide the Budgetary Authority (the European Parliament and the Council) with adequate performance information on programmes and activities, to support its decision-making on the allocation of resources (budgetary procedure).

Although the EU budget represents around 1% of EU Gross National Income (GNI), and just above 2% of all public spending in the EU, actions supported are important tools for the achievement of many of Europe's strategic priorities. Given that strengthening performance is an overarching goal of the Commission (*"Every action we take must deliver maximum performance and value added"*), efforts are continued to deliver the best possible results with the EU budget, also through the joint action of its Programmes to tackle unexpected crises such as the refugee crisis. In particular, the *EU Budget Focused on Results* initiative was launched aiming to strengthen the systematic focus upon performance and results, while making it easier for citizens and stakeholders to understand the objectives and impacts of the EU budget. The *EU Budget Focused on Results* is an incremental process to bring about improvements to the use of EU funding: by aligning it closer to priorities, adding flexibility to predictability, diversifying the delivery mix by adding financial instruments to traditional grant schemes, and by simplifying the rules for spending and implementation, thereby optimising the cost-effectiveness of the underlying control framework.

Addressing these substantive elements is possible based on a well-established underlying performance framework. Over the years, the Commission has introduced performance reporting mechanisms designed to explain spending programmes operations and demonstrate how EU funds are being used to achieve policy goals. With the objective to make sure that every Euro is spent effectively and serves the intended political purpose, the performance framework has seen a conceptual shift from an approach that was primarily based on input measurement (the money invested), to a model designed to provide EU decision makers and citizens with a clear picture on progress towards outputs and results achieved.

All legal and implementing basic acts of the spending programmes under the 2014-2020 Multi-annual Financial Framework (MFF) contain performance frameworks defining objectives and setting out indicators to measure progress, as well as monitoring, reporting and evaluation arrangements². Implementation of the performance framework is updated once a year in the working document accompanying the draft budget i.e. the Programme Statements (PS). The annual Management and Performance Report for the EU Budget³ brings together information on both the performance and management of the EU budget and provides a holistic view on how the EU budget is being used to support the Union's political priorities.

The EU budget is primarily an investment-focused budget, with an emphasis on allocating resources towards specific EU-wide goals, rather than duplicating national budget allocations. Investment programmes are, by their nature, best considered from a multi-annual rather than an annual perspective, and it is notable that the EU budget has a strong multi-annual character, to a degree unmatched in any EU member state. For that reason there is no automatic link between performance information and budgetary allocations. However the evidence on the performance is integrated in the annual and multiannual framework with a view to informing political decisions. The Programme Statements that accompany the draft budget each year include a performance structure that is designed, by the standards that apply in OECD countries, to provide all of the key information that is necessary for careful programme scrutiny: including 7-year financial commitments; programme performance baselines; targets to be achieved at the end of the multi-annual programming period; and intermediate milestones, measured by the indicators.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>

² This framework has been described and has been communicated to the other EU institutions through SWD (2014)200

³ https://ec.europa.eu/info/publications/2015-annual-management-and-performance-report-eu-budget_en

I. INTRODUCTION

Programme Statements overview

Purpose and structure of the document

The Programme Statements provide information according to Article 38 of the Financial Regulation, encompassing both the ex-post information on programmes' performance and ex-ante estimations in terms of future outputs and results. It informs on the purpose of each programme ('*why and on what do we spend?*'), the allocation of resources among the programmes and the progress toward achieving the objectives ('*is the programme progressing toward its targets?*'). The Programme Statements document includes primarily all EU spending programmes (as defined under the MFF) but also statements on financial intervention for activities that do not require a specific legal basis but have significant budgetary impact⁴.

The programmes are classified per budgetary heading, and each Programme Statement follows the same **structure** organised around 3 sections: the first section is intended to give the reader rapid information on the recent evolution in the implementation of the programmes; the second section provides evidence on performance and comparability across the years; the third section allows for the analysis of EU programmes' performance in a wider multi-annual context, taking into account evaluation results of the predecessor programmes.

Link with budgetary nomenclature

The budget nomenclature provides the clarity and transparency necessary for the budgetary process, facilitating the identification of the main objectives, and discussion of possible choices on political priorities and enabling efficient and effective implementation. It is organised around the concept of policy areas (budget titles). Each budgetary title corresponds to one policy area and each chapter, as a rule, corresponds to a programme. There is a direct link established between the programme objective(s) and budget line (articles or items) with the amounts allocated to the objective(s). In the Programme Statements, the link with budgetary nomenclature is ensured by providing side by side the description and number of the outputs and the information on the budget line(s) which finance these outputs.

Robust performance framework

The EU pursues the objectives established in the Treaty with a number of tools, one of which is the EU budget. Others are, for example, proposing legislation or pursuing policy strategies. Within this framework, the EU budget is allocated to the various activities and aligned as much as possible with the changing EU priorities. Almost half of its amount (heading 1: Smart and Inclusive Growth) aims to support competitiveness and cohesion with 34% for cohesion policy alone. About 40% is devoted to agriculture, rural development and fisheries (heading 2), around 2% to security and citizenship (heading 3), 6% to external relations (heading 4). This distribution shows that the overall structure of the 2014-2020 MFF was set up to deliver the Europe 2020 strategy and achieve its targets. This means that programmes concentrate on a limited number of high profile priorities to achieve a critical mass.

I. Programme update - this section presents the quantitative and qualitative information on implementation, based on the latest available performance data and provides an overview on (i) status of programme implementation (2014-2015), (ii) relevant findings of evaluations or programme related studies and (iii) information about forthcoming implementation (2016-2017).

II. Programme key facts and performance framework - this section includes:

- reference to the programme legal basis;
- overview of financial programming;
- programme implementation rates;
- the rationale of the ex-ante EU added value;
- contribution to Europe 2020, when applicable;
- mainstreaming of cross-cutting issues in EU interventions (climate, biodiversity and gender), when applicable;
- programme' objectives and their related performance indicators for which data on result is available;
- expected expenditure related outputs;
- programme's contribution towards the Sustainable Development Goals;
- information on the financial instruments and/or trust funds financed by the spending programme.

III. Performance of the predecessor programme - this part presents main lessons learned from the evaluation.

⁴ There are currently 60 Programme statements, out of which 3 concerns the programmes for which adoption of the legislative acts is pending and 2 are statements on financial intervention for activities that are not supported by a particular programme but have significant budgetary impact (e.g. tasks resulting from the Commission prerogatives at institutional level and EFSI).

In the shorter term, the European Commission as a political body operates based on policy priorities established by its President. For the current Commission in office, President Juncker has established 10 political priorities to respond to today's challenges by best using the available instruments for the pursuit of policy, encompassing both budget and legislative means.

Highly specified nature of the framework

The EU budget is spent in a very complex environment. Over 30 policy areas are funded with multiple sources of funding, using different type of instruments, under different management modes and involving different actors. This requires strong accountability and optimal control mechanisms to ensure the budget is properly and effectively spent.

In the OECD composite index⁵ the EU performance budgeting system scores considerably higher than all countries. This is driven by a high score for the “frameworks” component of the index, reflecting the highly specified nature of the EU performance budgeting system. The processes for monitoring and reporting on results in the EU are more elaborate than those in OECD countries. In particular the EU performance budgeting system is characterised with general guidelines and definitions, standard templates for reporting performance information, a standard set of performance indicators and targets and a standard ICT tool for entering/reporting performance information.

A strong catalytic effect

Working in conjunction with national budgets, the EU budget is a tool which complements policy and regulatory instruments to deliver on the EU priorities. Though it is relatively small in size (equivalent to approximately 2 % of overall public spending in the EU and 1 % of EU Gross National Income) it has strong leverage and catalytic effects. It has the ability to leverage funds through financial instruments; one prominent example of this is the European Fund for Strategic Investments. It can also help direct national public investments or pool investments from various sources towards the commonly agreed EU objectives through co-financing.

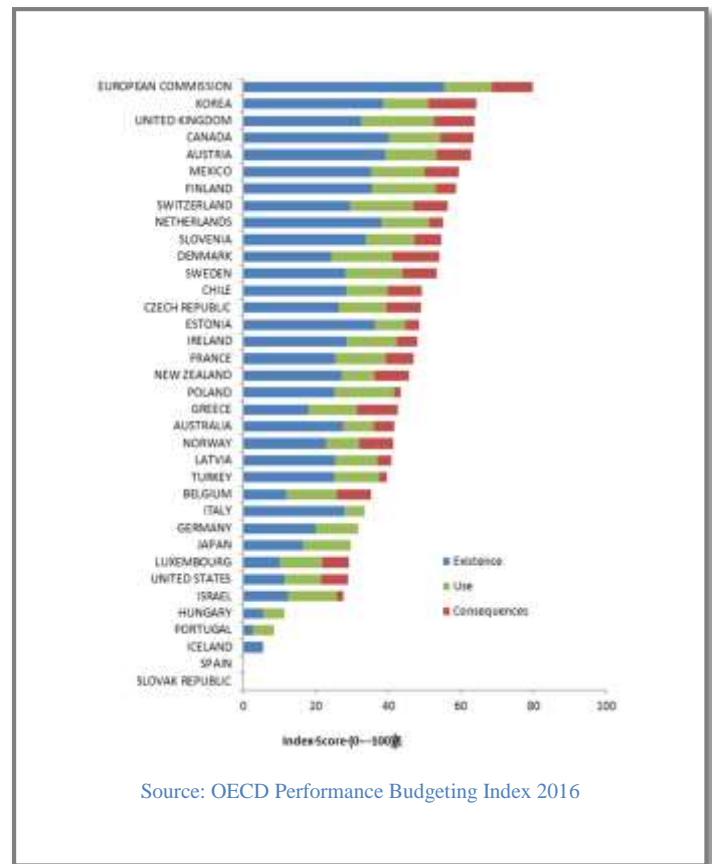
Coherence with national budgets

The Commission works closely with the Member States to ensure the complementarity of EU and national budgets and to strengthen coordination of economic policies between the Member States. This work undertaken within the European Semester (including the Country Specific Recommendations) is essential to create synergies and minimise the fiscal burden where possible.

Performance framework based on complementarity, synergies and mainstreaming

The performance framework in place is also based on the principles of complementarity of programmes and mainstreaming of some policies. Several programmes contribute to one policy and policies are mainstreamed into several programmes.

For instance several programmes support implementation of EU migration policy. EU funding is mainly channelled through the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). The main EU Home Affairs Agencies involved (FRONTEX, EASO, EUROPOL), specialise in a variety of areas: migration, asylum, border management, visa issues, security, and law enforcement. In addition, under development cooperation, the EU budget and EU Trust Funds as well as the European Development Fund (EDF), outside the EU budget, address migration and asylum both geographically and thematically. Structural funds in Heading 1b (the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Fund for European Aid to the Most Deprived (FEAD)) can also contribute to address challenges stemming from growing migration flows.



Source: OECD Performance Budgeting Index 2016

⁵ OECD performance budgeting survey presented at 2016 meeting of the OECD Senior Budget Officials Performance and Results Network, OECD Headquarters, Paris, 24-25 November 2016

The same logic applies to the employment policy which is supported through multiple actions financed under COSME, Erasmus +, ESF, Rights, Equality and Citizenship programmes to mention some of them.

Similarly the Research and development policy is not only supported by Horizon 2020 programme but also by ESI funds. The Galileo "fundamental elements" are an example of synergy with the Horizon 2020 research programme⁶.

Taking into account the above, it needs to be underlined that the "one to one" link between Euros invested and results is very often misleading.

Aligned terminology - distinctions among outputs, outcomes, and impact

An explicit definition of results - precisely what is to be achieved through the programme and by when, keeps measurable objectives in sight, helps monitor progress toward those objectives, and assists with adjustment and management. Although the Commission' definition of the outputs, results and impacts indicators is provided in the Better Regulation Guidelines⁷ there are still many debates, and considerable controversy with regards to the alignment of the terminologies used at the level of different programmes. A generally useful approach is to consider outputs as the particular goods or services provided by an intervention (for example, km of constructed road or training courses delivered), whereas an outcome is usefully thought of as benefits of that particular good or service to the target population (such as improved communication between EU regions or improved employability of the trainees), and impact refers to evidence on whether outcomes are actually changing beneficiary behaviour or longer-term conditions of interest (for example, improved mobility or trade, a higher employment rate).

Number of indicators and reporting frequency

The choice of indicators matters, as this has an impact upon policy design, monitoring and evaluation. To date a variety of alternative indicators are used in the programmes' basic acts. The current performance framework of the programmes reported in the Programme Statements includes **more than 700 indicators**⁸ of different type measuring the performance against **61 general and 228 specific objectives**. Not all of them measure EU budget performance directly. Some provide either high level contextual information (e.g. "the Europe R&D target of 3% GDP" or "share of researchers in the EU active population"⁹) or process related information (e.g. "quality of project applications", "number of participants"¹⁰). Moreover not all indicators are available on an annual basis. Proxy measures are sometimes necessary due to data collection limitations or time constraints. The reporting frequency varies from one programme to another and is influenced mainly by three factors:

- The time lag between the input injected and the result generated (e.g. the grants allocated for students under Erasmus+ can be monitored on annual basis while the results for the infrastructure investment programmes like CEF will only be known when the programme will reach the necessary maturity).
- The mode of implementation (shared, direct, or indirect) influences the way performance data is collected, aggregated and transmitted to the decision makers. This is very relevant for the EU budget, since around 80% of the budget is implemented by Member States (shared management) and the rest by the Commission or the executive agencies (direct management), or via agreements with third parties such as the EIB or international financial institutions (indirect management).
- The range of activities covered by the programme. In particular, Cohesion policy has very often strong requirements in terms of objectives and indicators in relation with the operational programmes but these indicators are not easy to aggregate in order to report performance at the level of the Funds¹¹ because of the diversity of the activities supported by each fund.

The reporting frequency also depends whether the data could be collected at the source (for example internal Commission' databases systems¹²) or whether it is derived from external sources such as Member States (indicators used in the ESI funds¹³) or international organisations (indicators measuring Sustainable Development Goals, Development Cooperation Instrument). In the latter case, the delivery of the information could be delayed as the reporting chain is much longer with a number of intermediaries.

⁶ While Horizon 2020 funding aims to foster Galileo and EGNOS adoption via content and application development, "fundamental elements" projects focus on supporting the development of innovative chipset and receiver technologies that industry would not yet invest in on its own initiative, thus accelerating the integration of Galileo and EGNOS into market-ready devices.

⁷ SWD (2015)111 final

⁸ The current framework uses 718 indicators – this figure does not include the 3 new programmes for which adoption of the legislative acts is pending

⁹ Horizon 2020 programme

¹⁰ Europe for citizens' programme

¹¹ The 5 funds have separate lists of indicators because they have different treaty or legislative objectives, are focussed on different policy fields, have different stakeholders or target specific sectors. The ESI performance framework is built around four different types of indicators: financial, output and result indicators and key implementation steps. These are to be checked in principle against milestones set in the operational programmes to be attained by the end of 2018 and targets set for the end of 2023.

¹² Some examples: RTD projects database http://cordis.europa.eu/guidance/about-projects_en.html;
Regional policy projects database http://ec.europa.eu/regional_policy/projects/stories/index_en.cfm;

Life projects database <http://ec.europa.eu/environment/life/project/Projects/>.

¹³ EFSI Open data portal: <https://cohesiondata.ec.europa.eu/>

Moreover some indicators for which the collection of data is expensive or complex can only be collected at a lower frequency (for example every 2 or 3 years). As a result, for some objectives the established indicators allow progress to be tracked on an annual basis while for some others only the mid-term interim evaluations will deliver tangible indications on performance.

Indicators in 2018 programme Statements

The 2018 Programme Statements edition includes **60 statements**, out of which three concern the programmes for which adoption of the legislative acts is pending (i.e. European Solidarity Corps (ESC), Enhancing consumers involvement in EU policy making in the field of financial services (both in heading 1a), European Fund for Sustainable Development (heading 4)); two statements on financial intervention for activities that are not supported by a particular programme but have significant budgetary impact (i.e. tasks resulting from the Commission prerogatives at institutional level (heading 3) and EFSI (heading 1a)) and two special instruments. Analysis of the collected data per programme confirmed that at this stage of implementation **more than 80 % of the indicators are already informed** (or partially informed) i.e. include data on actual results for 2014, 2015 and 2016. Compared to 2016, this means an increase of informed indicators of more than 20%.

Heading	No. of programs	No. of programmes for which 100% of indicators are informed	Total number of indicators	Total number of informed indicators	Percentage of informed indicators
1A	20 (+2)	12	249	192	74.7 %
1B	4	2	84	49	58.3 %
2	5	0	99	83	84.7 %
3	12	8	176	163	92.6 %
4	14 (+1)	12	108	102	94.4 %
Special Instruments	2	2	2	2	100 %
TOTAL	57 (+3)	36	718	591	82.3%

The best-informed programmes are in heading 3 and 4: only four programmes (Justice, REC, Creative Europe and Communication) out of 12 are not yet completely informed in heading 3 and 2 programmes (PI and EIDHR) out of 14 in heading 4. Headings 1A, 1B and 2 provide only partial information:

- Programmes of heading 1A such as Euratom, COSME, and Erasmus+ present only partial evidence. Nevertheless, Erasmus + has an increase of 25 % of indicators, which have data available, compared to 2016. The other three mentioned programmes display an increase of about 5 %. The less informed programmes are Copernicus (55%), Horizon 2020 (42%) and CEF (59%). In the case of Horizon 2020, only 22 out of 52 indicators are informed, which however means an increase of almost 83% when comparing to 2016. To be noted that for several indicators, no meaningful data will be available before 2018/2019. This is especially the case of the indicators that represent a "new approach" for which no baseline, milestone and target can be defined before the results of evaluation are analysed and /or before a critical mass of completed projects is reached.

- For European Structural and Investment Funds (ESI Funds) the first forecast of results based on the data provided by member States in mid-2016, was consolidated in the 2016 Summary Report of the programme annual implementation reports covering implementation in 2014-2015¹⁴. This stock-taking is done to respond to two formal requirements: (a) to summarise the annual implementation reports on the 533 operational programmes provided by the Member States and regions and (b) to synthesise the available evaluations of those programmes.

This first forecasts rely on the projection on actual results expected from the selected projects and the achievements reported under the common indicators for each fund. The consolidated information is presented in the programme statements with an average of 80% of indicators being informed.

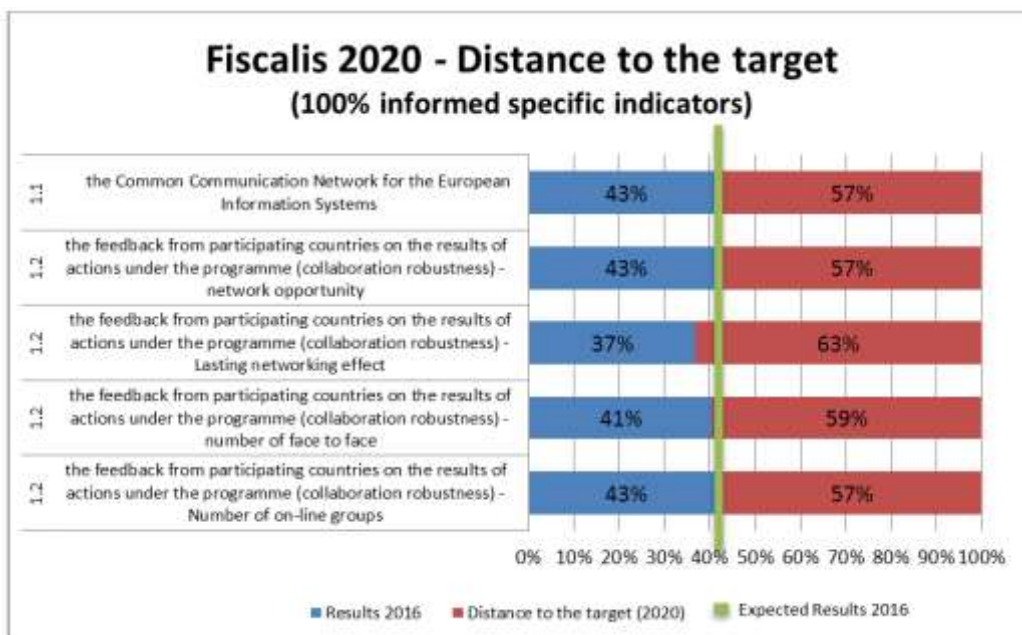
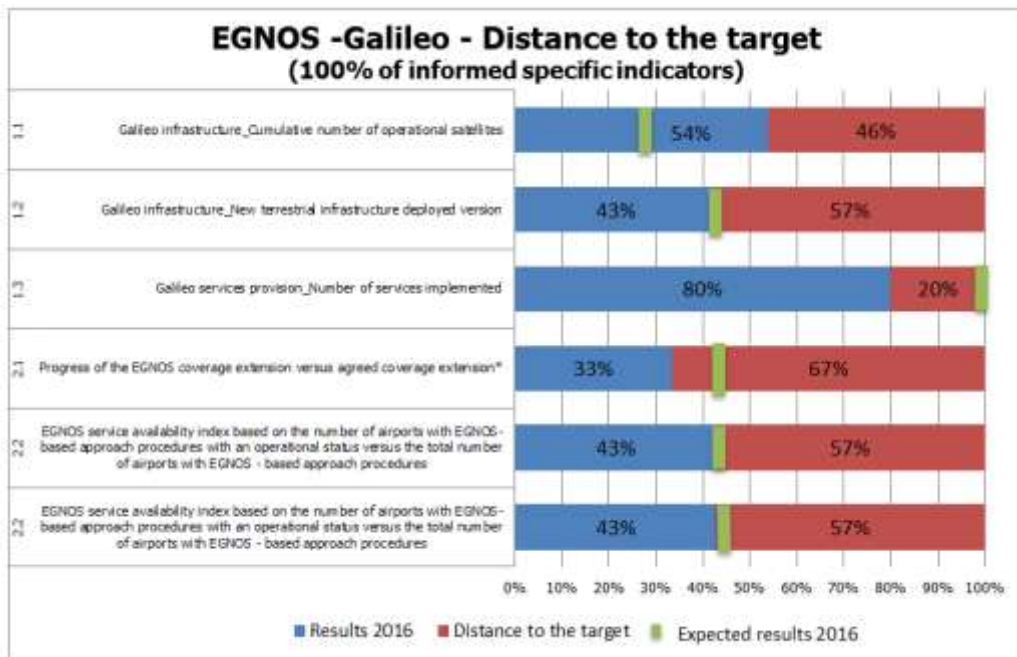
Heading	Programme Statement	Loading DG	Total number of indicators	Total number of informed indicators	% of informed indicators
1B	ESF	EMPL	13	13	100.00%
	ERDF	REGIO	48	29	60.42%
	CF	REGIO	21	5	23.81%
	FEAD	EMPL	7	7	100.00%
2	CAP - general objectives ERDF/ERAFRD	AGRI	6	5	83.33%
	ERDF	AGRI	21	20	95.24%
	ERDF	AGRI	18	16	88.89%
	EMFF	MARE	15	11	73.33%
	ERDF/SIFAs	MARE	5	4	80.00%
	LIFE +	ENV	34	27	79.41%

¹⁴ Each annual report provides the information on project selection and indicator achievements on the ground and on the building of delivery mechanisms by the Member States and regions. The first ESIF Annual Summary: http://ec.europa.eu/regional_policy/sources/how/strategic-report/esif_annual_summary_2016_en.pdf

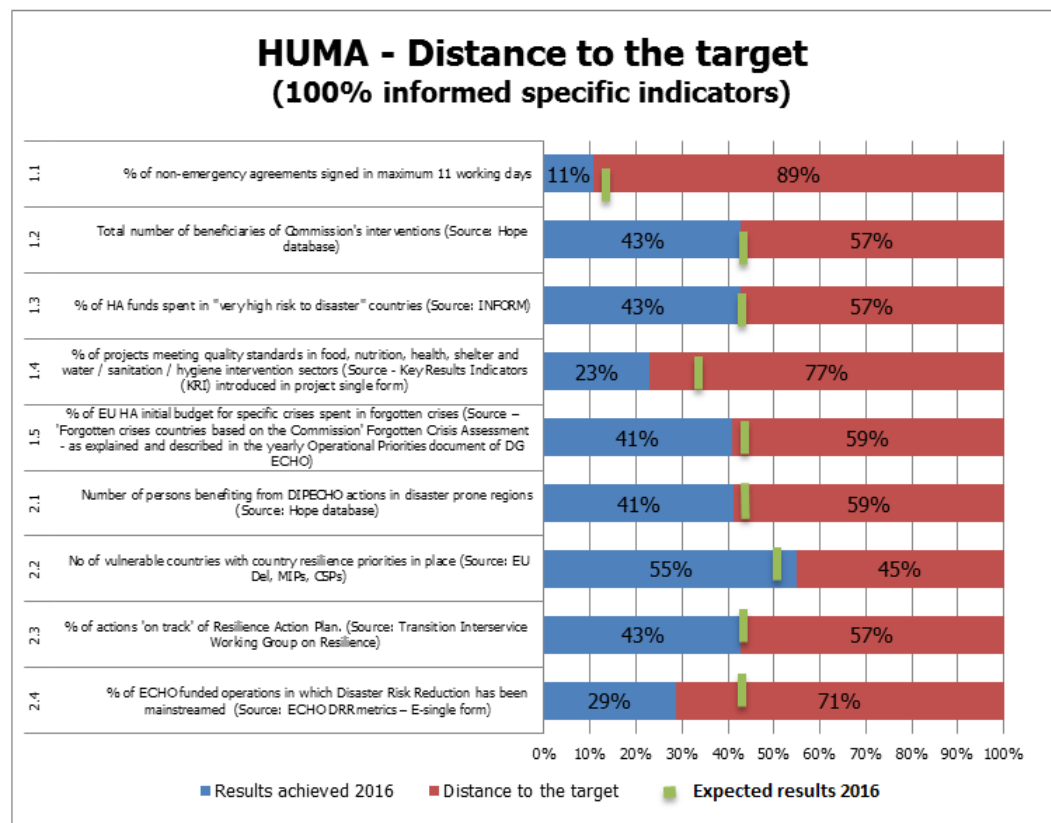
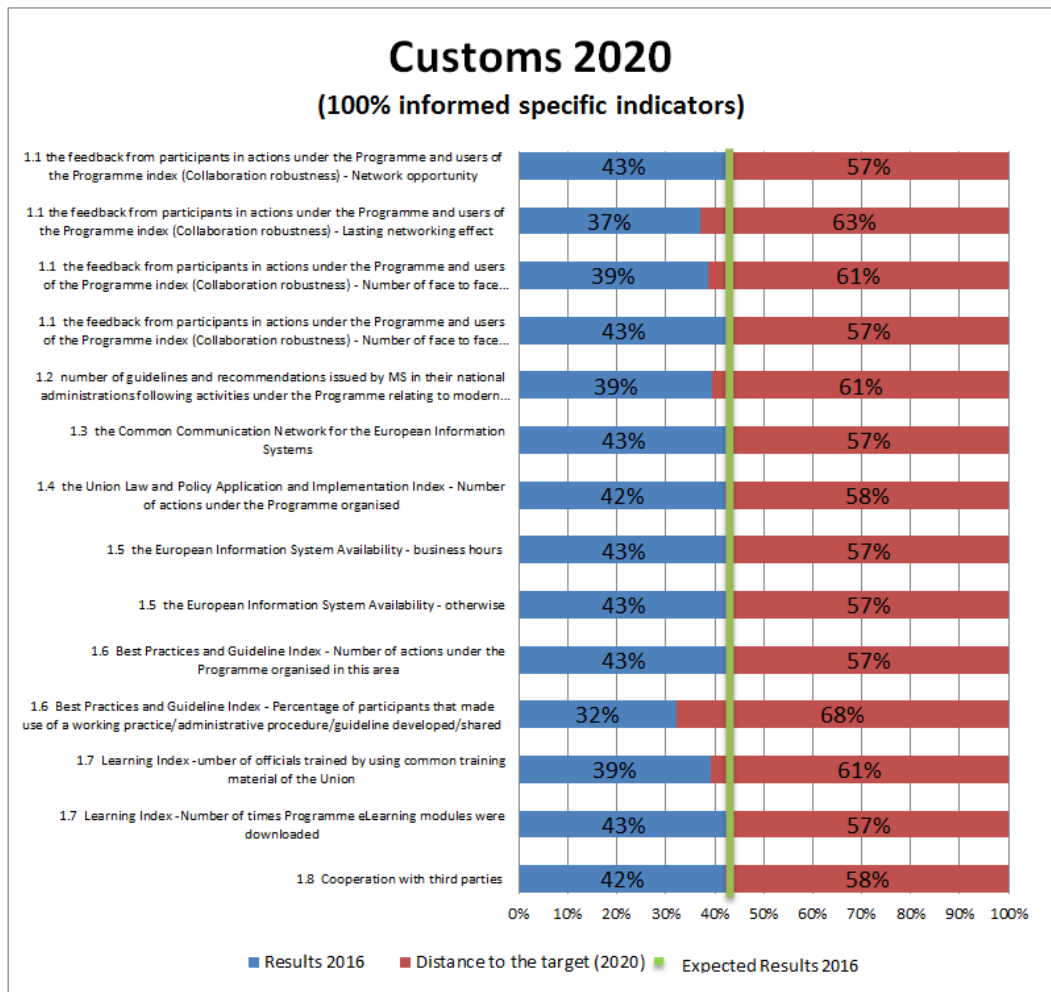
- For the Life + programme the Commission has put in place a project-level tracking system. Project-level performance information has been collected since 2015 and is being used for the mid-term evaluation. The tracking system led to 27 indicators being provided with data¹⁵, which corresponds to almost 80% of indicators being informed.

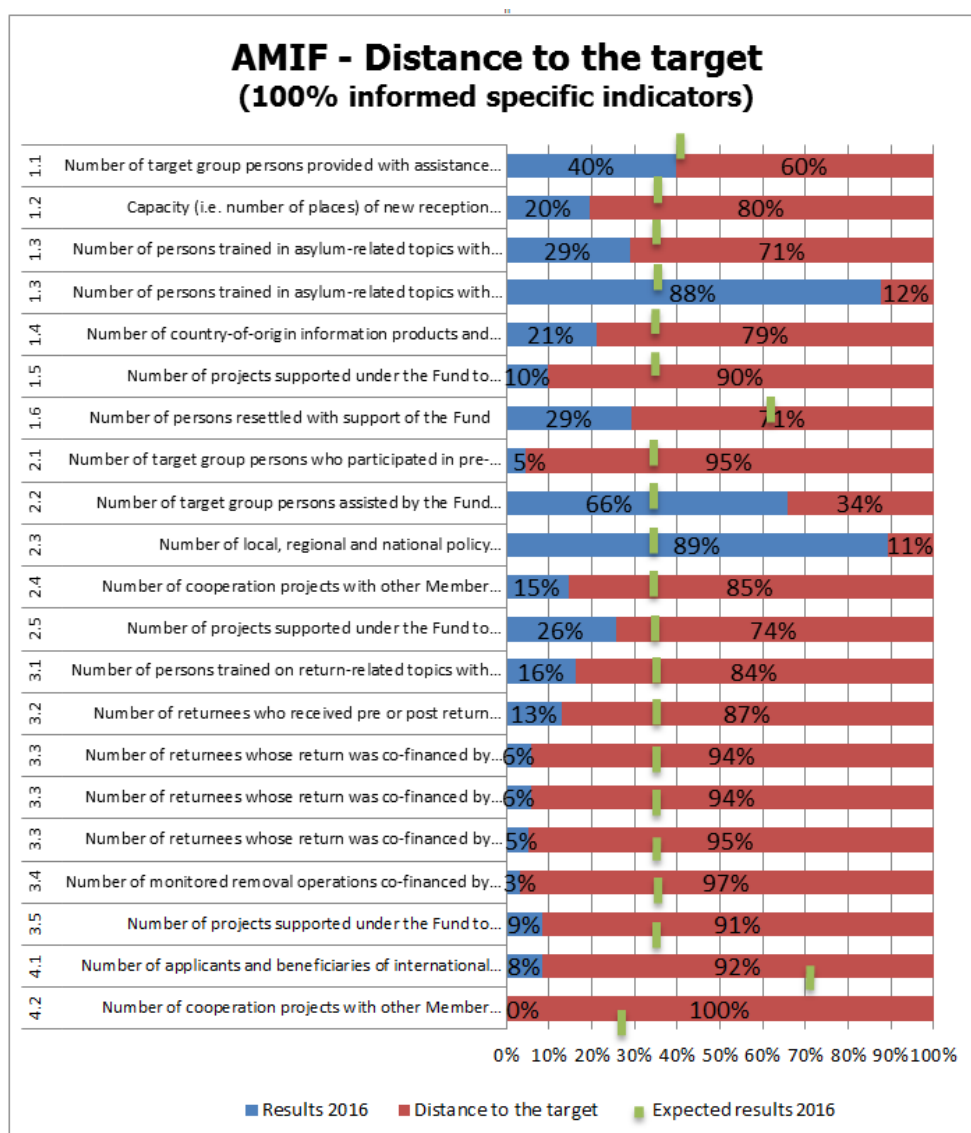
Distance to the target methodology – a quick snapshot on the programme progress

The Commission is working on continuous improvement of the presentation of performance data, in order to provide accurate, clear and understandable information on programmes' performance. Each indicator is specific by its nature and it is challenging to summarise information for a group of indicators using the same scale. The charts below present a snap-shot of currently available performance information by indicating the distance to target for all informed specific indicators included in the basic act. The distance to the target allows comparing performance across indicators and programmes. It represents the share of the indicator value with respect to the final target; it measures progress towards achieving the targets, by considering a linear monotone path. Whenever possible, green lines indicate previously set milestones that serve as reference points of progress. This kind of synthetic presentation of programmes' results will be further developed for all programmes included in the programme statements.



¹⁵ Please notice that the performance information for specific indicators is mainly based on statistical sample and not on actual results.





Practical limits of indicators

In principle the measurement of performance should highlight strengths and weaknesses, illustrate progress made over time and help decision-makers to compare possible courses of action and identify the most effective mechanisms of implementation. Indicators should, to the extent possible, provide the most direct evidence of the result they are measuring. But in real life indicators have practical limits as to the degree to which they can capture a precise picture of performance: some good indicators rely on information that is at times not available on regular basis; some dimensions of performance are very difficult to measure; in addition, contextual factors can importantly influence final results, and indicators cannot eliminate or adjust these factors.

Review of spending under 2018 budgetary procedure

As indicated in the standing instructions for the 2018 Draft Budget preparation¹⁶, the Budget Focused on Results approach has for the first time been integrated into the budgetary hearing process to review the expenditure on the basis of experience achieved so far and identify possible adjustments. DGs have been requested to provide information on the areas where EU spending programmes bring positive results or, on the contrary, where implementation is lagging behind or the programme architecture is not adequate for the delivery of the expected results; as well as a first assessment of the relevance of existing indicators and of the effectiveness of different instruments for programme implementation (grants, procurement, and financial instruments).

This exercise is an important step for progressing toward spreading a culture of "results"; towards optimisation of the use of the expenditure by removing it from programmes showing low performance¹⁷.

¹⁶ Ref. Ares (2016)7099780

¹⁷ For example reduction of CEF energy and Justice & REC programmes based on their low performance in terms of outputs produced

Budget contribution to Europe 2020

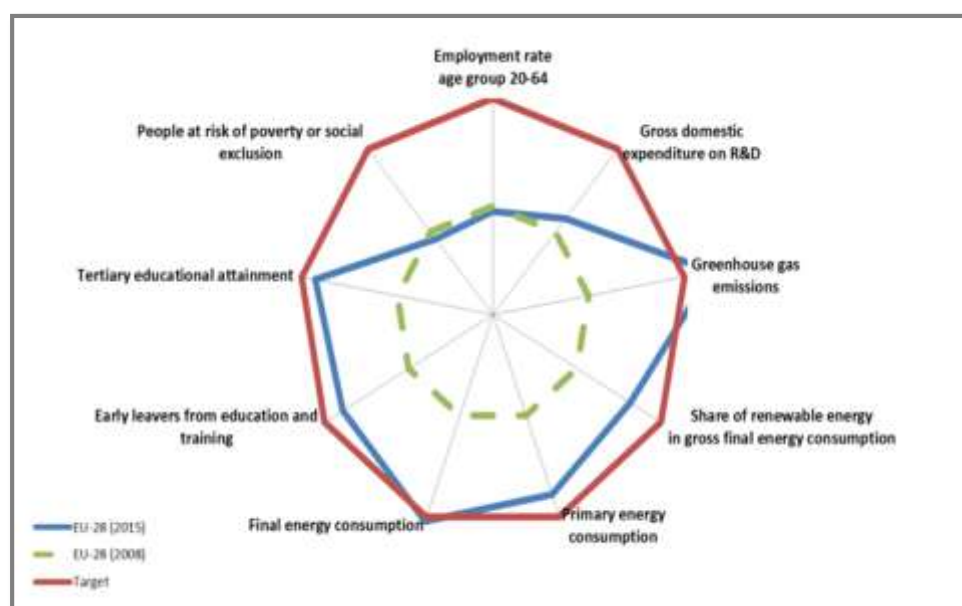
To achieve its objective of smart, sustainable and inclusive growth, the Europe 2020 strategy includes five headline targets on employment, research and development, climate and energy, education, and the fight against poverty and social exclusion. These headline targets are translated by each Member State into national targets. While Member States are primarily responsible for progress towards these targets at national level, the EU budget contributes to the achievement of the headline targets at EU level. The Commission monitors and reports on the contribution of the EU budget to the EU's priorities set out in the Europe 2020 strategy¹⁸ and its headline targets¹⁹:

- Raise the employment rate of the population aged 20-64 from the current 69 % to at least 75 %;
- Achieve the target of investing 3 % of GDP in R&D, in particular by improving the conditions for R&D investment by the private sector, and develop a new indicator to track innovation;
- Reduce greenhouse gas emissions by at least 20 % compared to 1990 levels or by 30 % if the conditions are right; increase the share of renewable energy in our final energy consumption to 20 %; and achieve a 20 % increase in energy efficiency;
- Reduce the share of early school leavers to 10 % from the current 15 %, and increase the share of population aged 30-34 having completed tertiary education from 31 % to at least 40 %;
- Reduce the number of Europeans living below nation poverty lines by 25 %, lifting 20 million people out of poverty.

The Europe 2020 priorities of smart, sustainable and inclusive growth are implemented through thematic pathways such as innovation, education, digitalisation, poverty reduction, employment, competitiveness and resource efficiency in order to catalyse the progress at EU level.

Smart growth	Sustainable growth	Inclusive growth
Innovation	Climate, energy and mobility	Employment and skills
Education		
Digital society	Competitiveness	Fighting poverty

The Europe 2020 headline targets are monitored by the Commission using nine indicators. Information on progress on these indicators is regularly updated and published on Eurostat's website. The diagram below presents the latest available data for the nine indicators. It shows the progress made since 2008 and the distance still to be covered towards the related Europe 2020 targets. The latest data indicates that indicators related to environmental targets and education are progressing towards the headline targets, while further efforts are still required in the area of employment, research and development and fight against poverty or social exclusion.



Source: Eurostat

¹⁸ There are three mutually reinforcing priorities: (i) Smart growth – developing an economy based on knowledge and innovation. (ii) Sustainable growth – promoting a more resource efficient, greener and more competitive economy, (iii) inclusive growth – fostering a high-employment economy delivering economic, social and territorial cohesion.

¹⁹ The 2020 headline targets are monitored by Eurostat (<http://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy>):

Main programmes contributing to Europe 2020

Contribution to Europe 2020 should not be confined within the limits of single programme, but rather it should be seen as a mutually reinforced contribution of the EU budget as a whole. Indeed the multi-dimensional character of the initiatives implies a certain thematic overlap. Their realisation depends on a multi-level governance based on the effective coordination and management of diverse stakeholders at different levels (EU, Member State, local and regional levels). These aspects of the Europe 2020 framework make it difficult to evaluate the resources allocated in the EU budget to each priority.

Despite this complexity, since the adoption of Europe 2020, the methodologies to estimate financial contribution of the EU spending programmes have been developed and introduced in the Programme Statements. The precise allocation in terms of percentages may differ from one year to another and from one programme to another as it depends on the particularities of each programme and on specific priorities and actions planned for the relevant budgetary exercise. The calculation of the contribution corresponds to the best ex-ante estimations based on commitments appropriations, as the precise tracking and calculation of actual spending on micro level²⁰ would not be cost-effective in terms of sound financial management. It is also important to note that EU funding for many projects (mainly under cohesion, regional, rural development policy, Connecting Europe Facility (CEF) projects and others) are topped up with co-financing by Member States, regions and/or private operators. This increases the amount supporting the 2020 objectives beyond the amounts included in the EU budget. This is also the case for financial instruments where the EU budget acts as a lever to increase investments.

Education and training are at the core of Europe 2020 Strategy for smart, sustainable and inclusive growth, and of the integrated guidelines for the economic and employment policies of the Member States. Arguably none of the Europe 2020 priorities and headline targets will be reached without a strong investment in human capital: Youth on the Move, Agenda for New Skills and Jobs, as well as the Digital Agenda, Innovation Union and the Platform against Poverty. Beside these initiatives, the European Social Fund is an important tool for offering to the unemployed persons a path back to work. It supports policies and priorities aiming to achieve progress towards full employment, enhance quality and productivity at work, increase the geographical and occupational mobility of workers within the Union, improve education and training systems, and promote social inclusion, thereby contributing to economic, social and territorial cohesion. Finally in case of disruption generated by the evolving trade pattern or the crisis, the European Globalisation Adjustment Fund (EGF) provides a path to reintegrate workers into the labor market through training.

Contribution to one of the actions very often triggers positive changes in other areas. For example, the general objective of Horizon 2020 is to build an economy based on knowledge and innovation across the whole Union, while contributing to sustainable development. This programme helps to generate more sustainable growth and create new jobs in the EU and will help raise the percentage of people employed. By contributing directly to R&D expenditure and leveraging public and private funds towards this sector, it contributes to increasing the R&D investment in the EU. Finally, in order to promote sustainable development, support is provided to climate change and energy research. This will ultimately contribute towards reducing emissions, promoting renewable energy sources and increasing energy efficiency, thus making progress towards the 20/20/20 climate/energy targets.

Meanwhile, actions related to energy, climate and sustainability supported under CEF, LIFE+, H2020 programmes and the European Structural and Investment (ESI) funds help maintaining the quality of the environment and enhance creation of sustainable jobs. Exploiting the potential of the single market to the full is essential since a better integrated single market produces opportunities for growth for businesses, generates more employment, leads to knowledge spillovers and expands the market for sustainable products and services, thereby strengthening the competitive position of the European Union. Programmes such as COSME, CEF or Customs and Fiscalis are supporting improvements to the single market. Regional policy and the Rural Development pillar of the Common Agricultural Policy make a significant contribution to all of the Europe 2020 priorities, thereby supporting the Commission's objective of strengthening growth and jobs. Regional policy's general objective is to reduce disparities between the levels of development of the various regions, and to contribute to achieving the targets set out in the Europe 2020 strategy, and in particular towards the achievement of quantitative headline targets identified in that strategy.

The table below presents the contribution of the EU budget to the Europe 2020 strategy broken down by Europe 2020 priority (Smart, Sustainable, and Inclusive Growth). Based on the Commission's Draft Budget for 2018 it is estimated that **EUR 93408,3 million** (59,6%) of commitment appropriations is linked to Europe 2020 strategy. This is comparable to the share in previous budget year and it is in line with the overall evolution of the Draft Budget. These resources are split by priorities as follows:

(EUR Million)

Programme/Action	Budget 2017 (incl. AB1 and DAB2-3)	Draft Budget 2018
International Thermonuclear Experimental Reactor (ITER)	157,0	184,6
Euratom Research and Training Programme	226,3	240,5
European Maritime and Fisheries Fund (EMFF)	48,2	49,3

²⁰ i.e. at the level of individual commitments (procurements, grants...).

The Union Programme for Education, Training, Youth and Sport (Erasmus+)	1.338,6	1.467,6
European Union Programme for Employment and Social Innovation (EaSI)	19,9	21,5
European Social Fund (ESF)	2.944,4	2.959,9
Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	2,0	2,0
Partnership instrument for cooperation with third countries (PI)	15,6	11,5
EU Aid Volunteers initiative (EUAV)	6,3	4,2
The Framework Programme for Research and Innovation (Horizon 2020)	6.771,0	7.086,8
Connecting Europe Facility (CEF)	104,0	119,7
Interoperability Solutions for European Public Administrations (ISA2)	18,8	19,0
European Regional Development Fund (ERDF)	8.308,4	8.559,6
European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	438,7	439,0
Justice Programme	6,7	7,7
Rights, Equality and Citizenship programme	4,6	3,1
Union's action in the field of health (Health Programme)	36,4	29,7
Consumer Programme	3,3	10,0
Smart Growth (innovation, education, digital society)	20.450,2	21.215,6
Connecting Europe Facility (CEF)	3.992,4	4.229,0
European Agricultural Guarantee Fund (EAGF)	3.172,9	3.291,4
European Maritime and Fisheries Fund (EMFF)	342,7	350,7
Sustainable Fisheries Partnership Agreements (SFPAs)	2,1	2,2
Programme for the Environment and Climate Action (LIFE)	483,6	512,5
International Thermonuclear Experimental Reactor (ITER)	157,0	184,6
Implementation and exploitation of European satellite navigation systems (EGNOS and Galileo)	895,0	808,9
European Earth Observation Programme (Copernicus)	604,8	638,0
The Framework Programme for Research and Innovation (Horizon 2020)	2.386,2	2.325,8
Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)	336,9	326,1
European Regional Development Fund (ERDF)	17.459,7	17.987,6
Cohesion Fund (CF)	10.644,0	11.043,2
European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	11.280,2	11.287,9
Consumer Programme	3,6	2,5
Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	3,0	3,0
European Globalisation Adjustment Fund (EGF)	168,9	172,3
Sustainable Growth (competitiveness, climate, energy and mobility)	51.933,1	53.165,9
The Union Programme for Education, Training, Youth and Sport (Erasmus+)	568,8	681,3
European Maritime and Fisheries Fund (EMFF)	377,9	386,7
Instrument for Pre-accession Assistance (IPA II)	33,1	30,3
EU Aid Volunteers initiative (EUAV)	0,0	1,3
The Framework Programme for Research and Innovation (Horizon 2020)	436,4	480,3
European Union Programme for Employment and Social Innovation (EaSI)	92,4	85,5
European Social Fund (ESF)	10.439,3	10.494,3
European Regional Development Fund (ERDF)	3.302,4	3.402,3
Fund for European Aid to the Most Deprived (FEAD)	544,4	555,3
European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	2.600,4	2.602,2
Asylum, Migration and Integration Fund (AMIF)	101,2	53,3
Rights, Equality and Citizenship programme	13,0	26,0
Union's action in the field of health (Health Programme)	15,8	27,0
Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	2,0	2,0
Instrument for Emergency Support within the Union	198,0	199,0
Inclusive Growth (employment and skills, fighting poverty)	18.725,1	19.026,8
Total Europe 2020	91.108,4	93.408,3
Total EU Budget (Commission – Section III)	154.507,1	156.623,4
Europe 2020 / EU Budget	59,0%	59,6%

EU budget supporting the Commission' political priorities

The achievement of the 10 political priorities is pursued via a variety of methods including e.g. the EU budget, legislation, policies or coordination. The progress is reported in the General report on the activities of the European Union²¹. The EU budget therefore is only one of the tools supporting the implementation of the 10 political priorities in line with the Europe 2020 strategy. The previous and current budget procedures provide a good example of how the specific political priorities such as migration and the jobs and growth agenda were addressed when deciding on the final allocation of the budgetary funds. There was a particular focus on supporting policies to boost competitiveness and economic convergence and to create growth and jobs, as well as on providing

²¹ <http://publications.europa.eu/webpub/com/general-report-2016/en/>

financial support for the response to crises, in particular the refugee crisis and security threats derived from war and instability in Europe's neighbourhood.

The need to urgently address pressing needs required, in a context of budget discipline, a maximum use of the flexibility available within the MFF in order to allow for a redeployment of available resources to priorities. It also brought to the forefront the importance of focusing on the delivery of actual results on the ground.

Thanks to a rigorous monitoring of implementation, substantial redeployment efforts and positive developments on the revenue side, the additional expenditure did not require any additional call of own resources from Member States.

The Commission boasts the capacity of the budget to support the first political priority aiming at stimulating investment for the purpose of job creation through the European Fund for Strategic Investment (EFSI): the Fund remains firmly on track to deliver on mobilising at least EUR 315 billion in additional investments in the real economy by mid-2018. This target has already been reached at 62%: in 2016 it was active in all Member States and was expected to have triggered just under EUR 194 billion in total investment by May 2017. 175 infrastructure projects, representing financing of EUR 2,4 billion, had been approved under the Fund; 247 additional financing agreements, worth EUR 8,2 billion, had been approved for smaller companies. Close to 385 000 small businesses were expected to benefit.²²

Building on the positive results obtained so far, on 14 September 2016, the Commission tabled a legislative proposal for a reinforced EFSI (EFSI 2.0) to continue beyond the initial three-year period to address remaining market gaps and continue to mobilise private sector financing with strengthened additionally. The extension covers the period for the current Multiannual Financial Framework and should trigger a total of at least half a trillion euro investments by the end of 2020. The proposal also introduces some enhancements, taking into account the lessons learnt in the first year of the EFSI and European Investment Advisory Hub (EIAH) implementation.

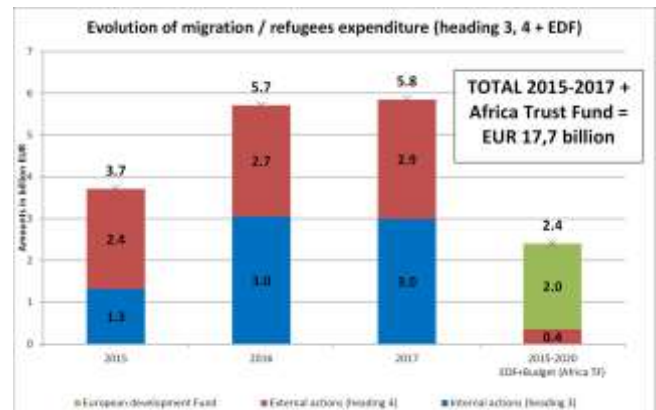
To reply to the refugee crisis and better protect EU borders the Commission adopted its 3 successive Implementation Packages of the European Agenda on Migration to manage the external borders of the EU and protect the Schengen area. The goals of this proposal are to handle migration more effectively, improve the internal security of the European Union, and safeguard the principle of free movement of persons. The Commission proposed to establish a European Border and Coast Guard to ensure a strong and shared management of the external borders. The legislative initiatives were supported by the EU Budget. Besides actions to deal with the incoming flow, the EU budget was also used to target the root causes of migration, through immediate humanitarian aid for Syria, Iraq and other neighbouring countries (Turkey, Lebanon, Jordan). In particular, a 'Syria Trust Fund' was established to pool together the resources from both the EU budget and the Member States budgets. Moreover, the EU established a Trust Fund for Africa addressing the roots of the economic migration.

The agri-food sector accounts for nearly 44 million jobs in the EU, while EU agri-food exports are worth over €120 billion per year. The CAP programme supports job uphold in agriculture with an annual budget of roughly €59 billion, providing support for farm income, for farmers to deliver environmental benefits and for other activities to increase the sector's competitiveness, resource efficiency and life in rural areas.

The Commission also progress towards the creation of a Digital Single Market delivering on its political commitment to unleash the full potential of the Single Market and make it the launchpad for Europe to thrive in the global economy. The EU budget through the Connecting Europe Facility (CEF) programme helps to deploy Digital Service Infrastructures (DSIs) across the EU. In September 2016 the Commission announced WiFi4EU, a €120 million plan to bring free Wi-Fi to parks, squares, libraries and public buildings in towns and villages across the EU.

Focus on migration expenditure:

Overall, expenditure for migration and refugees for the period 2015-2017 is **EUR 17.7 billion**. Of this amount, **EUR 7.4 billion are for internal actions (heading 3)** while for external actions the dedicated amount is EUR 10.3 billion: **EUR 7.9 billion in the period 2015-2017 from Heading 4** and **EUR 2.4 billion channelled via the Africa Trust Fund** covering the period 2015-2020 (financed by EUR 0.4 billion from the EU budget (Heading 4) and EUR 2 billion from the European Development Fund (EDF)).



To be able to provide these appropriations, the flexibilities foreseen in the Multiannual Financial Framework (MFF) have been exhaustively used, new funding instruments have been created (like the emergency support instrument for humanitarian assistance inside the EU), existing ones have been reorganised and actions have been re-prioritised.

²² The latest available figures are provided by EIB on: <http://www.eib.org/eib.org/efsi/index.htm>

In order to maximising grow potential of small and medium-sized businesses (SMEs), in June 2016 the Commission, together with the European Investment Fund, launched a €121 million loan guarantee facility to support more than 10 000 SMEs in sectors including audiovisual, festivals, music, cultural heritage, design, performing arts, publishing, radio and visual arts.

To contribute to the digitalisation and decarbonisation of transport, in June 2016 the Commission put forward a list of 195 transport projects that are to receive €6.7 billion of EU funding under the Connecting Europe Facility. The investment is expected to create up to 100 000 jobs by 2030. EU budget supports also EU energy infrastructure projects in line with the TEN-E strategy. Last year the Connecting Europe Facility allocated EUR 800 million to unlocking the additional investment needed to eliminate bottlenecks that prevent the free flow of energy. In spring 2016 two grant agreements, amounting to €5.6 million, were signed for studies on the construction of the Midcat gas pipeline. EU budget supports also EU energy infrastructure projects in line with the TEN-E strategy. Last year the Connecting Europe Facility allocated EUR 800 million to unlocking the additional investment needed to eliminate bottlenecks that prevent the free flow of energy.

In spring 2016 two grant agreements, amounting to €5.6 million, were signed for studies on the construction of the Midcat gas pipeline. When built, this pipeline will contribute to integrating the gas markets of the Iberian peninsula with the rest of Europe. In addition, €29.9 million of funding was allocated to the construction of a 140 km electricity line in Bulgaria that will boost grid access for renewables and enhance the capacity of the Bulgarian power grid. In October 2016 a €187 million grant agreement was made for the Balticconnector - the first gas pipeline connecting Estonia and Finland. When the gas starts flowing, by 2020, this project will unite the eastern Baltic Sea region with the rest of the EU energy market.



On the side of big infrastructure projects managed by the Commission, the deployment of the Galileo satellites was accelerated and initial services declared operational on 15 December 2016. The Copernicus advanced further to becoming a fully operational earth observation programme and deliver services in following sectors: natural disasters management, land, marine environment, climate change, atmosphere and security monitoring. Both supports the implementation of the EU space strategy²³ adopted in October 2016. The strategy aims to maximise the benefits to society of the European Union's space programmes and to unlock the potential of the space sector to boost innovation, jobs and growth creation in the EU's economy. It recognised also the importance of EU space programmes for EU security, defence and in strengthening the EU's role as a global actor.

In 2016 the Erasmus+ programme for education, training, youth and sport, with a budget of €2.2 billion, enabled around 497 000 young people to study, train, volunteer and participate in youth exchanges abroad. It also enabled around 141 000 members of staff from educational institutions and youth organisations to improve their competencies by teaching and training abroad. During the year the programme made available more than €400 million from the overall budget for cooperation projects, including those prioritising the promotion of citizenship and the common values of freedom, tolerance and non-discrimination through education.

In May 2017, the Commission adopted a proposal to set the legal framework for the *European Solidarity Corps*. The proposal include financing for EUR 341,5 million for the 2018-20 period, out of which three quarters comes from redeployment from existing programmes. The programme aims to provide young people with opportunities for engagement in high quality solidarity activities.

The promotion of sustainable development also guides the action of the EU budget outside the Union, which is being significantly reinforced as regards neighbouring countries. On 14 September 2016, the Commission presented a draft Regulation of the European Parliament and of the Council on the *European Fund for Sustainable Development* (EFSD) and establishing the EFSD Guarantee and the EFSD Guarantee Fund²⁴. The EFSD is part of the External Investment Plan (EIP), the long-term strategy to address the root causes of migration, as outlined in the Commission communications of 7 June 2016 and of 14 September 2016²⁵. The EFSD will be composed of regional investment platforms, which will combine financing from existing blending facilities and the EFSD Guarantee. It will operate as a "one-stop shop" to receive financing proposals from financial institutions and public or private investors and deliver a wide range of financial support to eligible investments. The EFSD is expected to mobilise up to EUR 44 billion investments with funds from the general budget of the Union and other sources of EUR 3,35 billion until 2020. These high-priority legislative proposals are expected to be adopted in 2017

In November 2016 EU foreign and defence ministers agreed to implement the Global Strategy for the EU's Foreign and Security Policy in the area of security and defence. The Strategy includes proposals to strengthen civilian and military capabilities, deepen defence cooperation, improve the EU's rapid response to crises, establish a permanent planning and conduct capability at the

²³ COM(2016) 705 final

²⁴ COM(2016) 586 final, 14.9.2016

²⁵ COM(2016) 581 final, 14.9.2016

strategic level for non-executive military missions, explore the potential for greater cooperation with partner countries on security and defence and further implement the work on capacity-building in support of security and development. To support the strategy in 2017, the Commission has begun a *preparatory action for defence and security research at the EU level*, which will continue in 2018 with EUR 40 million and which lays the groundwork for a European defence fund to foster the Union's strategic and industrial autonomy, while promoting defence cooperation among Member States more systematically.

Mainstreaming cross-cutting aspects into the EU budget

The EU budget is also an important tool to support the achievement of cross-cutting policy objectives. This has been reflected in the 2014-2020 Multi-annual Financial Framework (MFF) which includes provisions that seek to mainstream the EU's climate, environment and gender objectives in all major EU policies including cohesion, agriculture, maritime and fisheries, research and innovation, and external aid programmes. Mainstreaming is to be achieved through a range of requirements for benchmarking, monitoring and reporting (using appropriate indicators) for all relevant EU policy instruments.

Climate change:

To respond to challenges and investment needs related to climate change, the EU has decided that at least 20 % of its budget for 2014-2020 – as much as EUR 180 billion over the whole period – should be spent on climate change-related actions. To achieve this result, mitigation and adaptation actions are being integrated into all major EU spending programmes, in particular Cohesion Policy, regional development, energy, transport, research and innovation, common agricultural policy as well as the EU's development policy. Starting from the 2014 draft budget, the estimates for the climate related expenditures are monitored on an annual basis in accordance with the methodology founded on Rio markers.

Based on the estimations, climate mainstreaming is expected to reach EUR 30 481,2 million in 2018 (or 19,5 % of proposed total commitment appropriations) compared to EUR 29 792,9 million in 2017 (or 19,3 % of total commitment appropriations). On average, the current forecast for the whole MFF period foresees that 18,8% of the EU budget will be allocated to the climate action. The aggregated information related to the mainstreaming of climate action throughout the draft budget 2018 and the consolidated and updated information for the expenditures for the whole 2014-2020 programming period are presented in the Annex III of the Statement of estimates of the European Commission for the financial year 2018.

Biodiversity:

The EU has committed to halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020. Likewise the mainstreaming of the climate action, the Commission has developed a general approach for tracking biodiversity-related expenditure in a consistent way across the EU budget with detailed instrument-specific guidelines²⁶. In addition, the Commission makes sure that spending under the EU budget has no negative impacts on biodiversity. As support for this, the "*Common Framework for Biodiversity proofing of the EU budget*"²⁷ provides general and fund-specific guidelines to be used by national and regional authorities as well as by the Commission services.

Based on the estimations, total contribution to mainstreaming biodiversity is expected to be EUR 12 810,1 million in 2018 (or 8,2 % of proposed total commitment appropriations) compared to EUR 12 484,0 million in 2017 (or 8,1 % of total commitment appropriations). The aggregated information related to the mainstreaming of biodiversity throughout the draft budget 2018 and the consolidated and updated information for the expenditures for the whole 2014-2020 programming period are also presented in the Annex III of the Statement of estimates of the European Commission for the financial year 2018.

Gender equality:

Gender mainstreaming has increasingly become an important issue within the political agenda of the EU. Through various documents, the EU has demonstrated commitment to the implementation of gender-mainstreaming strategies. The importance of gender mainstreaming is also widely recognised by EU Member States, many of which strive to put this strategy into practice. The definition of gender mainstreaming was developed by the Council of Europe: "*Gender mainstreaming is the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policymaking.*" Gender mainstreaming means integrating a systematic consideration of the differences between the conditions, situations and needs of women and men, the relations existing between them, and differentiated policy impact on their lives— in the planning, implementation, monitoring and evaluation of all policies, programmes and activities.

Gender equality is a cross-cutting objective for all policy areas, including fundamental rights and citizenship, employment and social inclusion, cohesion policy, education, research and innovation, and external cooperation. In particular the programmes such as Employment and Social Innovation (EaSI), Fund for European Aid to the Most Deprived (FEAD), Consumers, European marine and Fisheries fund (EMFF), Health, and European Globalisation and Adjustment Fund (EGF) make reference to gender equality

²⁶ Details will be posted on the EU Biodiversity webpages: http://ec.europa.eu/environment/nature/index_en.htm

²⁷ <http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/cfbp%20-%20General%20Guidance.pdf>

general principles while the programmes such as European Social Fund (ESF)²⁸, Rights, Equality and Citizenship (REC), Horizon 2020²⁹, Instrument for Pre-accession Assistance (IPA II), Humanitarian aid, Development Cooperation Instrument (DCI), European Instrument for Democracy and Human Rights (EIDHR) and Greenland have specific actions related to gender equality particular issues.

In the field of external actions and development cooperation, the Commission follows Gender Action Plan (GAP) established for the period 2016-2020 which covers the EU's activities in third countries, especially in developing, enlargement and neighbourhood countries, including in fragile, conflict and emergency situations³⁰. A wide range of external assistance instruments support gender equality objectives as for example:

- EU Trust Fund for Central African Republic finances specific bilateral or regional development support programmes (e.g. women's economic empowerment project)
- Pan-African programme on female genital mutilation;
- Global Public Goods and Challenges thematic programme included in the Development Cooperation Instrument (DCI) with around EUR 100 million committed to improve the lives of girls and women.

Gender aspects are equally taken into consideration in several other thematic actions like food security, rural development, private sector development. Gender equality is a key cross-cutting issue for the EU Instrument contributing to Stability and Peace (IcSP): it is integrated into all actions, both non-programmable crisis response measures and programmable actions on conflict prevention, peace-building and crisis preparedness. In this regard, key priority is given to ensuring that all actions contribute to delivering on EU commitments on Women, Peace and Security (WPS).

However, for a bulk of programmes it is not always possible to estimate the amounts that are allocated to gender issues as the actions financed by the programmes include gender equality as transversal objective only.

The EU budget and Sustainable Development Goals (SDGs)

2015 was a defining year for sustainable development worldwide. World leaders adopted a new global sustainable development framework: the 2030 Agenda for Sustainable Development (hereafter the "2030 Agenda")³¹ at the 70th United Nations General Assembly on 25 September 2015, which focuses on the Sustainable Development Goals. In the same year, the Paris Climate Agreement (COP21)³², the Addis Ababa Action Agenda³³, as an integral part of the 2030 Agenda, and the Sendai Framework for Disaster Risk Reduction³⁴ were also adopted. The 2030 Agenda represents a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide. The 17 Sustainable Development Goals and their 169 associated targets are global in nature, addressed to all countries: developed and developing alike, universally applicable and interlinked.

On 22 November 2016, the EU presented its response to the 2030 Agenda and the Sustainable Development Goals and adopted a sustainable development package³⁵. This package includes an overarching Communication on next steps for a sustainable European future³⁶ accompanied by a Staff Working Document³⁷ that describes in broad terms the contribution of the various EU policies and legislation to the Sustainable Development Goals as well as presents the biggest financial spending programmes contributing to them. The achievement of the many Sustainable Development Goals will depend largely on actions taken in Member States. The EU in many areas supports, coordinates and complements Member States' policies or shares responsibility.

The EU budget complements national budgets and the wide set of EU policy and regulatory instruments which address sustainable development challenges. The Commission has already largely incorporated economic, social and environmental dimensions, which are at the heart of the Sustainable Development Goals, into the EU budget and spending programmes and many objectives/indicators measure the progress towards those three dimensions and therefore towards SDGs. The 2018 Programme Statements contain a point indicating how a specific programme, often in an indirect and not quantifiable way, contributes to SDGs.

²⁸ The ESF has a dedicated investment priority for equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work under which Member States have programmed EUR 1.6 billion for 2014-2020 (EU share). Specific targeted actions can yet be programmed under any other ESF investment priority. Across all investment priorities, the indicative amount for targeted actions for gender equality captured through the ESF secondary theme in programmes was of EUR 4.7 billion (EU share).

²⁹ Among the six thousand grants which were examined for the first two years of Horizon 2020, 36.2% of them took into account the gender dimension in the research and innovation content; the share of women participants in Horizon 2020 projects was 35.8% of the total workforce including non-researchers; Women's participation in advisory groups in 2014 and 2015, was 52%, while the share of contracts signed with women experts participating in evaluation panels was 36.7%.

³⁰ The Joint Staff Working Document "Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020" (SWD) provides the monitoring and accountability framework against which to measure progress on gender equality and girls' and women's rights and empowerment in developing, enlargement and neighbourhood countries, including in fragile, conflict and emergency situations. It applies to the European Commission services (Directorates General International Cooperation and Development, Neighbourhood and Enlargement Negotiations, and when relevant Humanitarian Aid and Civil Protection, as well as the Service for Foreign Policy Instruments) and to the European External Action Service (EEAS), each for the areas where they are in charge, both at headquarters and EU Delegations level.

³¹ UN Resolution A/RES/70/1

³² UN decision -/CP.21, adoption of the Paris Agreement

³³ UN Resolution A/RES/69/313

³⁴ Adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan, on March 18, 2015

³⁵ http://europa.eu/rapid/press-release_IP-16-3883_en.htm

³⁶ COM(2016) 739 final - https://ec.europa.eu/europeaid/sites/devco/files/communication-next-steps-sustainable-europe-20161122_en.pdf

³⁷ SWD(2016) 390 final - https://ec.europa.eu/europeaid/sites/devco/files/swd-key-european-actions-2030-agenda-sdgs-390-20161122_en.pdf

This information should be considered for information purposes and does not constitute the official reporting on the EU budget contribution towards SDGs.

EU budget and financial instruments

Pursuing the general goals of the Europe 2020 Strategy³⁸ and the necessity to address market failures³⁹, the EU has gradually developed and implemented several tools to achieve its policy objectives and to enhance the long term economic potential of the EU economy. In a context of pressing economic, political and social challenges, such as the persistent high unemployment in some Member States, population ageing, climate change and resource depletion, the limited money available under the EU budget (approximately 1% of the EU GDP) require to ‘do more with less’ and better targeting of financing towards key priority areas.

Overall the Union can intervene in the economy and pursue its objectives by means of traditional as well as innovative instruments in addition to regulatory and other non-spending policy initiatives. In the area of “traditional” interventions, the EU budget can provide selected beneficiaries with direct non repayable subsidies, or grants. Innovative instruments include sometimes complex market-based tools, categorised under the broad terms of financial instruments and budgetary guarantees. First launched in the mid-1990s, financial instruments have been growing in importance and scope, albeit accounting for less than 3% of the EU budget (with grants at almost 90%). More recently, EU policies have witnessed the further expansion of budgetary guarantees: after the External Lending Mandate in 1994 came the European Fund for Strategic Investments (EFSI) in 2015, while the European Fund for Sustainable Development (EFSD) is expected to become operational still this year after the finalisation of the legislative procedure.

Finally, the EU can also use blended instruments, characterised by a combination of Budget Guarantees and/or Financial Instruments and/or grants aiming to further expand the scope of EU financing towards sustainable development goals⁴⁰.

The shift towards financial instruments and budget guarantees is largely driven by efficiency criteria, notably to maximise the impact of EU investments and their leverage effect. These instruments should be aligned with EU spending priorities in different areas, cohesion, research and innovation, SME support, climate change and energy, etc. However, grant funding remains essential in the policy areas where market-based tools cannot apply (e.g. education, basic research, culture, social policies, humanitarian aid, emergency situations, certain measures in the field of environment and climate change, fight against discrimination and crime, parts of programmes targeting policy development where beneficiaries are public authorities (e.g. taxation, customs, fight against counterfeiting of euro, etc.).

The 2018 Programme Statements contain a point indicating financial instruments financed by specific programme. This information should be considered for information purposes and does not constitute the official reporting on the financial instruments financed by the EU budget. The specific and more detailed reporting is prepared annually for each FI in the "Report on financial instruments supported by the general budget according to Art.140.8 of the Financial Regulation". This report describes the performance and achievements of the instruments also in quantitative and qualitative terms. This is particularly important when capturing the achievement of Union policy objectives (e.g. job creation), rather than simply monitoring the efficient functioning of the financial engineering mechanism underpinning the instrument. Finally, the report allocates specific instruments to the relevant policy area and shows aggregate figures at the level of all FIs managed by the Commission.

EU budget and Trust Funds

Since 2013, the EU has the possibility to create and manage trust funds (EUTFs) in the area of external action. The EUTF is an implementing tool placed outside the EU budget with the legal basis set out in article 187 of the Financial Regulation. An EUTF is designed to pool funds from a variety of external action financing instruments, from the European Development Fund, as well as from external donors such as the EU Member States and third party donors and use these funds in an efficient and effective manner. The contributions from the EU budget to an EUTF are decided on the basis of Commission financing decisions during the budgetary year based on implementation needs.

The 2018 Programme Statements contain a point indicating how a specific programme contributes to a Trust Fund(s). This information should be considered for information purposes and does not constitute the official reporting on the EU budget contribution to the EUTFs. The Working Document XII on EUTF attached to 2018 Draft Budget presents more detailed information on the EU budget contributions to the EUTFs.

II. PROGRAMMES STATEMENTS

The following sections contain all Programme statements sorted per budgetary heading.

³⁸ Approved in 2010, Europe 2020 Strategy sets the pillars for a smart, sustainable and inclusive growth for Europe after the recent economic and financial crisis. Main goals cover the priority areas of employment, innovation, education, poverty reduction and climate/energy (full text available under: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>).

³⁹ In presence of market failures, the market may under special condition be unable to efficiently decide about the production, distribution and use of resources. As Weimer and Vining suggest in their textbook on policy analysis (2011), public intervention is then to be considered as legitimate when “private interests do not allow for an efficient use of society resources or a fair distribution of society's goods”. The authors identify the following major sources of market failures: monopolistic nature of the market, non-rivalry and non-excludability of public goods, externalities and asymmetric information.

⁴⁰ http://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending_en.



▶ **HEADING 1A**

**Competitiveness
for growth and jobs**

HEADING 1A: Competitiveness for growth and jobs**Implementation and exploitation of European satellite navigation systems (EGNOS and Galileo)**

Lead DG: GROW

I. Programme Update

GALILEO is Europe's initiative for a state-of-the-art global navigation satellite system, providing a highly accurate global positioning service under civilian control. Galileo will offer autonomous navigation and positioning services, but will also be compatible with the US GPS satellite navigation system. Galileo is one of the European large infrastructure projects and is entirely financed by the EU budget. It will ensure Europe's autonomy in an area that is of strategic importance to both its economy and security. Galileo will be used for a large number of purposes, including for critical business processes that require uninterrupted navigation, and for timing services needed for example for critical applications such as the synchronisation of electricity grids and telecommunication networks. The Galileo system will consist of a satellite constellation and the necessary ground infrastructure to control the satellites and enable the provision of positioning, navigation and timing services.

EGNOS, the European Geostationary Navigation Overlay Service, is a fully operational regional satellite navigation system monitoring and correcting open signals emitted by the US GPS and Galileo in the future. It consists of several transponders installed on geostationary satellites and a network of ground stations. By improving the accuracy and reliability of the US GPS signal over the territory of Europe, EGNOS allows users in Europe to use GPS signals for instance for safety-critical applications such as operating aircraft. It allows users in Europe and beyond to determine their position to around 1 metre.

Implementation status (2014-2016)

The Galileo programme is currently in its deployment phase which is due for completion in 2020. The exploitation phase is launched progressively, with the provision of the initial operational services in 2016. By 2020 the Galileo programme will be fully operational, providing robust positioning and timing services with high performance.

Galileo programme: deployment of space and ground infrastructure

With regard to the Galileo infrastructure, the key features of the ground infrastructure that will be operated in 2017 include a redundant operational Ground Mission and Control Segment deployed at the Italian and German Galileo Control Centres (GCC-IT and GCC-DE) and a Galileo Security Monitoring Centre deployed at Saint Germain in Laye in France (GSMC-FR) complemented with a new Galileo Security Monitoring Centre (GSMC) to be deployed at the GSMC-UK.

The operational deployment of the Galileo SAR Ground Segment was completed in 2016. It includes the SAR Service Centre in Toulouse (France) and three MEOLUTS (in Norway, Cyprus and Spain). The Galileo SAR Ground Segment successfully supported the commissioning campaign of the COSPAS/SARSAT MEOSAR component.

The deployment of the space infrastructure was accelerated. Although only one Ariane-5 launch was initially planned in 2016, finally two satellite launches took place. The first launch was on 27 May with two satellites on board a Soyuz launcher and the second one on 17 November with four satellites on an Ariane-5 launcher. In December 2016 the space infrastructure consisted of 18 satellites.

Additional procurements of service facilities were launched in 2016. These include the Galileo Reference Centre (Noordwijk) and the upgrade of the European GNSS Service Centre (Madrid) that will be finalised in November 2017. In parallel, the Commission decided that the Galileo Integrated Logistics Centre would be located in Transinne (Belgium).

Regarding security, key actions included measures to ensure the accreditation of the system and initial services, and the development of operational concepts and procedures for the Public Regulated Service (PRS). Furthermore, close coordination with EEAS took place to ensure that a first set of complete operational procedures were in place by end 2016. Finally, work has continued on establishing an administrative arrangement with ESA on access to PRS technology for the roll-out of the programme and this is planned to be signed in the first quarter of 2017. To ensure the continuity of services beyond 2020, preparatory work was carried out to identify possible evolution areas, technological capabilities, constraints, signal and frequencies trends, evolutions of the GNSS international context and lessons learnt from the operation of the current system. Building on interactions with Member States and GSA, the first issue of a future High Level Document (HLD) was consolidated. It describes the major potential evolution scenarios – with the exception of the PRS and security issues.

Galileo programme: service provision

The Galileo initial services were declared operational on 15 December 2016. All necessary conditions for providing the services were met, in particular the readiness of the ground and space infrastructure, successful completion of the validation campaign lasting for more than eight months and security accreditation. At this initial service stage, the Galileo services (Open Service, Public Regulated Service and Search and Rescue service) are provided continuously and delivered with the expected performance and availability.

Provision of Galileo initial services is the first step towards reaching full operational capability. The following key activities were carried out to ensure the completion of the deployment phase by 2020:

- successful qualification and operational validation of the Galileo system configuration to be transferred to the GSA ;
- through the system delta CDR process, the final technical parameters of the Galileo system in 2020 were successfully defined;
- a roadmap of all activities and contractual arrangements until 2020 was finalised and presented to the Committee;
- the procurement process for purchasing additional satellites was launched;
- the procedure for follow-up contracts for the ground segments progressed well and the contract for system and service support has been signed ;
- the Galileo Service Operator (GSOp) was selected and administrative arrangements with Member States' hosting ground infrastructure are being finalised;

The transition from deployment to exploitation phase, i.e. transfer of responsibilities for ground segment and system operations towards GSA, progressed substantially. In particular, the programme implementation framework was updated, including a revision of the existing delegation agreements with GSA and ESA as well as the conclusion of the Galileo Working Arrangement between ESA and the GSA on 15 December 2016. As a precondition for delegating additional tasks to the GSA, the Commission carried out a review which concluded that the GSA is ready to take over additional tasks, provided that appropriate risk mitigation measures are put in place.

EGNOS programme: service provision

The continuity of EGNOS services remained a priority in 2016 Work programme. It was successfully achieved through 2016 by efficient implementation of recurrent activities and preparation of system updates. To guarantee the continuity of services beyond 2018/2019 and to ensure the full coverage of all EU Member States, a major EGNOS release (V2.4.1N) was qualified. The study phase (phase B) of the next major evolution was finalised (V2.4.2 phase) and the procurement for phase C/D was prepared. Moreover, the Service Definition Documents (SDD) for EGNOS Safety of Life service was published following the start of operations of the EGNOS V2.4.1N. For the new version of the system (EGNOS V3) the procurement was prepared in 2016.

Market uptake

Market uptake of Galileo and EGNOS services is essential as outlined in the Space Strategy for Europe¹. Market uptake activities in 2016 focused on:

- Single European Emergency number E112: in January 2016 the Commission started a 12-months pilot project to analyse different solutions to deliver location information to emergency centres during a 112 call, carry out a cost-benefit analysis, propose an architecture for the 112 call using EGNOS and Galileo and to carry out end-to-end pilot projects in four countries (UK, Lithuania, Italy and Austria).
- IMO recognition: in May the International Maritime Organisation recognised Galileo as part of the World Wide Radio Navigation System, which is an important milestone for the adoption of Galileo for use in commercial shipping.
- The interoperable EU-wide eCall: following the adoption of the eCall Regulation in April 2015, which ensures compatibility of the eCall system with Galileo and EGNOS, the accompanying Delegated Regulation was adopted in September 2016 (C(2016) 5709, 12.9.2016). In March 2016, adoption of a Commission's implementing act (799/2016) on the new GNSS-based (i.e. EGNOS/Galileo) Digital Tachograph which will be in use after 3 years (March 2019).
- Galileo Commercial Service: The Commission Implementing Decision determining the technical and operational specifications of the commercial service has received a positive opinion of the Galileo Programme Committee.
- Development of applications financed by the Union: implementation of projects from 1st and 2nd H2020 call continued. The 3rd call opened on 8 November 2016. Preparatory work for the 3rd call for proposals under H2020 was finalised. Further projects were launched under the 'Fundamental Elements' set of activities.
- Development of standards supporting Galileo and EGNOS continued, focusing on aviation, maritime, LBS and multi-modal transport.
- Raising awareness about Galileo and EGNOS: this included in particular the European Space Solutions Conference in The Hague in May 2016 and the declaration of initial services in December 2016.

In the field of international cooperation:

- Negotiation mandates for the PRS Agreements with Norway and the US were adopted in June 2016.

¹ COM(2016) 705 final.

- Negotiations were concluded with the Agency for Aerial Navigation Safety in Africa and Madagascar (ASECNA), laying down the terms and conditions for the provision of space based augmentation system in Africa based on EGNOS. The proposal for a Decision authorising the signature was adopted by the Commission in September 2016. The Decision was adopted by the Council in November 2016.
- The GNSS Agreement with Korea was concluded in June 2016.

To protect the Galileo and EGNOS frequencies, the ITU coordination for the Galileo filings have been completed with all the GNSS except GLONASS. For EGNOS, the respective filings for the transponders have been fully registered with the ITU. The Galileo and EGNOS frequencies were protected from new threats at the World Radio Communication Conference at the end of 2015.

A detailed inventory of the radio navigation services and applications was completed in 2016, setting the ground for proceeding with the next step towards the development of a European Radio-Navigation Plan.

IPR management

In 2016, the Authorisation for the use of the intellectual property rights (IPR) associated with the Galileo Open Service Signal-In-Space Interface Control Document (OS SIS ICD), was updated with information concerning six patents to which the EU acquired a licence. Accordingly, the scope of IPR that is available to industry to adopt and develop new technologies in the Galileo downstream market has been extended.

The Commission has granted an extended licence to one of its contractors to EGNOS-related IPR, thus enabling the export of a system based in EGNOS technology overseas. The conclusion of this licence agreement represents a step ahead for the dissemination of European knowledge and assets generated under the EU Space programmes.

The Commission started to analyse a number of extended licence requests concerning IPR developed in both Galileo and EGNOS. Thus, it is envisaged that more of these licences are granted in 2017, which demonstrates that the intangible property generated under the EGNSS programmes is capable of providing European industry with a competitive advantage to succeed within and across borders.

Finally, in 2016 the contractual framework for the management of IPR generated under research contracts for system evolutions was put in place.

Project management and risk management

Since 2014 the Galileo programme management processes are described in the Programme Management Plan common for the European Commission, European GNSS Agency and European Space Agency². It sets-up a framework for the decision making (boards and meetings), programme management (procurement management, schedule control, budget, cost and cash management, risk management) and related regular reporting (monthly, quarterly and annually). The Risk Management Plan details the way the risks are identified, classified and treated till their reduction or mitigation.

Key achievements

In 2014, the smooth rollout of the Galileo and EGNOS programmes for the 2014-2020 period was ensured. The governance framework of the programmes was put in place with a clear division of tasks between the European Space Agency and European GNSS Agency through delegation agreements³. Over the past years, the key priority has been on the preparation of the exploitation phase of the Galileo programme in the view of the provision of the full set of Galileo services in 2020, operation and maintenance of the EGNOS services and preparation for the market uptake of Galileo and EGNOS services. These achievements can be highlighted:

1. Declaration of Galileo Initial Services

The Galileo initial services were declared operational on 15 December 2016. The declaration of Galileo initial services ensures that Galileo is positioned on the global satellite navigation market, taking into consideration that the US and Russian systems are being strengthened and the Chinese system is rapidly evolving. Additionally, the declaration allows the Union to take a much stronger role on the world stage in the area of satellite navigation.

Galileo Initial Services are fully interoperable with GPS, and their combined use will bring many benefits to the end user. With Galileo satellites working in conjunction with GPS, there will be more satellites available, meaning more accurate and reliable positioning for end users. Navigation in cities, where satellite signals can often be blocked by tall buildings, will particularly benefit from the increased positioning accuracy this will provide.

Also, Galileo's accurate timing will contribute to enabling more resilient synchronisation of banking and financial transactions, telecommunication and energy distribution networks to help them operate more efficiently - an often overlooked, but essential task.

² The Programme Management Plan is an annex to delegation agreements on the deployment phase of the Galileo programme between the European Commission and European Space Agency and on exploitation phase of the Galileo programme between the European Commission and the European GNSS Agency.

³ The delegation agreements include a clear cost management strategy with dedicated quarterly reporting detailing the actual and planned use of the delegated Funds and including some performance indicators. The financial information is given at contract level for 4 different categories. All the contracts signed follow The budgetary rules of best value for money and sound financial management.

Finally, Galileo will help save lives. Galileo's Search and Rescue service reduces drastically the time it takes to detect emergency distress beacons from up to three hours to just ten minutes. As distress beacon locations will also be determined more accurately, people lost at sea or in the mountains can be rescued more quickly

2. Putting into place the framework for the full operational capability of Galileo by 2020

In 2016, the programme implementation framework was updated, including a revision of the existing delegation agreements with GSA and ESA as well as the conclusion of the Galileo Working Arrangement between ESA and the GSA on 15 December 2016. Additionally, the contract with the Galileo Service Operator was concluded and the procurement of follow-up contracts for the ground and space segments proceeded well.

3. Further acceleration of the Galileo space infrastructure deployment, using Ariane-5 for the first time

In 2016 six Galileo satellites were launched successfully. This is an excellent achievement for Galileo and it is a deployment pace which has been rarely followed in the satellite navigation world until now. In particular, for the first time in the history of spaceflight, four navigation satellites were launched at the same time with Ariane-5 in November 2016.

4. Market uptake

The uptake of Galileo greatly profited from the declaration of initial services. A range of products are now on the market which are Galileo enabled. Further details can be found on the following website: <http://www.usegalileo.eu/EN/>

The uptake of EGNOS also further progressed. At the end of 2016 there were 219 EGNOS enabled airports and 401 EGNOS based procedures in 20 countries in Europe. In road transport the number of trucks using EGNOS for tolling was 1,1 million. In the agriculture domain 80% of GNSS enabled tractors were EGNOS enabled⁴.

The implementation of projects from the 1st and 2nd H2020 call fostered the development of new applications. These projects have already led to 13 innovations that were brought to the market, 5 patents that were granted, 34 advanced prototypes that were built and a total of 223 scientific papers that were published⁵,

International cooperation activities also contributed to the uptake of Galileo and EGNOS. The Korean authorities decided in 2016 to procure in the EU a space based augmentation system based on EGNOS.

Evaluations/studies conducted

In 2016, detailed assessment of market uptake continued. In terms of technology penetration, the number of receiver models offering Galileo compatibility increased from 25% in 2012 to 35% in 2014 and today stands at nearly 40%. For EGNOS the rate stood at 63% in 2015 and increased to 75% in 2016.

Europe's share of the market (over the period 2005 to 2015) is stable, fluctuating between 24% and 27%. In 2015 the share (EU28+Norway & Switzerland) was 25%, compared to 31% for the US and 22% for Japan.

Also, in 2016 the interim evaluation process of the Galileo and EGNOS programmes has started. The purpose of the evaluation is to carry out an in-depth evidence-based assessment of the extent to which the programmes and the European GNSS Agency were effective (how well the programmes/tasks of the Agency were implemented), efficient (at what cost and benefits), relevant (responding to which needs), coherent with other actions and what are the benefits of acting at EU level. The evaluation is done for the period from 1 January 2014 to 31 December 2016⁶.

Forthcoming implementation (2017-2018)

The priorities for 2017 are:

- Ensure service continuity for Galileo and EGNOS services;
- Continue preparations for the full operational capability of Galileo services by end 2020;
- Promote the market uptake of Galileo and EGNOS services by continuing the ongoing activities and by implementing the actions proposed in the Space Strategy for Europe;
- Prepare for the further implementation of the programmes after 2020.

Galileo service provision:

2017 marks the beginning of the Galileo exploitation phase with stable provision of initial services in line with expected performance levels. Transition towards the exploitation phase will be concluded with a transfer of responsibilities towards GSA in 2017. With regard to the contractual framework, the hand-over to the Galileo Service Operator is planned to take place by mid-2017. The maintenance of the Galileo operational infrastructure will also need to be ensured during the finalisation of the transition, in particular the upgrade and maintenance of the Ground Segment and Security Facility.

⁴ Figures provided by the European GNSS Agency.

⁵ Figures provided by the European GNSS Agency.

⁶ For details on the evaluation, consult the evaluation roadmap: http://ec.europa.eu/smart-regulation/roadmaps/docs/plan_2016_510_evaluation_gnss_en.pdf

At the same time, activities will be ongoing to ensure the full deployment of the system. The production and launch of remaining satellites will be implemented under the deployment phase. With a view to the further improvement and evolution of the ground infrastructure, the Commission will conclude follow up contracts for ground segments. The Commission will ensure a close monitoring of the implementation of the roadmap for all activities and contractual arrangements until 2020.

With regard to security, key actions will include measures to ensure the accreditation of the system, and the development of operational concepts and procedures for the PRS. In order to reinforce the human resources of the GSA, notably in the area of cybersecurity, additional staff was requested for 2018.

EGNOS service provision:

For EGNOS the continuity of services is the key objective in both the medium and long term. This requires an efficient implementation of recurring activities, and the preparation of system updates.

In the medium term, to guarantee the continuity of services beyond 2018/2019 by managing obsolescence and to ensure full coverage of all EU Member States, the activities of a new release of the system (V2.4.2) will start with deployment of four additional ranging and monitoring stations.

In the long term, the objective is to provide more robust services with the deployment of a new version of the system (EGNOS V3) which will allow dual frequency, dual constellation services. In 2017, the work will focus on preparing the new EGNOS generation. This includes starting the development of the future generation of the system (EGNOS V3 phase CD) and the development of new geostationary transponder services (GEO3). It also includes drafting standards for DFMC (Dual Frequency Multi Constellation) SBAS based on the outcome of the assessment study by ESA on the use of Galileo OS for SoL.

Market uptake:

The Space Strategy for Europe adopted in 2016 sets out objectives for the market uptake of Galileo and EGNOS. In 2017 the focus will be on E112 and mobile phones, road for the autonomous/connected vehicles, aviation & drones as well as on timing synchronisation for critical infrastructure.

In the field of international cooperation, negotiations with the US and Norway for access to PRS will continue in 2017. The Commission will also foster the adoption of EGNOS in the Western Balkans and the European Neighbourhood Policy (ENP) countries. Moreover, the agreement with ASECNA will be implemented.

Preparation of the further implementation of the programmes after 2020

Based on the outcome of the interim evaluation of the programmes launched in 2016, the Commission will prepare an impact assessment that will accompany the legislative proposal for further implementation of the European satellite navigation programmes post-2020.

This preparatory work will also benefit from the activities related to the potential evolutions of Galileo. In 2017, the Commission will continue assessing the technical impact as well as the cost benefit ratio of the evolution scenarios for Galileo.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1285/2013 of the European Parliament and of the Council of 11 December 2013 on the implementation and exploitation of European satellite navigation systems and repealing Council Regulation (EC) No 876/2002 and Regulation (EC) No 683/2008 of the European Parliament and of the Council	2014 - 2020	7 071,7

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	3,4	2,1	3,4	2,5	3,0	4,2	5,0	23,6
Operational appropriations	1 322,8	1 058,5	848,2	895,0	808,9	752,1	1 249,2	6 934,7
Total	1 326,2	1 060,6	851,6	897,5	811,9	756,3	1 254,2	6 958,3

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	995,833	91,01 %	737,474	72,21 %	987,112	0,01 %	852,276	32,15 %
Authorised appropriation excluding external earmarked revenue	852,614	99,96 %	521,318	99,06 %	897,847	0,01 %	651,277	39,60 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU right to act is based on article 172 of the Treaty on the functioning of the European Union and the GNSS Regulation on the further implementation of the European satellite navigation programmes (EGNOS and Galileo). Today about 11% of the EU's GDP, i.e. about EUR 1300 billion, relies on satellite navigation signals controlled by third countries. EGNOS and Galileo will not only ensure Europe's autonomy, but also provide additional benefits in combination with other GNSS (Global Navigation Satellite System), resulting from the additional services the systems will offer and the increased performance coming from additional satellites. Galileo is also the only GNSS specifically designed for civil purposes, i.e. it aims to satisfy the requirements and the needs of the civil sector, in compliance with the most demanding security standards. Billions of users over the world are expected to use Galileo, hence reaching a unequal level of outreach of any infrastructure owned by the EU.

Both programmes are complex projects which exceed the financial and technical capacities of a single Member State, as such they fully fall within EU competence. Considering their requirements in terms of security, all Member States must be involved in those programmes.

These programmes contribute to stimulating economic activity and technological innovation. They will enable traffic management to be optimised whether on road, waterborne or aerial. Better managed traffic not only improves safety but also reduces pollution since travel is more efficient. Satellite navigation also enables emergency services to better carry out their duties (e.g. in case of fires, road accidents, mountain rescue). Another added-value is that the combined use of GPS and Galileo signals will allow for better precision and availability and opens the door to new applications which are not possible by using GPS alone.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility) 100% (lines 02 05 01; 02 05 02)	895,0	808,9

4. Performance information

General objectives

General Objective 1: Supporting European presence in space and the development of satellite-based positioning, navigation and timing services*

Indicator 1: Market share of EU GNSS industry in worldwide GNSS downstream market

Baseline ⁷	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
EGNOS present in number of receiver models in 2012 : 63%	63%	63%	75%	75%	78%	82%	85%
	35%	35%	45%	40%	42%	44%	
Galileo present in number of receiver models in 2012 ⁸ : 35%	Actual results						70%
	63%	63%	68%				
	35%	35%	38%				

Specific objectives

Specific Objective 1: To develop and provide global satellite-based radio navigation infrastructures and services (Galileo) by 2020

Indicator 1: Galileo infrastructure-Cumulative number of operational satellites

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
4		12					30
	Actual results						
	3	9	18 ⁹				

⁷ The market share indicator is based on the percentage of Galileo and EGNOS receivers in the total number of receiver models worldwide. The baseline for this indicator was established in 2014 and the data is included in the 2014 market report of the European GNSS Agency and will be measured annually. The trend of the production of Galileo and EGNOS enabled model receivers suggests that receiver manufacturers are gradually integrating Galileo and EGNOS into their products and the milestone target for this indicator is likely to be reached

⁸ Total number of receiver models in the GPS survey in 2012: 483

⁹ 18 Galileo satellites were in orbit, 1 of them is only operational for the SAR service, 4 are still in test, which means 13 satellites were fully operational.

Indicator 2: Galileo infrastructure-New terrestrial infrastructure deployed version							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
IOV initial configuration in June 2011	IOV final configuration	Ground Segment Version 2.0	System Build 1.5.0		System Build 1.5.1		System Build 2.0
	Actual results						
		GMS Version 2.1/GCS 2.0	SB 1.5.0				

Indicator 3: Galileo services provision-Number of services implemented							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of services implemented	N/A	N/A	4				5 services ¹⁰
	Actual results						
		0	4 ¹¹				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Galileo - services	02 05 01		623,9

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Galileo - services	F			4	3	3	3	5
	P	0	0	4				

Specific Objective 2: To provide satellite-based services* improving the performance of GPS to gradually cover the whole ECAC (European Civil Aviation Conference) region by 2020 (EGNOS) and European neighbouring countries

Indicator 1: Progress of the EGNOS coverage extension versus agreed coverage extension							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
EGNOS Service Evolution Plan v2.0 established in 2015 ¹²	n/a	Establishment of an updated EU coverage extension plan for EU-28 in December 2015 Establish EGNOS Service Evolution Plan v2.0	Report on advancements in coverage	Report on advancements in coverage	Report on advancements in coverage	Report on advancements in coverage	Coverage of EU-28 with EGNOS in line with the EGNOS Service Evolution Plan
	Actual results						
		EGNOS Service Evolution Plan v2.0 was established	98.98% coverage of EU28-NO-SW land masses for APV-I				

*According to the legal base (Regulation (EU) No 1285/2013) the specific objectives of EGNOS cover the following 3 services. Open Service (OS), EGNOS Data Access Service (EDAS) and Safety-of-Life Service (SoL).

¹⁰ Including contribute, by means of Galileo open service signals and/or in cooperation with other satellite navigation systems, to integrity-monitoring services aimed at users of safety-of-life applications in compliance with international standards.

¹¹ Galileo initial services were declared operational on 15 December 2016. These include the Galileo Initial Open Service, the Galileo Initial Public Regulated Service, the Galileo Initial Search and Rescue Service as well as the Commercial Service Demonstrator which became operational in 2016 and will be Connected to the Galileo system in 2017.

¹² The Service Evolution Plan (SEP) was agreed between the Commission and GSA and constitutes the baseline for the implementation of the EGNOS mission and security requirements. It defines the extension of EGNOS services over the European territory in terms of their availability which is depicted in a form of 'availability maps'.

Indicator 2: EGNOS service availability index based on the number of airports with EGNOS-based approach procedures with an operational status versus the total number of airports with EGNOS - based approach procedures

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Service availability index: 100%			Maintain the service availability index: 99%	Maintain the service availability index: 99%			Maintain the service availability index constantly at least on 99%
Total number of airports with EGNOS procedures: 93 (2013)			Increase the number of airports with EGNOS procedures	Increase the number of airports with EGNOS procedures			
Total number of airports with EGNOS procedures with an <i>operational status</i> : 93 (2014)							
	Actual results						
	Service availability index: 97.72%	Service availability index: 99.9%	Service availability index: > 99%				
	Total number of airports with EGNOS procedures: 132	Total number of airports with EGNOS procedures: 174	Total number of airports with EGNOS procedures: 230				
	Total number of airports with <i>operational status</i> : 129	Total number of airports with <i>operational status</i> : 173	Total number of airports with <i>operational status</i> : 230				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
EGNOS – services	02 05 02	3	185,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
EGNOS - services in operation:	F	3	3	3	3	3	3	3
	P	3	3	3				

* Open service (OS); EGNOS Data Access Service (EDAS); Safety-of-life service (SoL)

HEADING 1A: Competitiveness for growth and jobs**International Thermonuclear Experimental Reactor (ITER)**

Lead DG: ENER

I. Programme Update***Implementation Status (2014/2017)***

ITER aims to demonstrate fusion as a viable and sustainable source of energy. It is being built in Saint Paul-Lèz-Durance (France) with the support of seven international partners that represent half of the world's population (Euratom, Russia, Japan, China, India, South Korea and the United States). The programme covers the European contribution to the ITER International Organization (IO) for the construction of the ITER facility, which includes the procurement of equipment, installation, general technical and administrative support for the construction phase as well as the participation in commissioning and operations. The programme also covers other ITER related activities, such as the Broader Approach activities with Japan. These contributions are channelled through a European Domestic Agency, the Joint Undertaking Fusion for Energy (F4E) located in Barcelona (Spain).

The challenges encountered by the project, in particular regarding the schedule and cost estimates but also in terms governance are largely linked to its inherent first-of-a-kind nature which goes beyond the current technological state-of-the-art, and also to its complex governance set-up. In 2015 the ITER Council approved an action plan prepared by the IO to address these challenges. One of the main actions was the revision of the long term schedule and associated costs, which was successfully completed in November 2016. The updated schedule follows the so-called staged approach, recommended by independent experts in April 2016. It focuses first on the construction of the components essential to achieving First Plasma in 2025, followed by successive series of installation and testing phases before starting the full performance phase (Deuterium-Tritium operation) in 2035. The European Commission is preparing a Communication to inform the European Parliament and the Council of the EU on the new schedule and associated costs. By this Communication, the Commission also seeks the support of the European Parliament and a mandate from the Council of the EU to allow the Commission to approve ad referendum the new schedule and associated costs of the project at an ITER Council meeting at ministerial level, likely to take place in 2017.

Parallel to the action plan of the IO, the Governing Board of F4E approved in March 2015 an action plan to improve the functioning of F4E and to address the observations raised by the European Parliament and the Court of Auditors in their reports on the 2013 discharge. This action plan is currently being implemented. In addition, in December 2016, the Governing Board of F4E welcomed the results of a high-level assessment exercise on the planning for the delivery of the components under Euratom responsibility and the associated resources under the updated ITER schedule. These results confirmed the capacity of F4E to deliver the Euratom contribution to the new project schedule on time and coherent with the staged approach within the current available budget until 2020 and the cost projections made thereafter. Nevertheless design and manufacturing challenges, affecting in particular the critical path, continue to exist and could have further impact on the revised schedule

As far as the construction is concerned, in May 2015 started the reinforcement works of the first level of the bio-shield of the Tokamak building; now almost completed. In addition, the steel structure of the Assembly Building was completed and the roof was lifted into place. The foundation work of the buildings for the cryoplant and site services have been also finalised¹. The production of conductors for both the Toroidal Field (TF) Coils and the Poloidal Field (PF) Coils was completed. The first TF winding pack was finalized in April 2016 and the series production of TF coils components continued through the year. The PF winding tools were installed in the PF Coil Building in Saint Paul-Lèz-Durance and in Hefei in China. The tooling in France was successfully tested and the first complete layer using dummy conductor produced.

For the Vacuum Vessel, work on qualification of the welding procedures was completed and all jigs and materials are now available, allowing the production of the Vacuum Vessel to progress. Full-scale prototypes of different components of the First Wall Panels were produced. The pre-qualification for 3 suppliers of the Inner Divertor Target started. The foundations for the cryoplant building were laid and the building is now rising from ground while the subsystems that will go into the building are ready to be tested and close to delivery. First components for the Neutral Beam Test Facility were delivered. Finally, there is important progress in diagnostics, in cooperation with the European Fusion Laboratories.

The physical progress of the project is evident on the ITER site with many buildings under Euratom responsibility being erected. A positive appreciation of this progress made both by the new ITER management and the project itself has been confirmed by the ITER Council Review Group that in April 2016 assessed the updated project schedule proposed by the IO. In addition, the 2015 Management Assessment of the ITER Organization acknowledged effective efforts to make the project advance recognising management improvements, which were overall leading to the acceleration in the project progress.

Regarding the budget implementation, F4E has implemented its budget as follows: 2015 global commitment: ca. 78.5% implementation; 2016 commitment appropriations: 99.8% implementation, of which ca. 99.7% through individual commitments; 2016 payment appropriations: 98.1% implementation. The consolidation and improvement of the financial performance of F4E has

¹ Efforts are focussing on the construction of the Tokamak building, which is on the critical path. In parallel, works on the other ITER buildings are progressing.

been confirmed in annual discharge procedures by the European Parliament, based on annual review of the accounts by the European Court of Auditors that has consistently confirmed the regularity and conformity of F4E's accounts.

The impact of the financing of F4E in the European economy in terms of growth, employment and increase of industrial competitiveness and innovation will be the object of a study on the 'value for money' of F4E that will be soon launched by the European Commission. In addition, the Commission will submit to the European Parliament and to the Council of the EU before 31 December 2017 a mid-term review of the Council Decision 2013/791/Euratom of 13 December 2013, setting out the results of the use of the Euratom contribution to ITER as regards commitments and expenditure. An impact assessment of the current funding decision of ITER through F4E based on of this Council Decision will be also prepared before the end of 2017 in view of the ITER financing under the next Multiannual Financial Framework.

Key achievements

The ITER construction involves over 10 million components being built around the world. About 75 % of the investment in ITER is spent on the creation of new knowledge and cutting-edge materials and technology, offering European industries and SMEs a major opportunity to innovate and develop 'spin off' products in sectors outside ITER remit such as the broader energy sector, aviation and hi-tech instruments like the nuclear magnetic resonance – scanners. An example of this is the successful fabrication of the superconductors and the winding packs in Europe for the ITER Toroidal Field Coils, which have never been manufactured with such size before and are therefore a major technological progress.

A total of 108 out of 136 procurement arrangements have been signed by the ITER Organisation for the different work packages of the construction of the ITER reactor. This represents 91.1 % of the project's total in-kind value. This means that a significant part of ITER activity is now in the hands of the ITER members who will deliver the ITER components. F4E has now placed most of the large value contracts (more than EUR 100 million). As of 31 December 2016, F4E has signed 1015 operational procurement contracts and 156 grants for a total of about EUR 3.1 billion (2008 value).

Forthcoming implementation (2017/2018)

In 2017, F4E will follow up the on-going contracts which were placed during previous years (with a total value of running contracts of about EUR 3.4 billion (2008 value, forecasted by the end of 2017) and should achieve 36% of the Euratom's obligations to be discharged to the IO. The main deliverables expected in 2017 by F4E are the following:

- Completion of the several sub-components for the Toroidal and Poloidal Field coils,
- Delivery and installation of EU cryoplant components,
- Completion of the fabrication of the first segment of the Vacuum Vessel sector no. 5,
- Start of the usage of the 400 kV electrical network yard,
- Buildings: first step in handover of the Assembly Hall (Ready For Equipment), continuing of civil work for the cryostat support crown and the second basement of the tokamak building.

In 2018, F4E will follow up the on-going contracts which were placed during previous years (with a total value of running contracts of about EUR 3.7 Billion (2008 value, forecasted by the end of 2018) and should achieve 42% of the Euratom's obligations to be discharged to the IO. The main deliverables expected in 2018 by F4E are the following:

- Start of series production of precompression rings, first PF coil ready for cold test, TF cold test facility ready
- Completion of the fabrication of the poloidal segments of Sector 5 of the Vacuum Vessel
- Fuel Cycle: The Water Detritiation System holding and feeding tanks delivered to Cadarache to be installed in the tritium plant building.
- Approval by IO of installed EU cryoplant components,
- First part of the Low and Medium Voltage Load Centres transferred to IO for use
- Buildings: First limited access to Tokamak pit.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Decision of 13 December 2013 amending Decision 2007/198/Euratom establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (2013/791/Euratom) (OJ L 349, 21.12.2013, p. 100.)	2014 - 2018	2 915,0

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	8,9	9,7	6,6	8,7	7,2			41,1
Joint undertaking	720,9	382,2	323,3	314,1	369,1			2 109,6
Total	729,8	391,9	329,9	322,7	376,4			2 150,6

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	359,251	99,56 %	265,501	99,32 %	323,805	99,19 %	245,609	60,74 %
Authorised appropriation excluding external earmarked revenue	359,232	99,57 %	265,445	99,15 %	323,786	99,19 %	245,580	60,73 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The ITER project, which is part of the Strategic Energy Technology (SET) Plan, aims at building and operating an experimental fusion reactor, a major step towards the demonstration of fusion as a sustainable energy source. Due to its important advantages, such as the availability of large fuel reserves and the lack of CO₂ emissions, fusion could greatly contribute to the long-term EU strategy of decarbonisation of the energy system in a safe, efficient and secure way. The risk, costs, and long-term nature of a large research projects such as ITER puts it beyond the reach of individual EU Member States and even of the EU as such. Thus, the establishment of a global framework through an international agreement between Euratom and six other Parties: China, India, Japan, Korea, Russia and the USA was essential to undertake this large-scale scientific experiment. ITER construction started in 2007 and Euratom provides about 45% of all components through the F4E.

Europe's support to ITER and to other activities related to ITER such as the Broader Approach activities with Japan contributes to the strategic agenda of the European Union for clean and secure energy. In particular, it supports the first objective of the Commission's political agenda: *'boosting growth, jobs and investment in future high potential technologies'* as ITER is stimulating the European industrial investment in new advanced technologies for the components of the facility and in advanced civil engineering for its construction. In the longer term, ITER is contributing to the Research & Innovation pillar of the Energy Union.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

ITER activities contribute to the Europe 2020 headline targets, mainly to the Innovation Union and the Industrial policy for the globalisation era (e.g. by involving the European hi-tech industry which will gain new skills and manufacturing capabilities). In addition, ITER is contributing to the Research & Innovation pillar of the Energy Union. As far as section 3.2.2 is concerned, it should be noted that this budgetary breakdown exercise regarding the contribution to the flagship initiatives implies that each amount has to be allocated on the basis of exclusivity. In this context the contribution amount represents a rough estimation and a simplistic picture of the reality because many ITER actions will contribute simultaneously to both flagships.

Being in its construction phase, ITER is already having a very palpable positive impact on growth and jobs in the region where it is located and, more generally, to the many European industries and SMEs which are involved in the conception and construction of the thousands of first-of-a-kind technological components of this engineering and research venture.. All this translates into new knowledge and cutting-edge technology, market oriented research and innovation and high skilled jobs and knowledge all over Europe.

As regards the impact on employment, F4E estimates that through their contracts, industry is creating over 15,000 person-years of employment in Europe and will create many more during the remainder of ITER's construction phase, as ITER work is more labour and knowledge intensive than conventional industrial manufacturing due to the high content of R&D and engineering tasks.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	157,0	184,6
Sustainable Growth (competitiveness, climate, energy and mobility)	157,0	184,6
Total	314,0	369,2

Smart growth: 50% of 32 05 01 01 + 50% of 32 05 01 02

Sustainable growth: 50% of 32 05 01 01 + 50% of 32 05 01 02

4. Performance information

General objectives

General Objective 1: development of fusion as a potentially limitless, safe, sustainable, environmentally responsible and economically competitive source of energy

Indicator 1: Reduction of greenhouse gas emissions at EU level compared to 1990

Baseline 2012	Milestones foreseen						Target 2020 ²
	2014	2015	2016	2017	2018	2019	
18 %			20 %				21 %
	Actual results						
	23 %		Not yet available				

Specific objectives

Specific Objective 1: to provide the Euratom contribution to ITER and to the ITER related activities

Indicator 1: Percentage of Euratom's obligations discharged by the ITER Organization (IO) through the Joint Undertaking F4E

Baseline ³ 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
6%	13 %	19 %	27 %	36 %	42 %		63%
	Actual results						
	13 %	17 %	24 %				

Specific Objective 2: Support to European industry and research through the ITER construction and ITER related activities

Indicator 1: Percentage of budget committed by F4E in procurements and grants to industry and laboratories

Baseline 2013	Cumulative Percentage						Target 2020
	2014	2015	2016	2017	2018	2019	
0 %	22 %	33 %	47 %	64 %	79 %	81 %	100 % ⁴
	Actual results						
	22 %	33 %	47 %				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Call for funds for F4E	32 05 01		
Total			

Justification of changes to the financial programming and/or to the performance information

Although progress can be observed on the ITER site in Saint Paul-Léz-Durance (France) where the ITER device is being built, the project faces complex challenges. Many of these challenges are linked to the 'beyond-state-of-the-art state' of the technology of this ambitious experimental project and the complex international management and governance structure. These challenges in particular in term of schedule delay and cost overruns have materialised, affecting the current schedule adopted in 2010. A revised schedule up to First Plasma was therefore adopted by the ITER Council in June 2016 and up to Deuterium Tritium operation in November 2016. The schedule is part of the ITER Baseline which consist also of the scope and the cost of the project. The full ITER Baseline should be adopted ad referendum during an ITER Council at Ministerial level, likely in 2017. Due to the present schedule delays, the ITER construction will not be completed in 2020 as originally planned in 2010. Consequently, the percentage of Euratom's obligations discharged by the IO through F4E are lower than what was expected within the current schedule.

5. Programme contribution to the Sustainable Development Goals

The ITER programme contributes to several Sustainable Development Goals. ITER and fusion energy research in general will contribute at a later stage to a clean energy transition while boosting jobs and growth in the area of energy and climate under Sustainable Development Goal 7 ("Ensure access to affordable, reliable, sustainable and modern energy for all") and Sustainable Development Goal 13 ("Take urgent action to combat climate change and its impacts"). Through the Sustainable Development

² COM(2014) 689.

³ Progress in the Euratom contribution to ITER construction is measured according to credits granted by ITER Organisation to F4E according to the ITER International Agreement.

⁴ Corresponding to EUR 2065 million which is the total amount of funding for the period 2014-2020 of in-kind contributions to ITER through F4E

Goals, the EU has set ambitious 2030 targets to reduce greenhouse gas emissions, improve energy efficiency and increase the share of renewable energy.

ITER provides for Research and Innovation which are both underpinning the implementation of virtually all Sustainable Development Goals and in particular under Sustainable Development Goal 9 ("Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation").

Finally, ITER is also an example of a global partnership for Sustainable Development Goal 17 ("Strengthen Means of Implementation and revitalise the global partnership for sustainable development").

HEADING 1A: Competitiveness for growth and jobs

European Earth Observation Programme (Copernicus)

Lead DG: GROW

I. Programme Update

Implementation status (2014-2017)

The overall programme 2014-2020 has a financial envelope of EUR4.3 billion, and foresees implementation through a number of delegation agreements, as well as direct actions. By end of the year 2015, two delegation agreements had been signed with the European Space Agency, EUMETSAT for the Space infrastructure, and three delegations agreements with the European Environment Agency, the European Medium-Range Weather Forecasting Centre and Mercator-Océan for the service provision. The first dedicated satellite of the Copernicus constellation, Sentinel 1A, was successfully launched on 3 April 2014, and has since been delivering radar images of unprecedented quality to users worldwide. In parallel, the Ground Segments for the reception, processing, distribution and archiving of data have been reinforced, so as to handle effectively the unprecedented amounts of data generated by the EU-owned satellites, contributing missions and in-situ data sources.

During 2015 the Programme continued its steady increase of its operational outputs: two Services were fully working (emergency management and land monitoring) while the other four services made huge progress in terms of ramp-up (monitoring of atmosphere, climate change, marine environment and security). By the end of 2015, following signature of delegation agreements with EU Agencies FRONTEX and EMSA, all the planned delegation agreements with the prospective service operators, but one (the Delegation Agreement with the SATCEN has been rescheduled for 2016) have been successfully included and have entered in implementation mode. On the Infrastructure side, Sentinel 2-A was launched on 23 June 2015, boosting the spaced based Copernicus constellation. The early images turned out to be of a quality exceeding expectations.

During 2016, the remaining Delegation Agreement with the European Satellite Centre SATCEN has been signed to supply Support to External Actions of the Union. With this, all six services are now fully in place. On the Infrastructure side, Sentinel 3-A and Sentinel 1-B were successfully launched in February and April respectively. Both satellites are delivering excellent quality images. Furthermore, the successful launch of the Jason-3 satellite by EUMETSAT means that also this satellite is now delivering data to Copernicus in an operational context. Only the Climate Change service and the Support to External Action service component are still in a ramp-up mode, as foreseen in the work programme, with all other elements of Copernicus delivering data and information in an operational manner. The construction of Sentinel 2-B and Sentinel 5p are completed, with units ready for launch in 2017.

With the launch of Sentinel 2-B on 6 March 2017, this leaves the launches of Sentinels 5p and 3-B within 2017 or early 2018, and all efforts are being made to ensure that launches will occur as planned.

The overall status of implementation is now well in line with the foreseen progress in the planning, with exception of the launches of the satellites, and the late operational delivery of the Security service components. The unavailability of launch slots and launchers on time for Sentinel 3-A, 2-B, 5p and 3B have resulted in delays in availability of operational space data from the dedicated Sentinels, but service provision by the Copernicus services could already take place by relying on data from other contributing sources and missions, and user expectations could already be met in a ramp-up fashion. The start of the Security service components has been delayed from 2015 to 2016 due to unforeseen complexities in negotiation of the delegation agreements, but the impact was partly ameliorated by taking benefit from the operational Emergency Management Service and pre-operational R&D activities to bridge gaps where possible.

Key achievements

Sentinel 1-A contributed in particular to enhanced maritime safety and security, monitored the environment and climate change and provided support in emergency and crisis situations. Further details on the impact are given below. In parallel, the Ground Segments for the reception, processing, distribution and archiving of data have been reinforced, so as to facilitate data delivery to the Copernicus services and satellite data users.

The *first European Data Satellite* link came into operations with the start of the initial service phase on 22 November 2016. The laser transmission capabilities will significantly enhance Copernicus's capability to rapidly deliver satellite data for maritime surveillance services, and to extend the available image acquisition period per satellite orbit.

Copernicus has already been delivering services in cases of *natural disasters* through the provision of observation data. In 2014 and 2015, Copernicus was activated at many occasions and for different types of disasters. The new Sentinel 1A satellite was used for providing flood delineation information to national civil protection agencies in Serbia, Bosnia-Herzegovina, and Croatia during the Western Balkan Floods in May 2014. During 2014, a total of 56 activations of the Emergency Management Service were made, requested 51 Rapid Mapping responses and 5 Risk & Recovery Mappings, and in 2015 a total of 37 activations were made, with 35 requests for Rapid mapping and 2 requests for Risk & Recovery Mappings. In 2016, a total of 38 activations of the Emergency Management Service were made, requesting 33 Rapid Mapping responses and 5 Risk & Recovery Mappings. Floods and Fires across Europe at various times of the year dominated the activation picture. Examples of international activations during major disasters were the earthquakes in Ecuador (April 2016) and Cap Verde (August 2016), mud floods in Tajikistan (May 2016) and the tropical cyclones in Fiji (February 2016), and Taiwan (July and September 2016).

The Copernicus *Land monitoring Service* is successfully continuing the activities already developed under the GMES initial operations phase. The CLMS addresses a wide range of policies such as environment, agriculture, regional development, transport and energy as well as climate change at EU level. Monitoring by Copernicus of high value biodiversity areas, functional urban areas, mapping land cover, land cover change, land use and vegetation changes is providing essential information for the development, implementation and monitoring of DG ENV, DG CLIMA, DG AGRI, DG REGIO, DG MOVE and DG ENER policies. At global level, provision every ten days of information on the state of the environment allowed also the monitoring of crop conditions for example, essential for DG AGRI which is monitoring the international food market, and for DG DEVCO-ECHO which are monitoring food insecure countries which may need food aid. The spectral information content, as well as the rapid revisit times of Sentinel 2 will further enhance Europe's capacity to track vegetation cycles during the growing season.

The Copernicus *Marine Environment Monitoring Service* (CMEMS) has become fully operational in 2016 and supplies high value added products relevant to “Blue Growth” and European economic development, for example through its contribution to marine renewable energy development, the sustainable use of marine resources (fisheries, biodiversity) and the fight against pollution. The number of users regularly accessing the products offered by CMEMS has continued to steadily grow.

The *Atmosphere Monitoring Service* is now fully operational and supports public and commercial entities that inform European citizens about the air quality now and for the next few days. CAMS has in particular documented the fire episodes which have occurred during the summer 2016 in Spain, Portugal and South-Eastern France, as well as the ones in Siberia (North of Lake Baikal). And also it has documented the build-up of the 2016 ozone hole, which was not exceptional (at variance with 2015). For the global products service improvements are especially expected in the area of aerosols. The interim Annual Regional Reanalysis for 2015 (based on non-validated surface observations) and the Annual Regional Reanalysis for 2014 (based on validated surface observations) have been computed during the period and the corresponding Assessment Reports have been presented to DG ENV at end of 2016. They will constitute a sound basis for the reporting process at national level.

The *Climate Change Service* has successfully achieved its first stage of proof of concept and it will launch its pre-operational phase in 2017. With a steady increase of users reaching over 20,000 at the end of 2016, it has already gained significant visibility from a range of stakeholders including a few DGs as well as from the mass media. At the end of 2016, more than 130 different entities from 20 European countries are involved as a contractor or subcontractor contributing to the service. The proposal to further expand the climate mission of the Copernicus programme with the development of a capacity to monitor CO₂ anthropogenic emissions has materialized, in full collaboration with our Copernicus partners, with the set-up of two task Forces, one dedicated to the space borne observations and another one focusing on the ground infrastructure.

The *Security Service* of Copernicus is designed to provide information in support of the civil security challenges of Europe, improving crisis prevention, preparedness and response capacities, in particular for border and maritime surveillance, and targeted support for the Union External Action. All three Delegation Agreements for the elaboration of the Copernicus Security Service were concluded by the end of 2016. The signature of the last one, that with the European Satellite Centre (SatCen), that took place on 6 October 2016 marked the completion of the Copernicus Security Service institutional architecture.

In 2016, DG GROWTH launched a comprehensive user uptake strategy to foster the use of Copernicus data and to stimulate new economic opportunities enabled by space data. This will ensure easy access to Copernicus data and services, support innovation by European companies providing added-value services based on Copernicus and maximise the use of Copernicus-based applications by public and private end users.

A data and information access service will be set up in 2017 to improve access to Copernicus and facilitate combination with other sources of data. In the meantime, the Commission has increased awareness about Copernicus, notably by setting up a Copernicus support office (which acts as a helpdesk), two networks of local multipliers (the Copernicus Relays and Academy) and developing an ambitious communication campaign which includes video materials, factsheets and brochures, online tutorials, an online exchange platform and workshops. It has increased predictability by defining a clear delineation between the Copernicus services and the downstream sector. It supports young companies, through the Copernicus Masters and Accelerator Programme and via the development of training courses and material.

In parallel, the Commission pursued its cooperation with international partners to promote the uptake of Copernicus globally. Arrangements on Copernicus data access and data sharing have already been signed with the United States and Australia, and similar discussions have been engaged with other countries and regions (including Africa, Latin American countries and Asia-Pacific countries).

The evaluation process for the mid-term review was launched in April 2016 by setting up the Inter-service steering group. An evaluation roadmap was drafted and approved by the Secretariat General in October 2016, and was published on the evaluation page of the smart regulation website, as required by the Better regulation Guidelines, on 15 December 2016.

In the evaluation roadmap, a specific consultation strategy has been defined, by which dedicated targeted consultations of key stakeholders, through surveys and interviews are going to be performed. Key stakeholders: user communities, members of the Copernicus Committee and the User Forum, delegated bodies, industry, regional and local governments as well as some International institutions, universities and research centres.

The evaluation will assess Copernicus achievements in relation with its objectives, to the extent possible at this early stage of implementation, from April 2014 to April 2017. The assessment will follow the five usual criteria of effectiveness, efficiency, relevance, coherence, and EU added value. The topics covered include: the space component development and operation; the service component development and operation; the user uptake and downstream service development and product distribution; the market penetration of Copernicus data and products; the impact of Copernicus data and information policy on stakeholders, users and business; the international cooperation, and the management and governance performance.

The Commission report, in the form of a Communication, will be accompanied by a Staff Working Document that will be based on, but not limited to, the results of a study, commissioned to an external contractor, poised to submit its final report in April/May. The Commission report will then be drafted during the month of May and subject to an inter-service consultation in June, to be finally approved by the Commission during the summer 2017.

The methodology applied will follow the usual desk analysis of existing documents and literature, integrated by the above mentioned surveys and interviews. In order to better respond to the evaluation tasks defined in the Copernicus Regulation, and to gather the inputs necessary for the elaboration of appropriate legislative proposals for the future evolution of the Programme, Member States, Entrusted entities, Industry and Users will be invited to express their opinion on the Programme achievements through voluntary contributions, on a limited list of key questions. The evaluation will be discussed with Member States in the Copernicus Committee and User Forum meetings. The first surveys (6 categories in total, to reach almost 550 people) have been launched and will be followed by interviews.

Forthcoming implementation (2017-2018)

In 2017, the current Security service components of border and maritime surveillance will be enhanced through the Delegation Agreement with the EU Satellite Centre (signed end 2016), to also enable Copernicus to give information support to European External Actions, such as provision of humanitarian aid, or evacuations during crises.

Three further Sentinel launches are planned for 2017.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 377/2014 of the European Parliament and of the Council of 3 April 2014 establishing the Copernicus Programme and repealing Regulation (EU) No 911/2010	2014 - 2020	4 291,5

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	2,5	2,5	2,6	2,6	2,6	2,9	3,0	18,7
Operational appropriations	360,4	553,9	583,6	604,8	638,0	884,1	647,9	4 272,7
Total	362,9	556,4	586,2	607,4	640,6	887,0	650,9	4 291,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	602,169	100,00 %	592,457	99,66 %	609,816	90,37 %	700,999	24,20 %
Authorised appropriation excluding external earmarked revenue	586,167	100,00 %	576,414	99,38 %	609,816	87,94 %	700,988	21,77 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Copernicus is a programme to be delivered under the Europe 2020 strategy for smart, sustainable and inclusive growth. Given its benefits to a wide range of EU policies and its potential for reaching the objectives of Europe 2020, Copernicus is included in the industrial policy flagships. The Commission identified five areas of EU legislation where Copernicus (or GMES) is explicitly referred to, in the fields of maritime policy, civil protection, agriculture and space debris surveillance and tracking. Besides, Copernicus continued to deliver useful data and information in 2014 for EU policies for agriculture, environment, development and humanitarian aid. The objective is that two other fields might rely on Copernicus by 2020. This could include for example the IT sector, or coastal surveillance and smart cities¹.

The Copernicus programme cannot be realised by a single Member State alone because it encompasses a pan-European capacity and depends on the coordinated provision of data and services throughout all the Member States, which needs to be coordinated at Union level. Therefore, by reason of the scale of the action, the programme will be better achieved at Union level, and may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective, especially regarding the Commission's role as coordinator of national activities. From an economic point of view, action at the EU level also allows economies of scale from which public spending will benefit.

Contribution to Europe 2020 headline targets

Copernicus fosters the development of a competitive European space and services industry in the Earth Observation market, thereby contributing significantly to the economic growth and employment targets of Europe 2020. With its focus on monitoring the Earth's environment and specific view towards understanding and charting Climate Change through its Climate Change service, and relevant products from the Land/Atmosphere/Marine services pertaining to energy use and energy use impacts, it centrally underpins the Europe 2020 headline targets on Climate Change and Energy.

Based on the recent study² investigating the economic impact of the Copernicus programme beyond the institutional sector, with a focus on the downstream market, initial results show that Copernicus is not only a monitoring tool for institutional needs, but can also stimulate economic growth and employment in a wide range of industrial sectors, leading to the creation or maintenance of approximately 20.000 direct jobs in Europe by 2030, if enabling factors are put in place. With highly skilled jobs in this sector typically impacting employment in other sectors, the economic stimulus by Copernicus could also result in a wider economic effect, with an additional 63.000 indirect jobs secured or created by 2030. Overall the impact on employment from Copernicus is estimated at approximately 83.000 jobs in Europe by 2030.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility) 100% (lines 02 06 01; 02 06 02)	604,8	638,0

Contribution to mainstreaming of climate action

Environmental observations and monitoring are at the very heart of the Copernicus programme with a significant attention to climate change. Almost all programme elements contribute partially or even exclusively to the climate change monitoring and prediction. For the purpose of estimating the climate-related budget share, the Sentinels 4 and 5 can be exclusively attributed to monitoring of the Atmospheric composition, Sentinel 3 and 6 to 50% to support oceanic modelling. On the service side, the total Climate Change service, as well as 30% of the land, marine and atmosphere services are attributed to climate activities.

Relevant objective/output(*)	Budget 2017 (EUR million)	DB 2018 (EUR million)
Delivering accurate and reliable data and information to Copernicus users (Copernicus Climate Change Service)	33.9	35.9
Delivering accurate and reliable data and information (satellite imagery, digital or printed maps) to Copernicus users (50% of output produced relating to 3 Copernicus services on Land monitoring, Atmosphere Monitoring and Marine Environment Monitoring is attributed to Climate Change)	12.0	12.5
Output in terms of contribution made by data from Sentinel satellites (estimated to be some 34% of Sentinel related budget)	163.7	172.4
Total	209.6	220.8

(*) The Copernicus Climate Change service will provide access to several climate indicators (e.g. temperature increase, sea level rise, ice sheet melting, warming up of the ocean) and climate indices (e.g. based on records of temperature, precipitation, drought event) for both the identified climate drivers and the expected climate impacts³.

¹ A market study will be run in 2015 in that respect. Preliminary results of the study show that the most promising sectors are Precision farming, Renewable energies, Forestry management and Water management for cropland.

² http://copernicus.eu/sites/default/files/library/GMES_GIO_LOT3_PublishableExecutiveSummary_final.pdf

³ The Copernicus Climate Change service is under implementation. In November 2014, the European Commission signed a Delegation Agreement with ECMWF

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
113.5	195.8	202.8	209.6	220.8	298.7	213.1	1,454.3

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Deliver accurate and reliable data and information to Copernicus users (The Copernicus Land monitoring service will provide information including on the dynamics of monitoring of biodiversity: operational continuity of Land Monitoring service is to be achieved by 2015 (30% of output produced attributed))	6.8	7.3
Output in terms of contribution made by data from Sentinel satellites (estimated to be some 21% of Sentinel related budget)	101	106.5
Total	107.8	113.8

(*)The Copernicus land monitoring service provides geographical information on land cover and on variables related, for instance, to the vegetation state or the water cycle. It supports applications in a variety of domains such as spatial planning, forest management, water management, agriculture and food security, etc. The service is operational since 2012⁴.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020 (EUR Million)
2014	2015	2016	2017	2018	2019	2020	
64.5	97.3	98.9	107.8	113.8	144.1	102.5	728.9

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period.

4. Performance information

General objectives

General Objective 1: Monitoring the Earth to support the protection of the environment and the efforts of civil protection and civil security

Indicator 1: Number of specific service components corresponding to users' service-level requirements to realise that Copernicus data and Copernicus information is made available for the environment, civil protection and civil security

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Service components* put into operations during year	0	6	5	2	0	1	0
	Actual results						
Total number of Operational service component = 6	0	6	11	13	13	14	14
	Actual results						
	2	4	10				

* Services operational at end of 2016 are Emergency Mapping, Early Warning System of Floods, Early Warning System of Forest Fires, Pan-EU land service, EU local Land service, Global land service including Global hot spot service, Atmosphere and Marine and provision of access to reference data access = 10 components responding to Copernicus Regulation Art 5(1e) and Art 5(1c). The three security service components will only be fully operational in 2018, and Climate Change Service in 2019

General Objective 2: Maximising socio-economic benefits, thus supporting of the Europe 2020 strategy and its objectives of smart, sustainable and inclusive growth by promoting the use of Earth observation in applications and services

Indicator 1: Expected growth in downstream Earth Observation sector directly benefiting from Copernicus

Baseline	Milestones foreseen	Target 2020
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(European Centre for Medium-Range Weather Forecasts) for the implementation of the service. The first stage of implementation will be dedicated to the so called "proof of concept", meaning capacity building and testing of the overall architecture. The operational capacity will be reached during the third year of operations and it will be preceded by a pre-operational stage.

⁴ The global component produces data across a range of biophysical variables at a global scale (i.e. worldwide), which describe the state of vegetation (e.g. vegetation condition index), the energy budget (e.g. land surface temperature, top of canopy reflectance) and the water cycle (e.g. soil water index). The Pan-European component will produce 5 high resolution data sets describing the main land cover types: artificial surfaces (e.g. roads and paved areas), forest areas, agricultural areas (grasslands), wetlands, and small water bodies. The local component focuses on "hotspots" which are prone to specific environmental challenges. It provides detailed land cover and land used information (over major European cities, which are the first type of "hotspots", i.e. the Urban Atlas).

2012	2014	2015	2016	2017	2018	2019	
Employment* ⁵ Index= 100				140			180 ⁶
	Actual results						

* The growth of downstream EO sector is measured in terms of employment figures on the sector, with baseline as measured in 2012.

General Objective 3: Fostering the development of a competitive European space and services industry and maximising opportunities for European enterprises to develop and provide innovative Earth observation systems and services

Indicator 1: Market penetration, including expansion of the existing markets and creation of new markets and competitiveness of the European downstream operators

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Index=100		105		116		128	140
	Actual results						
		No actual data	160 ⁷				

General Objective 4: Ensuring autonomous access to environmental knowledge and key technologies for Earth observation and geoinformation services, thereby enabling Europe with independent decision-making and action

Indicator 1: Number of directives and decisions directly invoking the use of Copernicus data and Copernicus information by Union institutions and bodies for autonomous decision-making

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
5				15			30
	Actual results						
		No actual data available	7 ⁸				

General Objective 5: Supporting and contributing to European policies and fostering global initiatives, such as GEOSS

Indicator 1: Percentage of Copernicus global Earth Observation data available through Global Earth Observation System of Systems (GEOSS)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 % ⁹	~10 % for 2014		40 %		75 %		100 %
	Actual results						
	*		*				

⁵ The downstream Earth-observation sector comprises all enterprises whose main business is to provide services based on Earth-observation data (not only Copernicus).

⁶ Downstream companies have been surveyed in 2016 for eight major economic sectors: Agriculture, Forestry, Urban Monitoring, Insurance, Ocean monitoring, Oil&Gas, Renewable energies, Air quality. Copernicus has proven to enable the jobs existent in these sectors. The multiplier thanks to Copernicus support is in direct proportion to the overall health of the sector and of the general economic trend. However regardless of the economic trend, taken as an index, the number of jobs supported is multiplied ten times over five years (see table below), so the target index of 1,8 is overachieved by 2016.

	2015	2016	2017	2018	2019	2020	Cumulated
Conservative/Stagnant economy	232	340	443	553	673	807	3048
Growing economy	1374	1613	1909	2184	2511	2865	12456

⁷ Copernicus has penetrated eight market sectors: agriculture, forestry, urban monitoring, insurance, ocean monitoring, oil & gas, renewable energies, air quality management (http://www.copernicus.eu/sites/default/files/library/Copernicus_Market_Report_11_2016.pdf)

⁸ CELEX number Publication Reference
32014D0261 OJ L 136, 09/05/2014, p. 35
32013D1313 OJ L 347, 20/12/2013, p. 924
32013D1386 OJ L 354, 28/12/2013, p. 171
32017Y0322 OJ C 89, 22/03/2017, p. 1
32016Y1001 OJ C 363, 01/10/2016, p. 1
32013R0100 OJ L 81, 21/03/2012, p. 7
32011R1255 OJ L 321, 5.12.2011, p. 1
32006R1974 OJ L 368, 23.12.2006, p. 15

⁹ The data for this indicator is from the yearly report provided by the European Environment Agency (EEA), the European Centre for Medium-range Weather Forecasts (ECMWF), Mercator Ocean, Frontex and the European Maritime Safety Agency (EMSA). This data is also the basis for the yearly implementation plan, which is in line with the milestone and 2020 target, and considered realistic. DG GROW already estimates the percentage of Copernicus data available through GEOSS at 15% in early 2015, due to the data already produced by the EEA and the MACC project on atmosphere monitoring.

* All Level 1 and Level 2 data generated from the Sentinels is automatically linked to GEOSS. In terms of volume this represents more than half of the data. On top of this Copernicus services generate not data but information/products which can also be visualized via GEOSS. The target of 100% is imperfect since some products from the Security Service are classified.

Specific objectives

Specific Objective 1: Delivering accurate and reliable data and information to Copernicus users, supplied on a long term and sustainable basis enabling the services referred to in Article 4(1) and responding to the requirements of Copernicus Core Users

Indicator 1: Number of engaged users showing sustained uptake through registered data download

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1*				1.5			2
	Actual results						

*This figure refers to an absolute value: 1.5 milestones by 2017 means a 50% increase from the baseline, the target 2 means a doubling of engaged users

Indicator 2: Progression in number of satisfied users * expressed by the percentage of returning and engaged users

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 %		20 %		40 %			65 %
	Actual results						
		*					

* Users' satisfaction is expressed as percentage of Copernicus users which integrate the service products regularly into their workflows. A consolidated analysis of user behaviour and statistics is still ongoing, with statistics for 2016 expected end 2017. Raw figures show a steady increase of both access traffic and regular users downloading, e.g. Atmosphere Monitoring Service has seen a tripling of traffic over the last year, the Marine Environment Service has about 8600 users in 120 countries, (corresponding to a 50% increase over last year) with about 66% being active users and a 100% increase of downloads over last year. For Sentinel data, the number of active users downloading products on a regular basis increased by about 40% in the last 3 months of 2016 (in total about 57000 registered users).

Justification of changes to the financial programming and/or to the performance information

Specific Objective 2: Providing sustainable and reliable access to spaceborne data and information from an autonomous European Earth observation capacity

Indicator 1: The accomplishment of the space infrastructure in terms of satellites deployed and data it produces for integration into geo-information services

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Total EU autonomous satellite capacity	1	2	6	7	7	7	8
	Actual results						
	1	2	4				

Expenditure related outputs

Outputs(*)	Budget line	Draft Budget 2018	
		Number	EUR million
Sentinel 1A, 2A, 3A, 1B operating	02 06 02		115.6
Sentinel 2A,3B, 5p to be launched and construction of next series	02 06 02		387.0
Total			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Construction, launch and operation of satellites	F	1	2	3	1			1
	P	1	1	2	3			1

(*) The Copernicus satellites called Sentinels are currently being developed for the specific needs of the Copernicus programme. The Sentinels will provide a unique set of observations for Copernicus.

Sentinel-1 provides all-weather, day and night radar imagery for land and ocean services. The first satellite (Sentinel-1A) was launched on 3 April 2014. The second one (Sentinel-1B) was launched in April 2016.

Sentinel-2 provides high-resolution optical imagery for land services. It will provide for example, imagery of vegetation, soil and water cover, inland waterways and coastal areas. Sentinel-2 also delivers information for emergency services. The first Sentinel-2 satellite was launched in June 2015, the second unit is planned for launch in 2017.

Sentinel-3 provides high-accuracy optical, radar and altimetry data for marine and land services. It measures variables such as sea-surface topography, sea- and land-surface temperature, ocean colour and land colour with high-end accuracy and reliability. The first Sentinel-3 satellite was launched in February 2016, the second unit is planned for launch in 2017.

Sentinel-5 Precursor is a satellite mission planned to launch in 2017 in order to reduce data gaps between Envisat and Sentinel-5. The other Sentinels no. 4 and 6 will be deployed after 2017.

Specific Objective 3: Providing a sustainable and reliable access to in-situ data, relying, in particular, on existing capacities operated at European and national levels, and on global observation systems and networks

Indicator 1: Sustained availability of in-situ data for supporting Copernicus services

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of Services receiving in-situ data	2	4	6	6	6	6	6
	Actual results						
	2	4	6				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Products supplied operationally in response to user requirements in service component "Emergency Mapping Service", "European Flood Alert system", "Pan-European Land Cover", "EU local land", "Global land", "Access to reference data", and in services "Atmosphere Monitoring" and "Marine Environment Monitoring" services	02 06 01	8	N/A
Cross-cutting support activities and ramp-up phase of additional service components	02 06 01	1	2.154
Total			

The number quoted refers to the number of service components which produce operational geo-information products, or are receiving cross-cutting support activities. Service components are defined in the Copernicus Work Programme and multi-annual implementation plan, and are listed above under section 3.3.

5. Programme contribution to the Sustainable Development Goals

Copernicus is contributing to goal 17: "Strengthen Means of Implementation and revitalise the global partnership for sustainable development".

The EU is promoting the use of Earth observation to supplement statistical analysis in the assessment of indicators towards the attainment of the sustainable development goals. Earth observation and geospatial information provide reliable, unbiased and disaggregated data. The EU is a major player in Earth Observation, particularly being a co-chair of the Group on Earth Observations (GEO) and managing the European Earth Observation programme Copernicus. With its fleet of Sentinel satellites, the EU provides access to a wealth of data and information in areas ranging from land coverage, urban evolution and oceans to atmospheric pollution, ecosystem protection, climate change, energy production and health conditions.

III. Performance of the Predecessor programme

For the performance of the predecessor programme please refer to the 2017 draft budget Programme Statement.

HEADING 1A: Competitiveness for growth and jobs**Statement on Financial Intervention of the European Fund for Strategic Investments (EFSI), the European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP)**

Lead DG: ECFIN

I. Programme Update***Implementation Status (2014/2016)***

The legal basis: Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP) – The European Fund for Strategic Investments (EU L 169, 1.7.2015, p. 1) was adopted on 25 June 2015. The Commission and the EIB signed the EFSI and EIAH Agreements with the EIB on 22 July 2015. Moreover, the Commission Implementing Decision for EIPP was adopted on the same date. The EFSI governing bodies (Steering Board and Investment Committee) are in place.

The European Commission issued a report on the state of play of the Investment Plan for Europe in January 2016 (report available at: http://ec.europa.eu/priorities/publications/investment-plan-state-play-january-2016_en).

Key achievements

A significant number of EFSI projects have already been approved until end of 2016 by the EIB Group for a total investment value of about EUR 165 billion: EUR 94.5 billion for Infrastructure and Innovation investments and EUR 69.5 billion in favour of SMEs. The information published on the EIB site on May 2017¹ provide already with a much higher figure of EUR 194 billion.

The EIAH team received a total of 341 requests as of end-2016 of which 258 were project-related, 83 were requests for cooperation or general information about EFSI or/and EIAH.

The EIPP was officially launched in June 2016. As of end-2016 there were 139 projects published on the Portal emanating from 25 Member States.

Evaluations / Studies conducted

The Commission evaluation on the use of the EU Guarantee and the functioning of the Guarantee Fund2 (https://ec.europa.eu/commission/publications/commission-evaluation-first-year-efsi_en) concluded that the first year of experience with the EU Guarantee backing EFSI support shows that it has been a relevant tool, as well as an efficient and effective way of increasing the volume of EIB special activities and EIF guarantees in favour of SMEs and mid-caps. Some adjustments to the original set up were however needed in order to develop new models of cooperation with national promotional banks or financial intermediaries as well as to facilitate the deployment of risk-sharing instruments and subordinated financing under the Infrastructure and Innovation Window. Furthermore, the Commission evaluation assessed the risks of the different products supported by the EU Guarantee and it concluded that overall the Union budget would also be adequately shielded from potential calls under the EU Guarantee with an adjusted target rate for provisioning the Guarantee Fund of 33.4%, taking into consideration recoveries, revenues and reflows from EIB operations.

Furthermore, the EIB evaluation³ and the independent evaluation of the EFSI and of the EIAH⁴ conducted in 2016 concluded that the EFSI has been relevant in addressing the investment needs in Europe and has effectively increased access to financing and mobilised private capital, particularly under the SME Window which has showed quick market absorption. Both evaluations highlight a number of points for improvement, such as the high concentration of the EFSI portfolio in a number of Member States, the need for careful monitoring the interaction between EFSI and other sources of Union funding and for a reinforced additionality of EFSI support. The independent evaluation also confirms the relevance of the EIAH given the high need for technical assistance, which is expected to grow in the coming years. However the independent evaluation concludes that it is too early to assess the effective use of existing expertise by the EIAH.

The EFSI 2.0 proposal⁵ put forward by the Commission in September 2016 addresses these recommendations. In particular, the Commission proposal places strong emphasis on the reinforcement of the concept of additionality of EFSI support, and foresees that EFSI focuses further on EU political priorities as regards climate change, for example by setting a minimum target for climate-friendly projects under the Infrastructure and Innovation Window of the EFSI. Furthermore, the proposal includes enhancements of the scope of the EIAH, given the need to help construct a steady supply of projects and Investment Platforms that can be financed in all Member States.

¹ <http://www.eib.org/efsi/index.htm>

² SWD(2016) 297 final

³ http://www.eib.org/attachments/ev/ev_evaluation_efsi_en.pdf

⁴ https://ec.europa.eu/commission/sites/beta-political/files/ey-report-on-efsi_en.pdf

⁵ COM(2016) 597 final

Forthcoming implementation (2017/2018)

Building on these positive results obtained so far, on 14 September 2016, the Commission tabled a legislative proposal for a reinforced EFSI (EFSI 2.0) to continue beyond the initial three-year period to address remaining market gaps and continue to mobilise private sector financing with strengthened additionality. The extension covers the period of the current Multiannual Financial Framework and should trigger a total of at least half a trillion euro investments by the end of 2020. The proposal also introduces some enhancements, taking into account the lessons learnt in the first year of the EFSI and EIAH implementation.

The successful implementation of the SME Window, managed by the EIF, implies that fees due to the EIF for increased assistance under the EFSI (EUR 5 million paid in 2016 and EUR 900 000 expected to be paid in 2017), are expected to reach more significant amounts in 2018.

For EIAH implementation, annual specific grants agreements (SGAs) are concluded between the Commission and the EIB. The Commission should have finalised the work programme underlying the 2017 SGA in April 2017. EIPP is being further developed to facilitate online project submissions. In addition, further communication efforts are being undertaken to raise awareness of both promoters and investors.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	
Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (COM/2016/0597 final - 2016/0276 (COD))	
Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments	

	Financial Programming (EUR million)						Total Programme*
	2015	2016	2017	DB2018*	2019*	2020*	
Guarantee for the European Fund for Strategic Investments (EFSI) (budget line: 01 04 04)		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Operational appropriations (Provisioning of the EFSI guarantee fund, budget line: 01 04 05)		2 128,9	2 641,0	2 010,3	166,9	377,9	7 300
Operational appropriations (European Investment Advisory Hub and the European Investment Project Portal, budget line: 01 04 06)		20	20	20	20	20	100
Operational appropriations (Fees due to the European Investment Fund for increased assistance under the European Fund for Strategic Investment, budget line: 01 04 07)		5	p.m.	8	p.m.	p.m.	13
Total	1 360,5	2 128,9	2 661,0	2 038,3	186,9	397,9	8 773,5

* Subject to the adoption of the draft regulation COM/2016/0597 final - 2016/0276 (COD) - Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub.

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 135,245	100,00 %	1 031,667	100,00 %	2 670,507	0,36 %	2 326,300	10,32 %
Authorised appropriation excluding external earmarked revenue	2 135,245	100,00 %	1 031,667	100,00 %	2 670,507	0,36 %	2 326,300	10,32 %

This table includes all authorised appropriations (budget lines: 01 04 04, 01 04 05, 01 04 06, 01 04 07) (in EUR million) including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Since the global economic and financial crisis, the EU has been suffering from low levels of investment. Collective and coordinated efforts at European level are needed to reverse this downward trend and put Europe on the path of economic recovery. The Investment Plan for Europe, the flagship initiative of the Juncker Commission focuses on removing obstacles to investment, providing visibility and technical assistance to investment projects and making smarter use of new and existing financial resources. The European Fund for Strategic Investments, the driver of the Investment Plan aims to overcome current market failures by addressing market gaps and mobilising private investment. Action at the Union level will allow for economies of scale in the use of the Union budget funds in combination with the EIB Group financing by catalysing private investment in the whole Union and making best use of the European Institutions and their expertise and knowledge for that purpose. The multiplying effect and the impact on the ground will thus be much higher than could be achieved by an investment offensive in a single Member State or a group of Member States. The Union's Single Market, together with the fact that there will be no country-specific or sectorial project allocation, will provide for greater attractiveness for investors and lower aggregated risks. The investments supported under the EFSI should contribute to achieving existing Union programmes and policies and the targets and objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth, quality job creation and economic, social and territorial cohesion.

Contribution to Europe 2020 headline targets

The additional investments mobilised under EFSI should help support job creation/employment and demand and therefore boosting economic growth and would lead to an increase in the EU long-term growth potential.

Moreover, as stated in Regulation (EU) 2015/1017, the EFSI should support projects in accordance with the Union's energy, climate and efficiency targets laid down in the Europe 2020 strategy and in the 2030 Framework for climate and energy policies and which aim to meet the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. The legal basis does not foresee any specific budget or targets for reaching the objectives of the Europe 2020 strategy. There are no sectoral or country specific quotas or pre-allocations in the Regulation.

Contribution to mainstreaming of climate action

In the Commission EFSI 2 proposal, at least 40 % of EFSI financing under the Infrastructure and Innovation Window should support projects with components that contribute to climate action, in line with the COP21 commitments. Specific data on approved EIB investments under EFSI supporting climate action are not yet available.

4. Performance information**General objectives**

General Objective 1: Supporting growth-enhancing investments in line with Union priorities, especially in the areas of: (a) research, development and innovation; (b) development of the energy sector in accordance with the Energy Union priorities; (c) development of transport infrastructures, and equipment and innovative technologies for transport; (d) financial support through the EIF and the EIB to entities having up to 3 000 employees, with a particular focus on SMEs and small mid-cap companies; (e) development and deployment of information and communication technologies; (f) environment and resource efficiency; and (g) human capital, culture and health; (h) agriculture, fishery, aquaculture and (i) for less developed regions and transition regions, other industry and services eligible for EIB support.

Indicator 1: The cumulative volume of investment mobilised (EUR billion)

	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Estimated volume of funding raised (EUR billion, approved operations)		125	245	340**	420	500***
	Actual results					
	60*	163,9	194****			

*Source: the EIB report to Parliament from July 2016.

** The EFSI 1.0 target is to mobilise by July 2018 at least EUR 315 billion of additional investment.

*** The EFSI 2.0 target is to mobilise at least EUR 500 billion of additional investment by 2020.

**** status by May 2017

European Fund for Strategic Investments (EFSI)

The EFSI is established within the EIB in order to benefit from its experience and proven track record and in order for its operations to start to have a positive impact as quickly as possible. The work of EFSI on providing finance to small and medium enterprises and small mid-cap companies is mainly channelled through the European Investment Fund ('EIF') to benefit from its experience in these activities.

General objectives

General Objective: Supporting growth-enhancing investments in line with Union priorities, especially in the areas of:

(a) research, development and innovation;

(b) development of the energy sector in accordance with the Energy Union priorities;

(c) development of transport infrastructures, and equipment and innovative technologies for transport;

(d) financial support through the EIF and the EIB to entities having up to 3 000 employees, with a particular focus on SMEs and small mid-cap companies;

(e) development and deployment of information and communication technologies;

(f) environment and resource efficiency; and (g) human capital, culture and health.

	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Estimated volume of funding raised (EUR billion, approved operations)		125	245	340**	420	500***
	Actual results					
	60*	163,9	194****			

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*** The EFSI 2.0 target is to mobilise at least EUR 500 billion of additional investment by 2020.

**** Status by May 2017

Indicator 2: The number of projects to receive support under the EFSI initiative ⁶						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Number of approved projects (cumulative figures)		400	600	750	900	1000
	Actual results					
	172*	420				

*Source: the EIB report to Parliament from July 2016.

Indicator 3: The aggregated multiplier ⁷ effect						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Multiplier effect		15	15	15	15	15
	Actual results					
	13.3	15.16				

The expected multiplier effect is around 15 in terms of the use of the EU guarantee compared to the total investment raised for the projects supported under the initiative and the terms of the transactions.

Specific objectives

Specific Objective 1: Increasing the volume of European Investment Bank (EIB) financing and investment operations in priority areas

Indicator 1: The cumulative number of countries having received EIB financing (signed operations) under EFSI						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Number of countries covered		20	26	28	28	28
	Actual results					
	15	25				

As per the EFSI Strategic Orientation, the EFSI should aim to cover all 28 EU Member States at the end of the investment period.

Indicator 2: The cumulative volume of investment mobilised by the EIB						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Volume of cumulative investment (EUR billion, approved operations)		80	175	232.5		
	Actual results					
	21.2	94.4				

⁶ IIW and SMEW

⁷ This means that a multiplier effect should be generated by means of the provision of an EU guarantee to the EIB, so that EUR 1 of the EU guarantee under this initiative could generate approximately EUR 15 invested in projects.

Indicator 3: The number of projects to receive support under the EFSI– Innovation and Infrastructure Window						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Number of approved projects (cumulative figures)		175	275	350		
	Actual results					
	42*	176				

Source: EIB report to the Parliament

Specific Objective 2: Increasing the volume of European Investment Fund (EIF) financing for small and medium enterprises

Indicator 1: The cumulative number of countries having received EIF financing (signed operations) under EFSI						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Number of countries covered		20	26	28*	28	28
	Actual results					
	18	28				

*As per EFSI Strategic Orientation

Indicator 2: The cumulative volume of funding raised for supported projects						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Volume of cumulative investment (EUR billion, approved operations)		45	70	82.5		
	Actual results					
	37	69,5				

Indicator 3: The number of projects to receive support under the EFSI – SME Window						
	Milestones foreseen					Target 2020
	2015	2016	2017	2018	2019	
Number of approved projects (cumulative figures)		225	325	400		
	Actual results					
	130*	244				

Source: the EIB report to Parliament of July 2016

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018
		EUR million
EFSI Guarantee Fund	01 04 05	2 010,3

5. Programme contribution to the Sustainable Development Goals

The quantitative goal (40%) on targeted climate change projects such as energy efficiency and clean transport under the IIW set out in the EFSI 2.0 proposal strongly contributes to combatting climate change and its impact, and to access to affordable, reliable and sustainable energy. In addition, dedicated efforts are made to ensure uptake of broader sustainable growth projects beyond the climate target, and to place a stronger focus on sustainable investments across sectors.

Targeted EFSI investments could and are already supporting projects and companies in a number of highly relevant areas and thus support progress towards many SDGs.

EFSI's support for social entrepreneurship and social infrastructure contributes strongly to health and wellbeing and inclusive and quality education; and together with EFSI investment support for empowerment and economic advancement through micro-entrepreneurship, can further contribute to combatting poverty, reduced inequality and promoting peaceful and inclusive societies for sustainable development.

Further investment support to inclusive business practices and SME growth and development could also contribute to promoting sustainable production and consumption practices.

EFSI's dedicated investments in economic and social infrastructure projects supports advancement towards promoting resilient and inclusive infrastructure, and further efforts to support service-rich integrated infrastructure projects would contribute to inclusive and sustainable cities.

Jointly, these EFSI investments can support meaningful advancements towards promoting sustained, inclusive and sustainable economic growth, and full and productive employment and decent work for all.

HEADING 1A: Competitiveness for growth and jobs**Nuclear decommissioning assistance programmes in Bulgaria and Slovakia**

Lead DG: ENER

I. Programme Update***Status of programme implementation (2016)***

The Commission adopted the 2016 joint annual work programme and the associated financing decision on 21 November 2016.

Besides the existing implementing body (European Bank for Reconstruction and Development - EBRD), a delegation agreement with the new implementing body in Slovakia (Slovak Innovation and Energy Agency - SIEA) was signed in August 2016. The 2015 funds earmarked for Slovakia were committed to SIEA in September 2016. The 2016 funds earmarked for Bulgaria (EBRD) and for Slovakia (SIEA) were committed in December 2016.

The Commission has transferred funds to the EBRD based on forecast contract needs and progress in project implementation.

Key programme achievements to date (examples of programme success stories / generated EU value added)

The achievements of the Kozloduy programme (Bulgaria) were satisfactory. The due objectives were accomplished on schedule according to the baseline. The reactor cores and ponds are defueled and the decommissioning licences for Kozloduy Nuclear Power Plant units 1-2 and units 3-4 were issued in November 2014 and July 2016 respectively. Dismantling of the turbine hall has progressed (one third of metal components was scrapped and about 6 000 tons of rubbles/concrete slabs were demolished. Dismantling in the reactor building also started in 2016 (about 200 tons of metal components were dismantled). The construction of the National Disposal Facility was subject to important schedule creep, mainly due the reiteration of the relevant Environmental Impact Assessment procedure.

In Slovakia most of the objectives that were due by 2016 were achieved on schedule according to the baseline. The demolition of V1 NPP's cooling towers (initial milestone 2016) was re-scheduled to 2018. The reactor cores and ponds are defueled, and the Slovak nuclear regulator issued the licence for stage 2 (i.e. reactor dismantling) of the decommissioning of Bohunice V1 NPP in December 2014. The delays encountered in some projects to dismantle the primary circuit are closely monitored and will be compensated in other projects. The operator confirmed the end date (December 2025) of the Bohunice programme.

Relevant findings of evaluation and/or programme related studies' (if any)

In September 2016, the European Court of Auditors published the new performance audit report¹ on the decommissioning assistance programmes, following its previous report². The Commission is implementing actions to address the Court's recommendations insofar they have been either accepted or partially accepted.

In 2016, the Commission services published the roadmap of the mid-term evaluation of the nuclear decommissioning assistance programmes in line with Article 9 of the relevant regulations.^{3,4} Over the year 2017, the evaluation will consider and assess the results and impacts, the efficiency of the use of resources and its Union added value. The evaluation will also address the scope for modification of the detailed implementation procedures.⁵

Information about forthcoming implementation (2017/2018)

The issuing of decommissioning licences in Bulgaria and Slovakia opened the way to starting the dismantling of core systems. In the coming years, the clean-up of controlled areas will generate an increased flow of materials being removed from the nuclear installation.

The Commission mid-term evaluation is due by the end of 2017 and will provide a substantiated assessment of the overall progress, of the short-term outlook as well as of the planning up to completion.

¹ ECA Special Report 22/2016 - EU nuclear decommissioning assistance programmes in Lithuania, Bulgaria and Slovakia: some progress made since 2011, but critical challenges ahead.

² ECA Special Report 16/2011 - EU financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia: achievements and future challenges.

³ Council Regulation (Euratom) No 1368/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programmes in Bulgaria and Slovakia, and repealing Regulations (Euratom) No 549/2007 and (Euratom) No 647/2010 (OJ L346, 20.12.2013, p.1) & correction (OJ L8, 11.1.2014, p.31).

⁴ Council Regulation (EU) No 1369/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programme in Lithuania, and repealing Regulation (EC) No 1990/2006 (OJ L346, 20.12.2013, p.7) & correction (OJ L8, 11.1.2014, p.30 & OJ L121, 24.4.2014, p.59).

⁵ Commission Implementing Decision C (2014)5449 of 7 August 2014 on the rules of application for the nuclear decommissioning assistance programmes for Bulgaria, Lithuania and Slovakia for the period 2014-2020.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (Euratom) No 1368/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programmes in Bulgaria and Slovakia, and repealing Regulations (Euratom) No 549/2007 and (Euratom) No 647/2010	2014 - 2020	518,4

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support								
Operational appropriations	69,7	71,1	72,6	74,0	75,5	77,0	78,5	518,4
Total	69,7	71,1	72,6	74,0	75,5	77,0	78,5	518,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	72,554	100,00 %	0,418	100,00 %	74,005	0,00 %	34,853	0,00 %
Authorised appropriation excluding external earmarked revenue	72,554	100,09 %	0,418	100,00 %	74,005	0,09 %	34,853	0,00 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Being confronted to early closure of their plants, it was not possible for Bulgaria and Slovakia to accumulate sufficient funds from operation of the plants.

It is therefore in the interests of the Union to provide financial support until 2020 for the seamless continuation of decommissioning in order to reach the end state within the decommissioning process of the concerned nuclear reactor units, in accordance with their respective decommissioning plans, while keeping the highest level of safety. This will contribute to provide substantial and durable support for the health of workers and the general public, preventing environmental degradation and providing for real progress in nuclear safety and security.

4. Performance information

General objectives

General Objective 1: To assist the Member States towards the decommissioning end state of Kozloduy units 1 to 4 (Bulgaria) and Bohunice VI units 1 and 2 (Slovakia), whilst maintaining the highest level of safety

Indicator 1: Number of major components and systems dismantled in all the concerned nuclear reactors in accordance with the respective decommissioning plans

Baseline 2007 - 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Kozloduy decommissioning programme: - Preparatory works have started for the decontamination and dismantling activities in turbine halls and auxiliary buildings. - Dismantling of large components and equipment in the reactor buildings not yet started. - Facilities for the treatment and conditioning of waste are being put in place.	Kozloduy Decommissioning Licence for Units 1-2		Kozloduy Decommissioning Licence for Units 3-4				The planned completion date for the decommissioning of Kozloduy units 1 to 4 is 2030.
	Actual results						
	Licence issued		Licence issued				

Bohunice decommissioning programme: - Dismantling of V1 turbine hall has started. - Dismantling of external buildings (Phase 1) has started. - Preparation of decontamination of V1 primary circuits has started. - Stage 1 decommissioning waste management has started		Bohunice decommissioning licence 2nd stage					The planned completion date for decommissioning of Bohunice V1 units 1 and 2 is 2025.
	Actual results						
	Licence issued						

Specific objectives

Specific Objective 1: (Kozloduy) Performing dismantling in the turbine halls of units 1 to 4 and in auxiliary buildings

Indicator 1: Number and type of systems dismantled

Baseline 01/01/2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Decontamination and dismantling activities in turbine hall of units 1 and 2 have started	Total turbine hall metal dismantled: 5 772 t	Total turbine hall metal dismantled: 11 544 t	Total turbine hall metal dismantled: 13 830 t [Jun 2016]				Units 1 to 4 turbine hall fully dismantled Units 1 to 4 turbine hall metal (40400 t) dismantled
	Actual results						
	4854 t	10 901 t	13 430 t [Jun 2016]				

Expenditure related outputs

Dismantling in the turbine hall progresses at satisfactory pace.

In the period between January 2014 and June 2016 the amount of dismantled metal was 13 430, i.e. 33% of the target value by 2020.

As well, the dismantling of the civil structures in the turbine hall progressed visibly. In the period between January 2014 and June 2016, 5978 t of concrete were removed.

Specific Objective 2: (Kozloduy) Dismantling of large components and equipment in the reactor buildings of units 1 to 4

Indicator 1: Number and type of systems and equipment dismantled

Baseline 01/01/2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Dismantling activities started in reactor building started			Start of dismantling activities in reactor building				On-going dismantling activities in reactor building
	Actual results						
			Dismantling activities in reactor building started				

Expenditure related outputs

Dismantling activities inside the reactor building Units 1-2 have started. In the period between January 2014 and June 2016 the amount of dismantled metal was 196 t, i.e. 13% of the cumulative planned amount in 2020.

Specific Objective 3: (Kozloduy) Safely managing the decommissioning waste in accordance with a detailed waste management plan

Indicator 1: Quantity and type of safely conditioned waste							
Baseline 01/01/2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Free release of materials (tonne)	5 762 t	11 318 t	15 658 [Jun 2016]				39285 t
	Actual results						
	4 791 t	7 923 t	13 049 t [Jun 2016]				
Production of Reinforced Concrete Containers (RCC) for final disposal							Up to 2205 RCC
	Actual results						
	30	51	60				

Note: Dismantling in the turbine hall and subsequent free release of material does not produce conditioned waste

Expenditure related outputs

As of June 2016 the quantity of material released from regulatory control (free release) has reached 33% of the indicator (target cum.).

Specific Objective 4: (Bohunice) Performing dismantling in the turbine hall and auxiliary buildings of reactor V1

Indicator 1: Number and type of systems dismantled							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Dismantling in the turbine hall and auxiliary buildings of reactor V1 started	Auxiliary Circuit System for Secondary Circuit - Phase 2 100% dismantled	Electricity production system Auxiliary Circuit System for Secondary Circuit – Phase 1. Electric Power Supply System and Emergency Electric Power Supply System 100% dismantled	Secondary Circuit Cooling System 100% dismantled				Dismantling in the turbine hall and auxiliary buildings of reactor V1 completed
		Actual results					
	100%	100 %	0% [Jun 2016]				

Expenditure related outputs

As planned, all systems but one (i.e. the secondary circuit cooling system) in the turbine hall and auxiliary buildings of reactor V1 were dismantled on time. The dismantling of the cooling towers (i.e. the secondary circuit cooling system) planned for 2016 was rescheduled to 2018.

Specific Objective 5: (Bohunice) Dismantling of large components and equipment in the V1 reactor buildings

Indicator 1: Number and type of systems and equipment dismantled							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Reactor core and ponds defueling started			Primary Circuit Equipment Insulation dismantled		Remote Handled RAW Storage System dismantled		Nuclear Steam Supply System (NSSS) dismantled Auxiliary Circuit System for Primary Circuit dismantled
	Actual results						
			100 %				

Expenditure related outputs

In 2014 the milestones have been met: the reactor core and ponds are defueled. Additionally a milestone of 2015 has been slightly anticipated: the 2nd stage licence has been issued end of December 2014.

The dismantling of insulation in the V1 NPP controlled area was finished in December 2016. Higher than originally estimated volumes of radioactive waste necessitated the extension of the project completion date by a couple of months.

Specific Objective 6: (Bohunice) Safely managing the decommissioning waste in accordance with a detailed waste management plan

Indicator 1: The quantity and type of safely conditioned waste

Baseline 01/01/2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Conventional waste produced (tonne)	34 849 t	105 543 t	169148 t	182818 t	186465 t	239577 t	362139 t
	Actual results						
	23151t	74093t	74 692 [Jun 2016]				
Hazardous waste produced (tonne)	277 t	346 t	888 t	2088 t	3266 t	4393 t	4912 t
	Actual results						
	54t	174t	180 [Jun 2016]				
Radioactive waste produced (tonne or Fibre Concrete Containers)	5 t	617 t	4255 t	4861 t	4861 t	4965 t	5216 t
	Actual results						
	129 FCC	255 FCC	408 FCC [Jun 2016]				

Quantitative milestones for waste production are fine-tuned in annual work programmes in function of the latest estimations of material inventories in installations to be dismantled. The values for 2016 have been updated.

Expenditure related outputs

Dismantling includes fragmentation and decontamination of components, and management of materials and radioactive waste arising from it. The progress of dismantling can be measured by the number and type of systems and equipment dismantled as well as the quantities of released conventional/hazardous waste and conditioned radioactive waste into final waste packages.

The progress in the free release of materials is behind schedule due to some delayed projects (e.g. demolition of V1 NPP's cooling towers).

5. Programme contribution to the Sustainable Development Goals

Not applicable, the programme has been designed in 2013, before the Commission adopted the Sustainable Development Goals.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

There are no financial instruments or trust funds financed by the programme.

7. Programme related additional information

Earned Value Management. The Commission services supported the beneficiaries in implementing an earned value management system, a project management technique for measuring performance and progress.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements

HEADING 1A: Competitiveness for growth and jobs**Nuclear decommissioning assistance programme in Lithuania**

Lead DG: ENER

I. Programme Update***Status of programme implementation (2016)***

The Commission adopted the 2016 annual work programme and the associated financing decision on 21 November 2016.

The 2016 funds earmarked for Lithuania were committed on 8 December 2016 (CPMA).

The Commission has transferred funds to CPMA, based on forecasted contract needs and progress in project implementation.

Key achievements

The due objectives were accomplished on schedule according to the baseline.

The removal of spent fuel assemblies from the spent fuel ponds in Unit 1 and 2 started in September 2016. This is a major achievement, as it represents the start of the action that will substantially enhance nuclear safety at the Ignalina NPP. In the last quarter three spent fuel casks (2% of the total quantity) were stored away from the reactor buildings.

INPP Unit 1 operating license conditions were changed in October 2015 to authorise further dismantling and decontamination of equipment in the block between the turbine hall and reactor building of Unit 1.

Decontamination and dismantling activities in the turbine hall progressed noticeably. Progress was 99% in unit 1 and exceeded 30% in Unit 2, which in physical terms means that about 3 700 tons of equipment were dismantled and decontaminated. In total, from 2014 to the end of June 2016, 25 916 tons of equipment were dismantled and decontaminated, i.e. more than half of the target for the MFF.

Relevant findings of evaluation and/or programme related studies

In September 2016, the European Court of Auditors published the new performance audit report¹ on the decommissioning assistance programmes, following its previous report². The Commission is implementing actions to address the Court's recommendations insofar they have been either accepted or partially accepted.

In 2016, the Commission services published the roadmap of the mid-term evaluation of the nuclear decommissioning assistance programmes in line with Article 9 of the relevant regulations.^{3,4} Over the year 2017, the evaluation will consider and assess the results and impacts, the efficiency of the use of resources and its Union added value. The evaluation will also address the scope for modification of the detailed implementation procedures.⁵

Information about forthcoming implementation (2017/2018)

The commissioning of the spent fuel interim storage facility enters into its final stage with the transfer of spent fuel to the dry storage facility starting in 2017. In parallel, dismantling activities will generate further amounts of materials.

The Commission mid-term evaluation is due by the end of 2017 and will provide a substantiated assessment of the overall progress, of the short-term outlook as well as of the planning up to completion.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
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¹ ECA Special Report 22/2016 - *EU nuclear decommissioning assistance programmes in Lithuania, Bulgaria and Slovakia: some progress made since 2011, but critical challenges ahead.*

² ECA Special Report 16/2011 - *EU financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia: achievements and future challenges.*

³ Council Regulation (Euratom) No 1368/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programmes in Bulgaria and Slovakia, and repealing Regulations (Euratom) No 549/2007 and (Euratom) No 647/2010 (OJ L346, 20.12.2013, p.1) & correction (OJ L8, 11.1.2014, p.31).

⁴ Council Regulation (EU) No 1369/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programme in Lithuania, and repealing Regulation (EC) No 1990/2006 (OJ L346, 20.12.2013, p.7) & correction (OJ L8, 11.1.2014, p.30 & OJ L121, 24.4.2014, p.59).

⁵ Commission Implementing Decision C(2014)5449 of 7 August 2014 on the rules of application for the nuclear decommissioning assistance programmes for Bulgaria, Lithuania and Slovakia for the period 2014-2020.

Council Regulation (Euratom) No 1369/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programme in Lithuania, and repealing Regulation (EC) No 1990/2006	2014 - 2020						450,8	
	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	60,6	61,9	63,1	64,4	65,6	67,0	68,3	450,8
Total	60,6	61,9	63,1	64,4	65,6	67,0	68,3	450,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	63,090	100,00 %		0,00 %	64,352	0,00 %	1,239	98,04 %
Authorised appropriation excluding external earmarked revenue	63,090	100,00 %		0,00 %	64,352	0,00 %	1,239	98,04 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Being confronted to early closure of their plants, it was not possible for Bulgaria and Slovakia to accumulate sufficient funds from operation of the plants.

It is therefore in the interests of the Union to provide further financial support until 2020 for the seamless continuation of decommissioning in order to reach the end state within the decommissioning process of the concerned nuclear reactor units, in accordance with their respective decommissioning plans, while keeping the highest level of safety. This will contribute to provide substantial and durable support for the health of workers and the general public, preventing environmental degradation and providing for real progress in nuclear safety and security.

4. Performance information

General objectives

General Objective 1: To assist Lithuania towards the decommissioning end state of units 1 and 2 of the Ignalina nuclear power plant

Indicator 1: Number of major components and systems dismantled in all the concerned nuclear reactors in accordance with the respective decommissioning plans

Baseline 2007 - 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Ignalina decommissioning programme: - Unit 1 reactor core is defueled, unit 2 reactor core is partially defueled into the spent fuel ponds. - The spent fuel ponds in units 1 and 2 are loaded to maximum capacity. - Facilities for waste management treatment and storage are being constructed. - Safe maintenance is performed without incidents. - Start of dismantling works in turbine hall of unit 1.	Ref. 2014 annual work programme	Ref. 2015 annual work programme	Ref. 2016 annual work programme				The planned completion date for the decommissioning of Ignalina units 1 to 4 is 2038.
	Actual results						
	Ref. 2015 annual work programme	Ref. monitoring reports	Ref. monitoring reports				

Specific objectives

Specific Objective 1: Defueling of the reactor core of unit 2 and the reactor fuel ponds of units 1 and 2 into the dry spent fuel storage facility

Indicator 1: Number of unloaded fuel assemblies

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Unit 1 reactor core defueled, unit 2 reactor core partially defueled into the spent fuel ponds; in the ponds are used and unloaded fuel assemblies				Commissioning Spent Fuel Storage Facility		Removal of spent fuel assemblies from Unit 2 reactor core	Complete defueling and transfer of all spent fuel assemblies to the dry spent fuel storage completed by end 2022
	Actual results						
			Commissioning Spent Fuel Storage Facility				
			Removal from spent fuel ponds started				

No removal of spent fuel assemblies is planned before the commissioning of the Spent Fuel Storage Facility.

Expenditure related outputs

Outputs	Number of outputs foreseen (F) and produced (P)						
	2014	2015	2016	2017	2018	2019	2020
Removal of spent fuel assemblies from Units 1 and 2 spent fuel ponds	F		0 casks				
	P		3 casks				
Removal of spent fuel assemblies from Unit 2 reactor core	F		0				
	P		0				

Specific Objective 2: Safely maintaining the reactor units**Indicator 1:** Number of registered incidents

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Safe maintenance performed without incidents	0	0	0	0	0	0	No incidents until complete defueling of units 1 and 2
	Actual results						
	0	0	0				

Expenditure related outputs

The installation has been maintained with the highest level of safety as indicated by the absence of registered incidents in 2014.

Specific Objective 3: Performing dismantling in the turbine hall and other auxiliary buildings and safely managing the decommissioning waste in accordance with a detailed waste management plan

Indicator 1: Type and number of auxiliary systems dismantled and the quantity and type of safely conditioned waste

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Dismantled equipment (tonne)	5650 t	12 669 t	25 916 t	29 268 t			40454 t
	Actual results						
	5790 t	14 335 t	21 384 t				
Primary processed waste (tonne / m3)	4700 t	5 800 m3	14 872 m3	15 372 m3			45000 m3
	Actual results						
	6250 t	7 414 m3	12 179 m3				

Quantitative milestones for waste production are fine-tuned in annual work programmes in function of the latest estimations of material inventories in installations to be dismantled. The values for 2015 and 2016 have been correspondingly updated.

Expenditure related outputs

The overall performance was satisfactory. The amounts of equipment dismantled are 17% below plan; the overall quantity of radioactive waste processed and stored was 18% below the plan, although the performance for individual categories of waste varied above and below the estimates. It is expected that this underperformance can be recovered in the following years as new equipment are put in operation.

5. Programme related additional information

In 2016 the Commission has updated the pillar assessment of the Lithuanian national agency implementing the Ignalina programme. The outcome of the assessment was positive.

Earned Value Management

The Commission services supported the beneficiaries in implementing an earned value management system, a project management technique for measuring performance and progress.

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**The Framework Programme for Research and Innovation (Horizon 2020)****Lead DG: RTD**

Associated DGs: EAC, HOME, ENER, CNECT, AGRI, MOVE, GROW, JRC

I. Programme Update

Management and implementation of the Horizon 2020 programme are spread across is undertaken by 26 different bodies:

- Nine Commission DGs: RTD, CNECT, GROW, MOVE, ENER, HOME, EAC, JRC, AGRI;
- Four executive agencies: European Research Council Executive Agency (ERC), Research Executive Agency (REA), Executive Agency for SMEs (EASME), Innovation & Networks Executive Agency (INEA);
- Four public-public partnerships: Active and Assisted Living – AAL, European & Developing Countries Clinical Trials Partnership – EDCTP2, European Metrology Research Programme – EMPIR, Eurostars-2;
- Seven public-private partnerships: Bio-based industries - BBI, Clean Sky 2, ECSEL, Fuel Cells and Hydrogen – FCH2, Innovative Medicines Initiative - IMI2, SESAR and Shift2Rail) complemented by nine contractual Public-Private Partnerships (cPPP) The European Institute of Innovation and Technology (EIT);
- The European Investment Bank (EIB).

The Commission has taken a number of measures to ensure a consistent and harmonised approach amongst the different implementing services. There are a range of strategic coordination mechanisms, including the strategic programming exercise that leads to the development of the work programme. For Grant management, a Common Support Centre has been established, which provides common services to all members of the research family. There are common rules for participation, with little derogations, to replace the multitude of rules set in the past. There is one common business process and one common IT system for the whole research family, instead of one per service. There is one database of projects and project outputs and results. And there is one front-end system for participants, with the same forms and procedures no matter which service is involved.

Status of programme implementation (2014-2017)

The first three-year programme (2014-2016) was fully implemented, with a budget of EUR 28,1 billion, which represents almost 37.5 % of the total for 2014-2020.

By the end of 2016, over 120,000 eligible proposals had been submitted to Horizon 2020 calls. Over 11,000 grant agreements with 49,000 participations had been signed, committing an EU investment in research and innovation of around €20.5 billion. The proposal success rate remained low at about 12% (compared to 19% in FP7), only a little more than a quarter of the proposals evaluated as good could be selected for funding, which demonstrates the great interest in the programme and the competitiveness of the selection process.

The 2016-2017 Work Programme built on the success of Horizon 2020 to date and is directly aligned with the agenda of the Commission. It contributes to the Jobs, Growth and Investment Package helping to strengthen Europe's global competitiveness through innovation to create new and sustainable jobs and promote growth. All the calls for proposals and activities will contribute substantially to this policy area as well as contributing in broader terms to one or more of the other priority areas:

- A new Boost for Jobs, Growth and Investment
- A Stronger Global Actor, Towards a New Policy on Migration, and an Area of Justice and Fundamental Rights Based on Mutual Trust.
- A Resilient Energy Union with a Forward-Looking Climate Change Policy
- A Deeper and Fairer Internal Market with a Strengthened Industrial Base
- A Connected Digital Single Market

The Work Programme is flexible and capable of addressing the topical issues that matter most to the European citizens. Important novelties have been introduced:

- A New boost to **competitiveness** by accelerating innovation and collaboration, improving transparency and openness when it comes to research data, and thus avoiding duplication of efforts. The current Open Research Data Pilot programme will be extended to cover all thematic areas of Horizon 2020, **making open research data the default setting**.
- In response to **the migration crisis**, funding is made available to coordinate research communities and to make policy recommendations to facilitate migrants' integration in the labour market: The EUR 11 million package of **migration actions** aims to bring together pertinent research communities to map, assemble and synthesise the currently on-going migration research in Europe; The **Fight against crime and terrorism** part of the Security calls, with a budget of EUR 49 million, will develop new ways of fighting and preventing organised crime and tackling terrorist ideas and beliefs, while guaranteeing fundamental rights and values.

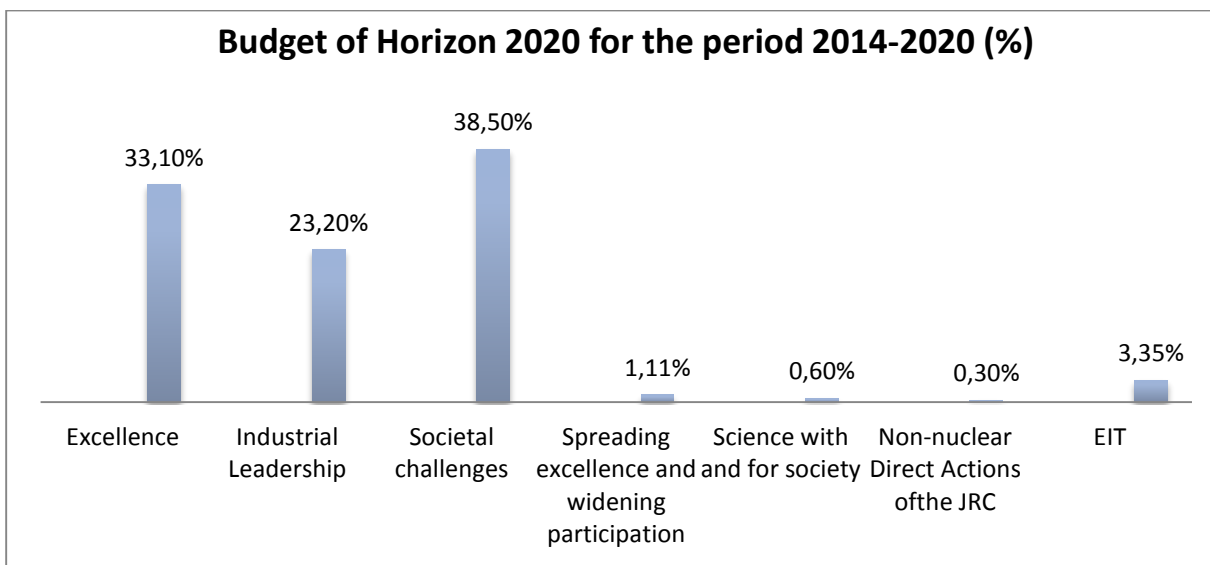
- Key actions supporting a forward-looking **climate change policy**, such as the new '*Closing the water gap*' topic with a budget of EUR 10 million in the 'Greening the economy' call which will reduce the fragmentation of water research and innovation efforts across Europe and which will contribute to the implementation of the Sustainable Development Goals (SDGs), as well as the conclusions of the COP21 Paris Agreement on climate change.

In addition, Horizon 2020 will continue supporting a range of cross-cutting initiatives in 2017: Industry 2020 in the Circular Economy (EUR 325 million) to develop strong and sustainable economies; Smart and Sustainable Cities (EUR 115 million) to better integrate environmental elements, transport, energy and digital networks in the EU's urban environments; Technologies and standards for automatic driving (over EUR 50 million); and the Internet of Things (EUR 37 million) to foster the take-up of digital technologies; as well as other features such as the "Widespread" call (EUR 111 million) to bring excellence to all corners of the EU.

Key programme achievements to date (concrete examples of programme success stories / generated EU value added)

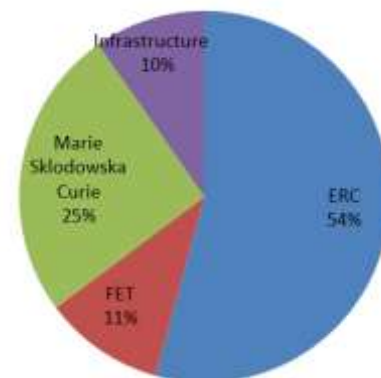
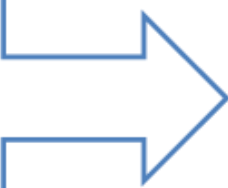
At the moment, only few Horizon 2020 projects are complete, and so results and impact are not quantifiable in a meaningful way. Valid indicators at this stage will be related to the implementation of the programme.

Nonetheless, *a selection of successful EU funded projects* already shows great strides in research and innovation and promising projects that may make a positive change in our daily lives are presented.



Excellent Science

Activities under **Excellent Science Pillar** aim to reinforce and extend the excellence of the Union's science base and to consolidate the European Research Area in order to make the Union's research and innovation system more competitive on a global



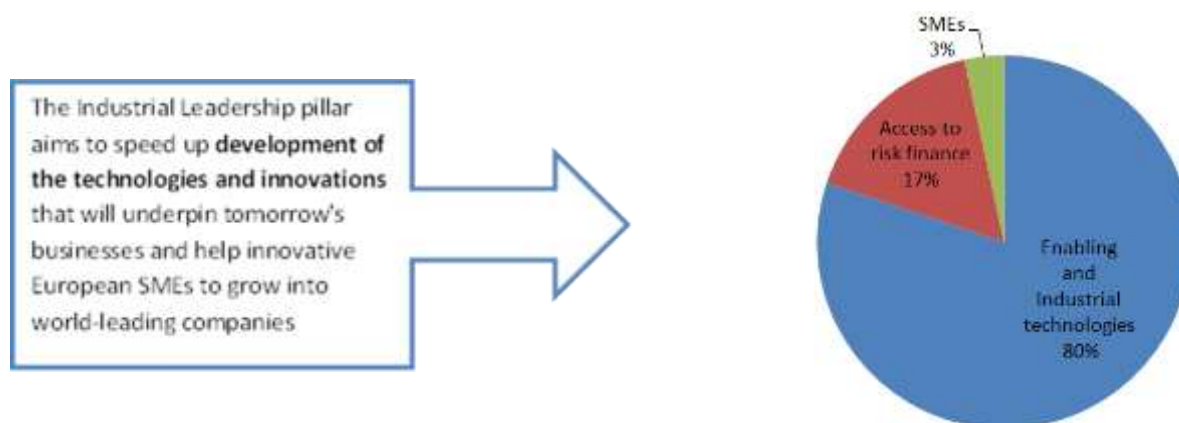
The European Research Council (ERC) funds frontier research projects submitted by individual researchers. In 2014, **ERC publications represented nearly 7% of the highly (top 1%) cited papers**, a remarkable achievement in less than 10 years. ERC funded researchers score 7 times higher than "normal" on this key performance indicator. In 2016 the ERC celebrated **one more Nobel laureate** among its grantees, the sixth. Bernard L. Feringa, who received an ERC grant in 2008 and a second one in 2015, has been awarded the Nobel Prize in Chemistry for 2016 jointly with Jean-Pierre Sauvage and Sir J. Fraser Stoddart for the design of the world's smallest molecular-machines.

12 new Future and Emerging Technologies (FET) "Proactive" projects defy the bounds of innovation in the fields of Future technologies for societal change; Biotech for better life; Disruptive information technologies; New technologies for energy and functional materials.

The Marie Skłodowska-Curie Actions (MSCA) invest in the people behind research and innovation in Europe and foster the transfer of knowledge and cooperation between academia and non-academia. In 2016, the MSCA continued to promote excellence and scientific breakthroughs across the board: for example, the Nobel Prize in Chemistry has been awarded jointly to three laureates who previously have been involved as scientists in charge of eight projects within the MSCA and 14 MSCA-funded doctoral candidates supported the historic detection of gravitational waves. The MSCA have **funded over 25 000 (10 000 Ph. D) from 2014 to 2016**. In addition, 2016 saw the successful completion of the "MSCA Bridging Business and Research" campaign for the promotion of business-academic collaborations as well as the launch of a first pilot call for Individual Fellowships in the non-academic sector. This pilot will fund almost 50 highly-skilled postdoctoral researchers who will spend several years in public bodies, non-governmental organisations or firms. For the first time, an MSCA Seal of Excellence will be awarded to researchers whose excellent project could not be supported due to insufficient EU funding. This will provide them with easier access to financing under the Structural Funds.

In 2016, more than 33 000 researchers had access to research infrastructures, including e-infrastructures, through Union support. The Pan-European Research Infrastructures offers increasingly sophisticated technologies that can only be hosted in large-scale platforms that combine Research with Development and integration with validation. In this way, Horizon 2020 turns into reality the recommendation of the European Strategy Forum on Research Infrastructures (ESFRI). The 2016 Roadmap consists of 21 ESFRI Projects with a high degree of maturity but also 6 new Projects (<http://www.esfri.eu/>). An example of an ESFRI project is the "Survey of Health, Ageing and Retirement in Europe" (SHARE) which is a multidisciplinary and cross-national panel database of micro data on health, socio-economic status and social and family networks of approximately 123,000 individuals aged 50 or older (the result of more than 293,000 interviews). SHARE covers 26 countries of the European Union as well as Switzerland and Israel. Based on mutual learning, SHARE will continue improving the understanding of ageing societies. SHARE is an important source of evidence which helps to better cope with challenges in the health, employment and social sectors.

Industrial Leadership



Public-private partnerships in advanced manufacturing and processing (Factories of the Future, SPIRE and Energy-efficient Buildings) can already show leverage factors between 1.5 and 3.5². These investments are predominantly private. With Key Enabling Technologies (KET) gradually reaching maturity, funding efforts are shifting towards up-scaling processes and towards support for the adoption of the next generation of nanotechnology and advanced materials by European manufacturing enterprises.

Horizon 2020 provides opportunities for the development of space technology, such as **the European Global Navigation satellite (EGNSS)** applications for use with the European Geostationary Navigation Overlay Service (EGNOS) and Galileo.

The EU invests in 5G, the next generation of communication networks. By 2020, there will be 26 billion connected devices and 70 percent of people will own a smartphone. The EU is investing EUR 700 million by 2020 in a Public-Private Partnership on 5G. EU industry is set to match this investment by up to 5 times, to more than EUR 3 billion.

Access to risk finance supports and facilitates access to debt and equity financing for innovative companies of all sizes and also for research centres and universities, public-private partnerships, special-purpose companies or projects, and joint ventures. The European Commission and the European Investment Fund (EIF) have launched a call for setting up and managing one or more private-sector-led, market-driven Pan-European Venture Capital (VC) Funds-of-Funds. The VC Fund of Funds, investing in a combination of early-stage, later stage and expansion stage VC funds, with a size of at least EUR 500 million, would be attractive to major investors and would bring much needed private investment to the European venture capital market. In addition, investigations have been launched into how crowdfunding and other forms of alternative finance could support research and innovation (R&I).

Innovation in SMEs: Over 790 million EUR invested in more than 2100 SMEs under Horizon 2020. Some of the exciting technologies and innovations which the [Horizon 2020's SME Instrument](#) has made possible are clothes and accessories made from

¹ This amount is calculated from FP7 grants, as data from Horizon 2020 grants is not yet available.

² Taking only current investments into account and discounting intentions regarding future investments.

marine waste; a portable hub that provides clear water, solar energy and Wi-Fi connectivity in developing countries; and a 3D hologram of the brain that has contributed to several breakthroughs for neuroscience.

Societal Challenges



EUR 45 million have been invested in research **to combat the outbreak of the Zika virus** disease and other emerging infections transmitted by mosquitoes, supporting research on treatments, diagnostics and vaccines, as well as a better risk assessment for Zika.

The EVIDENT project³ highlights the flexibility of Horizon 2020 in **reacting to public health emergencies**. It addresses research gaps that emerged with the recent **Ebola virus disease (EVD)** epidemic in West Africa, studying samples collected from populations affected in order to provide urgently needed answers regarding the disease. The scientific relevance and quality of its results are evident from the fact that in less than two years, the project has led to the publication of several articles in high-impact journals (e.g. three already published and one under review in Nature), and more than 20 other articles published in well-known journals.

One of the novelties introduced by Horizon 2020 was the multi actor approach. This approach aims at through bottom up and multi actor approaches communicating best practice drawn from innovative farmers, industry and the research community and to multiply its benefits across Europe. One example is the network Smart-Akis which aims to increase the adoption of **Smart Farming Technologies (SFT)** by the European farming community. It strives to bridge the gap between the field and research on the identification and delivery of new SFT solutions to fit farmers' needs. SFT can be a major support for farmers in the response to the global food challenge of feeding more than 9 billion people in 2050, as well to sustainability and competitiveness challenges which they face.

The FIRST2RUN BBI project aims at **converting oil crops grown in marginal lands into high-added value products such as chemicals, biolubricants, cosmetics, bioplastics, etc.** With a total investment of EUR 58 million, it will perform the reconversion of an existing industrial plant into a first-of-a-kind biorefinery, creating skilled green jobs and new sources of revenue for local farmers.

In the project "Resource Efficient Food and dRink for the Entire Supply cHain" (REFRESH), 26 partners from 12 European countries and China work towards the project's goals; to contribute towards the objectives of reducing food waste across Europe by 30% by 2025, to reduce waste management costs, and to maximize the value from unavoidable food waste and packaging materials.

In the context of the Atlantic Ocean Research Alliance, the European Commission has provided EUR 19 million to two new research projects which study the functioning of North Atlantic ecosystems. The research will result in strategies for a **more sustainable exploitation of the resources, whilst preserving the marine ecosystems**.

Global warming is the biggest threat to mankind in the 21st century as the ongoing battle against CO₂ emissions takes many forms. The STEPWISE project has the potential **to reduce CO₂ emissions worldwide by 2.1 Gt/year** and to cut the costs compared to conventional CO₂ capture technologies. In order to achieve these goals, the project is building a dedicated pilot test installation next to a real blast furnace to process the Blast Furnace Gas produced. Hence, the concept will be demonstrated in a real industrial environment.

Project SUN-to-LIQUID has the potential to meet future fuel consumption needs as it **establishes a radically different non-biomass, non-fossil path to synthesize renewable liquid hydrocarbon fuels from abundant feed stocks of H₂O, CO₂ and solar energy**. Concentrated solar radiation drives a thermochemical redox cycle, which operates at high temperatures and utilizes the full solar spectrum. In this way, it provides a thermodynamically favourable path to solar fuel production with a high energy conversion efficiency and, consequently, economic competitiveness.

³ Research and Innovation action, EU contribution: € 1 759 325; duration : 2014-11-01 to 2016-10-31, <http://evident-project.eu/about/institutions/bni/>

The DESCRAMBLE project will drill in continental-crust, super-critical geothermal conditions, and test and demonstrate novel drilling techniques to control gas emissions. The new drilling technologies being developed will **increase the number of economically viable geothermal resources** including several of the locations in Europe with high temperature and pressure conditions. These locations and their potential are being identified or are under assessment by other EU-funded projects (GEOELEC and IMAGE).

The objective of project THERMODRILL is to develop an innovative drilling system based on the combination of conventional drilling with water jetting. This will **allow at least 50% faster drilling in hard rocks, resulting in a cost reduction of more than 30% for well construction and a minimized risk of seismic activity as a result.**

Unfortunately the threat of a terrorist attack on an aeroplane is today a real threat to airline security. The EU-funded FLY-BAG2 project has developed a technology that **enables aeroplanes to survive a Lockerbie-type explosion scenario.** The first lightweight technology for any passenger aircraft will prevent major damages from an explosion caused by bombs hidden in luggage. FLYBAG is ready to be manufactured and installed in the holds and cabins of all passenger aircrafts.

Electric vehicles present car-makers with the opportunity to achieve significant power with less volume. The project EUNICE has demonstrated the **viability and cost-effectiveness of a high-power, fully integrated in-wheel motor for electric and hybrid vehicles.** The project established the basis for a world-level European industry manufacturing electric motors and components with required performances at competitive costs.

Projects and actions supported by the Framework Programmes are essential for the Intergovernmental Panel on Climate Change (IPCC) reports. The IPCC has been a pillar of **the COP21 Paris Agreement.** MASLOWATEN and RESYNTEX. MASLOWATEN are a **demonstration of large scale photovoltaic pumping systems for irrigation.** It uses smart digital solutions in Mediterranean countries that face water scarcity, **with a saving of 30% of the water resources,** and an expected market electricity generation of 6 Giga Watt. RESYNTEX is designing a **pilot textile recycling plant for 500 tons/year to avoid the incineration** and landfilling of textile waste through chemical recycling of unwearable blends, which are foreseen to reach a 50% collection rate all over Europe, **convert 6.2Mt of fibres per year** into new feedstock by 2020, **reduce final waste disposal by 5%** and contribute to **reducing the total global warming potential by 1.5%.**

One of the projects contributing to the implementation of both the Raw Materials policy and the Strategic Implementation Plan (SIP) of the European Innovation Partnership (EIP) on Raw Materials is "VAMOS" (Viable and Alternative Mine Operating System) which is investing how to develop a **new Safe, Clean and Low Visibility Mining Technique.** It plans to prove the economic viability for extracting currently unreachable mineral deposits, thus encouraging investment and helping to put the EU back on the playing field when it comes to access to strategically important minerals. Estimates indicate that the value of unexploited European mineral resources at a depth of 500-1,000 metres is ca EUR 100 billion.

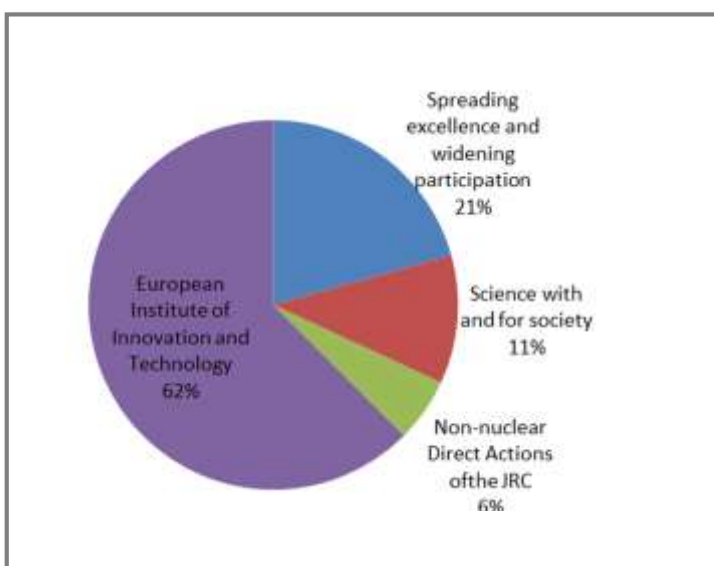
Europe faces important challenges when it comes to reducing inequality and social exclusion. The Horizon 2020 programme aims at fostering a greater understanding of Europe, by providing solutions and supporting inclusive, innovative and reflective European societies as well as an innovative public sector, in a context of unprecedented transformations and growing global interdependencies. In this context, three major challenges: **Migration, Terrorism and Poverty** were debated from a policy perspective in three international conferences organised by the European Commission in 2016. A corresponding **Policy Review**, which takes stock of the available scientific knowledge, is available on: "*Research on Migration: Facing Realities and Maximising Opportunities*"; "*Addressing Terrorism – European Research in social sciences and the humanities in support to policies for Inclusion and Security*"; "*Fighting poverty and exclusion through social investment. A European research perspective*"

Other:

As regards the Gender equality, in 2016 the EC launched an **ERA-net Cofund scheme dedicated to the strengthening of gender equality** with an EC contribution of up to EUR 5 million. By mobilizing Member States and Associated Countries funding, and scaling it up, the aim is also to contribute to the implementation of the gender priority of the ERA Roadmaps.

A territorial approach to growth and jobs: Smart Specialization Platform (S3P) was developed to help EU regions perform better. The S3P provides advice to EU countries and regions for the design and implementation of their Smart Specialisation Strategy. The economic studies, modelling tools and screening methodologies contributed to identifying key challenges and opportunities and informing policy in a very diverse set of sectors such as agriculture, trade, employment and health.

The JRC contributed to the ambitious objective of a **deeper and fairer internal market with a strengthened industrial base.** Research into raw-material dependent sectors is aimed



to making strategic EU industries more resilient. The environmental dimension of sustainable competitiveness was also considered, with the JRC contributing to new, more stringent emission requirements for industrial and chemical installations.

The European Institute of Innovation and Technology (EIT) has set up a new pan-European partnership (**EIT Food**), which brings together leading businesses, universities and research organisations. Its mission is **to ensure a climate-resilient and sustainable global food value chain**. This would boost innovation, growth and job creation and put Europe at the center of a global revolution in food.

The EIT updated in 2016 the **Label for the Knowledge and Innovation Communities (KICs) Master and Doctoral Programmes**, aiming to become a model for similar efforts elsewhere.

All the European Commission's information on details of each EU-funded research project: the grant, the funding and participants, the projects' summaries, the latest results and links to specific publications and other documents are available on http://cordis.europa.eu/projects/home_en.html.

Relevant findings of evaluation and/or programme related studies

The second Horizon 2020 annual monitoring report shows good implementation of the calls closed in 2014 and 2015.

Time-to-grant has fallen significantly compared to FP7 and continues to fall comparing 2014 to 2015.

Horizon 2020 is very attractive. The total number of eligible proposals in the first two years was about 76 500. In 2015 25.5% more proposals were submitted than in 2014. This indicates that proposal numbers probably will remain high. Only one out of every four proposals assessed as high quality is funded. An additional EUR 41.6 billion would have been necessary in the first two years of Horizon 2020 to fund all the 25 000 High Quality Proposals which were not funded. This underlines the huge potential for high quality research and innovation in Europe. Furthermore, Horizon 2020 saw an increase in the number of applications from the private sector by 26.5% from 2014 to 2015 (or over 11 000 more applications). Horizon 2020 is also an attractive programme where academia and industry can collaborate.

Oversubscription: In spite of very similar funding rates in 2014 and 2015, the growing interest in Horizon 2020 presents a challenge. In total, over 8 500 more proposals were submitted in 2015 compared to 2014. This is reflected in lower success rates in 2015 than 2014 throughout Horizon 2020: in terms of numbers of proposals, from 13.2% to 10.7%, and in terms of funding, from 14.2% to 10.9%.

The share of Third Country participations in internationally open collaborative projects increased from 2.1% in 2014 to 2.8% in 2015, and for all projects from 1.7% in 2014 to 2.0% in 2015.

The participation of newcomers in the Programme was identified by the National Contact Point survey, as the most challenging area. Nevertheless, the first results are encouraging, showing that there are about 52% newcomers that had not participated in the Seventh Framework Programme (FP7).

There was an observable trend towards more funding for EU-13 Member States in Horizon 2020. The total share of the funding going to EU-13 increased from 4.3% in 2014 to 4.7% in 2015. However, success rates for EU-13 applicants remain lower than for the other EU Member States.

Though it is still early, as many projects are still just starting up, Horizon 2020 is starting to show its first results. In total 1760 articles in peer-reviewed journals were reported, along with 109 patent applications, as outputs of the project funding.

Progress on cross-cutting issues was assessed. For example:

In the first two years, 27.2% of the tracked projects were climate-change related (EUR 4 185 million), 55.4% was sustainability related (EUR 8 527 million) and 3.8% bio-diversity related (EUR 582 million).

A total of 36.2% of the tracked budget took into consideration the gender dimension in the research and innovation content.

23.7% (EUR 2 128.9 million) of EU funding allocated to grants in the LEIT and Societal Challenges (EUR 8 972.9 million) was allocated to SMEs. This is above the 20% target.

An interim evaluation will be completed by the end of 2017, as required by Regulation (EU) No 1291/2013 establishing Horizon 2020.

Information about forthcoming implementation (2018/2020)

The last work programme of Horizon 2020, covering the years 2018-2020 will be endowed with nearly €30 billion, making it an essential means of implementing the EU's policy agenda for growth and jobs and setting the direction of EU research and innovation support for many years. The Work Programme 2018-2020 will extend the open, challenge-led approach with mission-oriented high impact calls and broader topics in areas of strategic social, environmental and economic importance. A new and reinforced emphasis will be put on "market creating innovation" a concept of a European Innovation Council (EIC).

The strategic programming process that underpins the development of the next work programme has taken into account scientific evidence and foresight, stakeholder consultations and engagement with Commission services and other EU programmes and initiatives. Five strategic directions have been agreed and will be reflected in all work programme parts:

- Increased investment in sustainable development and climate related R&I
- Integrating digitisation in all enabling technologies and societal challenges
- Strengthening international R&I cooperation
- Societal Resilience
- Market creating innovation

Moreover, the strategic directions will result in important dedicated initiatives, notably four focus areas that are 'virtual calls' cutting across programme boundaries and endowed with a substantial budget to allow for work of sufficient scale and depth, as well as piloting the European Innovation Council.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC Council Decision 2013/743/EU of 3 December 2013 establishing the Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014 - 2020) Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1).	2014 - 2020	74 828,3

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	496,3	489,9	497,6	497,2	498,0	520,9	533,1	3 533,1
Operational appropriations	7 575,3	7 620,9	7 754,0	8 535,7	8 960,4	9 886,1	10 652,7	60 985,0
Executive Agency	99,9	114,2	124,5	140,5	144,5	151,4	157,8	932,9
Joint undertaking	625,2	1 060,6	916,7	872,2	1 103,3	1 147,2	1 346,6	7 071,8
Other bodies	226,4	253,8	249,6	300,4	396,2	456,3	496,8	2 379,5
Total	9 023,1	9 539,4	9 542,5	10 345,9	11 102,4	12 161,9	13 187,0	74 902,3

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	10 709,080	96,06 %	8 878,598	87,21 %	10 902,304	33,13 %	9 738,465	20,18 %
Authorised appropriation excluding external earmarked revenue	9 760,071	99,55 %	7 612,191	96,48 %	10 393,569	33,44 %	8 685,783	20,34 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

In accordance with the principles of subsidiarity and proportionality set out in Article 5 of the Treaty on European Union, there is compelling evidence that Member States acting alone will not be able to make the required public intervention in the research domain in terms of achieving an appropriate, "critical mass" level of investment and battling fragmentation.

Horizon 2020 plays a central role in the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth by providing a common strategic framework for the Union's research and innovation funding, thus acting as a vehicle for leveraging private investment, creating new job opportunities and ensuring Europe's long-term sustainable growth and competitiveness.

Horizon 2020 brings together all EU-level instruments to support research and innovation, and consequently its scope and objectives have been broadened in comparison with its predecessor, the Seventh Framework Programme. Horizon 2020 has the ambition to achieve both short-term and long-term results. With a budget carefully calculated to ensure excellent value for money, the programme is designed to strengthen the overall research and innovation framework, coordinate Member States' research efforts

and implement cross-border research collaboration, thereby avoiding duplication and ensuring public financing is used in an optimal way. In addition, Horizon 2020 enables continent-wide competition to select the best proposals, thereby raising levels of excellence and providing visibility for leading research and innovation. Furthermore, it supports trans-national mobility, thereby improving training and career development for researchers.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	6 771,0	7 086,8
Sustainable Growth (competitiveness, climate, energy and mobility)	2 386,2	2 325,8
Inclusive Growth (employment and skills, fighting poverty)	436,4	480,3
Total	9 593,6	9 892,9

Contribution to mainstreaming of climate action

Appropriations		Budget 2017 (EUR million)	DB 2018 (EUR million)
Excellence in Science	1. Specific Objective - European Research Council	151,6	163,1
	2. Specific Objective - Future and Emerging Technologies	0	0
	3. Specific Objective – Marie Skłodowska-Curie actions	188,7	200
	4. Specific Objective - Research infrastructures	50	55
Industrial Leadership	5. Specific Objective - Enabling and Industrial Technologies	233,8	207,6
	6. Specific Objective – Access to risk finance	0	0
	7. Specific Objective - SMEs	0	0
Societal Challenge	8. Specific Objective - Health	0	60
	9. Specific Objective - Food	197,7	277,4
	10. Specific Objective - Energy	721,7	679,9
	11. Specific Objective - Transport	478,8	452,3
	12. Specific Objective - Resource efficient and climate change resilient economy	136,7	148,7
	13. Specific Objective - Inclusive, innovative and reflective European societies	1,8	5
	14. Specific Objective - Secure European societies	5,6	0
Spreading excellence and widening participation	15. Specific Objective - Spreading excellence and widening participation	0	0
Science with and for society	16. Specific Objective - Science with and for society	1,2	0
	17. Specific Objective - Non-Nuclear Direct Actions of the Joint Research Centre	8,3	8,2
	18. Specific Objective - European Institute of Innovation and Technology	120,3	158,5
TOTAL		2296,2	2415,7

These estimates for 2018 have been calculated by applying the climate tracking methodology (0%, 40% and 100%), generally at the level of the specific objectives/challenges, by taking into consideration both past experience (i.e. using the 2014-2015 confirmed figures) and the topics to be included in the 2018 Work Programme. For SO1, the methodology used to calculate the contribution to climate action from ERC is based on the assignments made to ERC evaluation panels taking into consideration the results of 2014-2015. The use of this methodology has been agreed jointly between CLIMA, RTD and ERCEA. For the bottom-up areas of spending: SO3, SO6, SO7, a provisional estimate of 0% has been attributed to climate-related expenditure for 2017.

For the S.O. 17, the JRC identified all non-nuclear institutional work programme activities ongoing in the relevant period and rated them as per their contribution to mainstreaming of climate action. The data were then aggregated per key objective/heading and applied to the allocation of institutional specific credits concluding with the final contribution reported.

Climate related objective: To contribute to building a low-carbon, resource-efficient and climate resilient economy

Indicator : Climate-related expenditure							
Baseline	Milestones						Target 2020
	2014	2015	2016	2017	2018	2019	
New approach ⁴ (cumulative budget)							> 35% of the H2020 budget
	Results						
	26	27	26*				

* Incomplete figures at this stage as not all grant agreements have been signed.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020 (MEUR)
2014 (MEUR)	2015 (MEUR)	2016 (MEUR)	2017 (MEUR)	2018 (MEUR)	2019 (MEUR)	2020 (MEUR)	
2071,5	2097,9	2053,7	2296,2	2415,7	2585,3	2831,6	16351,9

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR Million)	DB2018 (EUR Million)
1. Specific Objective - European Research Council	0	90,6
3. Excellent science – Marie Skłodowska-Curie actions - strengthening skills, training and career development	45,8	48,6
4. Excellent science – Research infrastructures	0	20
5. Industrial leadership - boosting Europe's industrial leadership through research, technological development, demonstration and innovation in the following enabling and industrial technologies	0	0
9. Societal challenges – to secure sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related ecosystem services, alongside competitive and low carbon supply chains	0	100,2
12. Societal challenges – to achieve a resource efficient and climate change resilient economy and a sustainable supply of raw materials	47,8	53,5
17. Non-Nuclear Direct Actions of the Joint Research Centre – to provide customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands	4,1	3,0
Total	97,7	315,9

These estimates for 2017 and 2018 have been calculated by applying the biodiversity tracking methodology (0%, 40% and 100%), generally at the level of the specific objectives/challenges by taking into consideration both past experience (i.e. using the 2014 and 2015 confirmed figures) and the topics to be included in the 2018 Work Programme. For the bottom-up areas of spending (S.O. 1, S.O. 3 and S.O.4) a provisional estimate of 0% has been attributed to financing biodiversity for 2017 and 2018. For S.O. 17, the JRC identified all non-nuclear institutional work programme activities ongoing in the relevant period and rated them as per their contribution to biodiversity. These data were then aggregated per key objective/heading and applied to the allocation of institutional specific credits concluding with the final contribution reported.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014 (MEUR)	2015 (MEUR)	2016 (MEUR)	2017 (MEUR)	2018 (MEUR)	2019 (MEUR)	2020 (MEUR)	
211,5	138,4	200,8	97,7	315,9	366,2	408,6	1739,1

⁴ There is no comparable data for this indicator for FP7, therefore no baseline can be provided.

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

3.2.4 Mandatory targets for Horizon 2020

Objective: To leverage and boost engagement of industry								
Indicator: Share of Horizon 2020 funds ⁵ allocated to SMEs; of which share of funds allocated through the SME instrument								
	Baseline	Milestones					Target for Horizon2020	
		2014	2015	2016	2017	2018		2019
SMEs - SME instrument (budget cumulative)	New approach			5%				7%
		Results*						
		5,04	5,07	5,57				
SMEs – total (budget cumulative)	17,2% (June 2013)			20%				20%
		Results**						
		22,8	23,7	23,9				

* Results based on financial commitments under the different parts of the Horizon 2020 Work Programmes 2014-2015 and 2016-2017 contributing to the budget for the SME instrument call.

** Results based on data extracted from CORDA; compilation of budgets allocated to SMEs in the framework of Horizon 2020 grant agreements signed in 2014, 2015 and 2016.

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 08 00(RTD)		
Grants		471,2
Total		471,2

Gender mainstreaming

Three main objectives underpin the strategy on gender equality as a cross-cutting issue in Horizon 2020:

- Fostering equal opportunities and gender balance in research teams, in order to close the gaps in the participation of women.
- Ensuring gender balance in decision-making, in order to reach the target of 40% of the under-represented sex in panels and groups and of 50% in advisory groups.
- Integrating the gender dimension in research and innovation (R&I) content, taking into account as relevant biological characteristics as well as social and cultural features of both women and men in research content (through sex and gender analysis).

These objectives are implemented through a series of Commission provisions which are integrated as relevant at various stages of the Research and Innovation cycle.

Gender balance in research teams

In the Work Programmes, applicants are encouraged to promote equal opportunities in the implementation of the action and to ensure a balanced participation of women and men at all levels in research and innovation teams. In the first two years of Horizon 2020, the share of women participants in Horizon 2020 projects was 35.8% of the total workforce including non-researchers. About one third of projects coordinators are women.

Gender balance in decision making

Regarding gender balance in Horizon 2020 advisory groups in 2014 and 2015, women's participation is 52% , while the share of contracts signed with women experts participating in evaluation panels was 36.7%.

Gender dimension in research and innovation content

The gender dimension in research content was explicitly mentioned in several topics across the parts of the Work Programme and applicants' attention was drawn to the relevance of taking into account the biological characteristics and/or the social/cultural features of both women and men in the content of their planned research. Among the six thousand grants which were examined for the first two years of Horizon 2020, 36.2% of them took into account the gender dimension in the research and innovation content.

Gender equality in R&I in the European Research Area (ERA)

Gender equality in R&I is also a key priority in the European Research Area (ERA). The same objectives as above are pursued in collaboration with Member States and research institutions. The focus is put on institutional change at the level of research performing organisations (RPOs) and research funding organisations (RFOs), including universities to:

⁵ Total combined budgets of the specific objective "Leadership in enabling and industrial technologies" and all Horizon 2020 specific objectives on "societal challenges".

- a) Remove cultural and institutional barriers that generate direct or indirect discrimination in scientific careers;
 b) Ensure gender balance in decision-making and;
 c) Integrate the gender dimension in research content.

As reported in the 2016 ERA Progress Report, while parity in the earliest stages of the research career seems at hand, the levels of parity diminish as researchers move up the ladder of career progression stages; furthermore, these decreases at more senior career stages show no signs of substantial change in recent years. Regarding gender dimension in research content, European research takes into account the biological characteristics as well as the social and cultural features of both women and men, and integrates a gender dimension about as often as the global average. Increasing integration of the gender dimension in research in Europe is essentially moving in parallel with increases at the world level, and at a slightly smaller rate.

4. Performance information

General objectives

General Objective 1: to build a society and an economy based on knowledge and innovation across the whole Union, while contributing to sustainable development

Indicator 1: The Europe 2020 R&D target (3% of GDP)

Baseline (Eurostat, 2013)	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2,02 %			2,5 %				3 % of GDP
	Actual results						
	2,04%	2,03% (provisional)					

Indicator 2: Innovation Output Indicator

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
102,1							The composite nature of this indicator is not particularly suited to establishing a target
	Actual results						
	103,6	(not yet available)					

Indicator 3: Share of researchers in the EU active population

Baseline (Eurostat, 2013)	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1,14%			1,21 %				1,33 %
	Actual results						
	1,17 %	1,20 % (provisional)					

The General Objective contributes to the following Europe 2020 headline targets: By stimulating the generation of more sustainable growth and the creation of new jobs in the EU, it helps to raise the share of population employed. By contributing directly to R&D expenditure and leveraging public and private funds towards this sector, it helps raising the R&D investment in the EU. Finally, in order to promote sustainable development, support is provided to climate change and energy research. This has an impact on the reduction of emissions, the promotion of renewable energy sources and the increase of energy efficiency, thus making progress towards the 20/20/20 climate/energy targets.

Specific objectives

Specific Objective 1: Excellent science - European Research Council (ERC) - strengthening frontier research

Indicator 1: Share of publications from ERC-funded projects which are among the top 1 % highly cited per field of science

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach					1,5		1,8
	Actual results						
			No data				

⁶ The reference for this target is the year when the last actions financed under Horizon 2020 will be finished, i.e. several years after the formal end of the programme in 2020.

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 01 01 (RTD)		
Grants	1033	1814,5
Prizes		
Procurement		
Financial instruments		
Experts	2	12,5
Others		
Total		1827
of which, Climate-related expenditure		163,1

Specific Objective 2: Excellent science - Future and Emerging Technologies - strengthening research in future and emerging technologies

Indicator 1: Publications in peer-reviewed high impact journals

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach Error! Bookmark not defined.				22		29	25 publications per EUR 10 million funding
	Actual results						
			No data				

Indicator 2: Patent applications and patents awarded in Future and Emerging Technologies

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						1	1 patent application per EUR 10 million funding ⁷
	Actual results						
			No data				

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 01 02 (RTD)		
Grants		
Prizes		
Procurement		
Financial instruments		
Experts		
Others ⁸		
Subtotal		p.m
of which, Climate-related expenditure		0
Budget line 09 04 01 01 (C-NET)		
Grants	108	414,8
Prizes		0
Procurement		0
Financial instruments		0
Experts		4
Others	1	8
Total of the Specific Objective		426,8
of which, Climate-related expenditure		0

⁷ No sufficient amount of meaningful data is expected for "patents awarded" before 2020, because of the time that is needed for a patent to be awarded.

⁸ For example: grants to named beneficiaries, Public-Public Partnership based on Article 185 TFEU.

Specific Objective 3: Excellent science - Marie Skłodowska-Curie actions - strengthening skills, training and career development**Indicator 1: Cross-sector and cross-country circulation of researchers, including PhD candidates (cumulative number)**

Baseline 2007 - 2013	Milestones foreseen ⁹						Target for Horizon 2020
	2014	2015	2016	2017	2018	2019	
50000 researchers (~10 000 PhD candidates)	7 500 researchers (~3 000 PhD candidates)	16 500 (~6 000 PhD candidates)	25 000 (~10 000 PhD candidates)	34 000 researchers (~13 000 PhD candidates)	43 500 (~17 400 PhD candidates)	53 500 (~21 400 PhD candidates)	65000 researchers (~25 000 PhD candidates)
	Actual results						
	7 700 researchers (~3 400 PhD candidates)	15 400 researchers (~6 800 PhD candidates) ¹⁰	25 000 researchers (~ 11 000 PhD candidates)				

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 15 03 01 01 (EAC)		
Grants	1800	865,6
Prizes		
Procurement	5	3,6
Financial instruments		
Experts	300	0,8
Others		
Total of the Specific Objective		870,0
of which, Climate-related expenditure		200,0

Specific Objective 4: Excellent science - Research infrastructures - strengthening European research infrastructures, including e-infrastructures**Indicator 1: Number of researchers who have access to research infrastructures through Union support**

Baseline (FP7)	Milestones foreseen						Target for Horizon 2020
	2014	2015	2016	2017	2018	2019	
22000 (2013)					12000		20000 ¹¹ (*)
28559 (2014)	Actual results						
33741 (2015)							

(*) the Horizon 2020 target for the year 2020 has been calculated based on the 2013 FP7 figures. Nevertheless, it has to be noted that all the actions will be finished several years after the year 2020.

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 01 03 (RTD)		
Grants	25	223,7
Prizes		0
Procurement		0
Financial instruments		0
Experts		0
Other		0,5
Subtotal		224,2
of which, Climate-related expenditure		55
Budget line 09 04 01 02 (C-NECT)		

⁹ Cumulative figures based on the EU28 budget.

¹⁰ Provisional results to be revised upwards when all 2015 calls can be considered

¹¹ Although the overall budget for research infrastructures has increased in Horizon 2020 compared to FP7, the result for this indicator is expected to slightly decrease since priority in Horizon 2020 will be given to the new emerging infrastructures as well as to targeting new communities (starting communities) whose infrastructures are usually not able to provide as large an access as the advanced communities. At this stage, the indicator does not apply to e-Infrastructures projects. Figures for researchers accessing e-Infrastructures through Union support will be added as data become available.

Grants	20	60,9
Prizes		0
Procurement		0
Financial instruments		0
Experts		0,5
Others		58,0
Subtotal		119,4
of which, Climate-related expenditure		0
Total of the Specific Objective		343,6
of which, Climate-related expenditure		55

Specific Objective 5: Industrial leadership - boosting Europe's industrial leadership through research, technological development, demonstration and innovation in the following enabling and industrial technologies (information and communication technologies; nanotechnologies; advanced materials; biotechnology; advanced manufacturing and processing; space)

Indicator 1: Patent applications and patents awarded in the different enabling and industrial technologies

Baseline	Milestones foreseen							Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	2020	
ICT	New approach (For FP7 Cooperation projects finished by October 2013: 0,9 patent applications per EUR 10 million funding) ¹²							3 patent applications per EUR 10 million funding ¹³
Nanotechnologies, advanced materials and advanced manufacturing and processing	New approach (For FP7 Cooperation projects finished by January 2017: 2 patent applications per EUR 10 million funding)					3 ¹³		
Biotechnology	New approach (For FP7 Cooperation projects finished by January 2017: 1 patent applications per EUR 10 million funding)							
Space	New approach (For FP7 Cooperation projects finished by December 2015: 0,3 patent applications per EUR 10 million funding)							
	Actual results							

Indicator 2: Share of participating firms introducing innovations new to the company or the market (covering the period of the project plus three years)

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ^{14 15}
	Actual results						

Indicator 3: Number of joint public-private publications

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach					to be developed ¹⁵		to be developed ¹⁵
	Actual results						

¹² This baseline is based on an annual survey conducted by DG CONNECT on FP7 ICT projects finished by October 2013.

¹³ The target and the milestone refer to the "Leadership in enabling and industrial technologies" specific objective as a whole (i.e. all six enabling and industrial technologies). No target has been set for each enabling and industrial technology.

¹⁴ No sufficient amount of meaningful data is expected for this indicator before 2020.

¹⁵ Since this is a new indicator and there are currently no comparable data for FP7, the target and the milestone will be established on the basis of the FP7 ex-post evaluation studies and/or the first project results under H2020, taking into account the redeployment of operational appropriation from the Horizon 2020 programme to the European Fund for Strategic Investments.

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 02 01 (RTD)		
Grants	75	512,4
Prizes	1	2*
Procurement	5	2
Financial instruments		0
Experts		2
Others		0
Subtotal		518,4
of which, Climate-related expenditure		185
Budget line 08 02 07 33 (BBI JU) – Support expenditure ¹⁶		0,3
Budget line 08 02 07 34 (BBI JU)		16,5
Subtotal		16,8
of which, Climate-related expenditure		0
Budget line 09 04 02 01 (C-NECT)		
Grants	359	702,1
Prizes		0
Procurement	29	11,6
Financial instruments		0
Experts		6,3
Others	1	2,1
Subtotal		722,1
of which, Climate-related expenditure		0
Budget line 09 04 07 31 (ECSEL JU) – Support expenditure		2,0
Budget line 09 04 07 32 (ECSEL JU)		178,0
Subtotal		180,0
of which, Climate-related expenditure		0
Budget line 02 04 02 01 (GROW)		
Grants	40	131,4
Prize		0
Procurement	9	4,0
Financial instruments	1	8,0
Experts		2,0
Others(2 Delegation Agreements ESA)	2	28,0
Subtotal		173,4
of which, Climate-related expenditure		22,6
Total of the Specific Objective		1610,7
of which, Climate-related expenditure		207,6

(*) The Prize included in the table will be part of the Work Programme 2018 but will only be awarded and committed after 2018. It is mentioned here only for information in line with the requirement of article 138(2) of the financial regulation. The corresponding amount is not included in the total of the 2018 expenditure related outputs.

Justification of changes to the financial programming and/or to the performance information

Subject to adoption of the relevant legal base, EUR 30.0 million would be transferred in 2018 from 09 04 02 01 to 09 03 04 (WiFi4EU) and returned to 09 04 02 01 in 2019-2020.

Specific Objective 6: Industrial leadership - enhancing access to risk finance for investing in research and innovation**Indicator 1: Total investments mobilised via debt financing and Venture Capital investments**

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach				8			EUR 15 bn ¹⁷¹⁸
	Actual results						
		17bn	22 bn				

¹⁶ Part of the line is also included under Specific Objective 9.

¹⁷ Based on the current negotiations, the contribution from other financial institutions that will be made to the SME initiative, SET Plan, Equity Facility for R&I, Piloting Co-Investments by Business Angels in Innovative ICT Firms and TTF is not available. Consequently the figures might be updated as soon as they are available.

¹⁸ Depending on the demand and the type of operations involved.

Indicator 2: Number of organisations funded and amount of private funds leveraged							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
Number of organisations funded: New approach				2 000 (40% of the target)			5 000 ^{17, 18}
	Actual results						
		793	4051				
Amount of private funds leveraged: New approach				15bn			EUR 35 bn ¹⁷
	Actual results						
		7,2 bn	10,5 bn				

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 02 02 (RTD)		
Grants	1	10
Prizes		
Procurement		
Financial instruments	4	388,7
Experts		0,5
Others		0,3
Total		399,5
of which, Climate-related expenditure		0

Justification of changes to the financial programming and/or to the performance information

Access to Risk finance benefited in 2016 of a frontloading by EFSI of up to EUR 750 million for its guarantee financial instrument for SMEs which allowed selecting faster more financial intermediaries. It results in more investments earlier and thus more companies funded and private funds leveraged than initially planned with the sole resources of Horizon2020.

Specific Objective 7: Industrial leadership - increasing innovation in SMEs

Indicator 1: Share of participating SMEs introducing innovations new to the company or the market (covering the period of the project plus three years)

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach			20 %				50 %
	Actual results						
			(not yet available)				

Indicator 2: Growth and job creation in participating SMEs

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 02 03 (RTD)		
Grants	1	0,3
Prizes		
Procurement	3	1
Financial instruments		
Experts	3	0,6
Others	1	44,8
Subtotal		46,7
of which, Climate-related expenditure		0

Budget line 02 04 02 03 (GROW)		
Grants	60	33,9
Prizes		
Procurement	3	3
Financial instruments		
Experts		
Others		
Subtotal		36,9
of which, Climate-related expenditure		0
Total of the Specific Objective		83,6
of which, Climate-related expenditure		0

Specific Objective 8: Societal challenges - improving the lifelong health and wellbeing of all
Indicator 1: Publications in peer-reviewed high impact journals in the area of health and wellbeing

Baseline (FP7, January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
42 publications per EUR 10 million funding ¹⁹						On average,20 ²⁰	On average, 20 per EUR 10 million funding ²⁰
	Actual results						
			130 ²¹ (Sept.2016)				

Indicator 2: Patent applications and patents awarded in the area of health and wellbeing

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach (For FP7 Cooperation projects finished by January 2017: 2 patent applications per EUR 10 million funding) ²⁴						On average 2 ²⁰	On average, 2 patent applications per EUR 10 million funding ²⁰
	Actual results						
			14 patents filed (Sept 2016) ²²				

Indicator 3: Number of prototypes and testing activities

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Indicator 4: Number of joint public-private publications

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 03 01 (RTD)		
Grants	80	426,8
Prizes	1-3	10,0

¹⁹ This figure does not include ICT projects of FP7 and CIP-ICT-PSP. As to publications the estimated baseline for ICT projects in the area of Health and Well Being is 10 per EUR 10 million funding (the data refer to all journals). As to patents the baseline is 0,4 patents per EUR 10 million funding. These baselines are based on an annual survey conducted by DG CONNECT on FP7 ICT projects finished by October 2013.

²⁰ The target and the milestone refer to the "societal challenges" specific objectives as a whole. No target has been set for each societal challenge.

²¹ As the first projects started end of 2014 and as the publications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported publications. Therefore it was considered not relevant to report the number of publications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of publications reported so far.

²² As the first projects started at the end of 2014 and as the patent applications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported patent applications. Therefore it was considered not relevant to report the number of patent applications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of patent applications reported so far.

Procurement	10	2,0
Financial instruments (Fast-track to innovation)		15,0
Experts		2,0
Others (incl. EDCTP:115, subscription to HFSPO:5, grants to identif. Benef.:2, + conferences, setting up of expert groups: 5)		127,0
Subtotal		582,8
of which, Climate-related expenditure		60
Budget line 08 02 07 31 (IMI 2JU) – Support expenditure		5,0
Budget line 08 02 07 32 (IMI 2JU)		259,3
Subtotal		264,3
of which, Climate-related expenditure		0
Budget line 09 04 03 01 (CNECT)		
Grants	95	112,3
Prizes		0
Procurement	7	2,9
Financial instruments		0
Experts		1,2
Others ⁵	1	25,0
Subtotal		141,4
of which, Climate-related expenditure		0
Total of the Specific Objective		988,8
of which, Climate-related expenditure		60

Justification of changes to the financial programming and/or to the performance information

A major change to the financial programming is that there is no planned contribution to the InnovFin ID scheme, as the funds made available in 2017 will not be exhausted.

Specific Objective 9: Societal challenges - securing sufficient supplies of safe, healthy and high quality food and other bio-based products, by developing productive, sustainable and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low-carbon supply, processing and marketing chains

Indicator 1: Publications in peer-reviewed high impact journals in the area of food security

Baseline (FP7, January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
23 publications per EUR 10 million funding						On average, 20 ²⁰	On average, 20 publications per EUR 10 million funding ²⁰
	Actual results						

Indicator 2: Patent applications and patents awarded in the area of food security

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach (For FP7 Cooperation projects finished by January 2017: 1 patent applications per EUR 10 million funding)						On average, 2 ²⁰	On average, 2 patent applications per EUR 10 million funding ²⁰
	Actual results						

Indicator 3: Number of prototypes and testing activities

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Indicator 4: Number of joint public-private publications

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 03 02 (RTD)		
Grants	21	151
Prizes		0
Procurement	1	1,5
Financial instruments		30
Experts		0,8
Others		5,1
Subtotal		188,4
of which, Climate-related expenditure		67,1
Budget line 08 02 07 33 (BBI JU) – Support expenditure ²³		1,9
Budget line 08 02 07 34 (BBI JU)		93,7
Subtotal		95,6
of which, Climate-related expenditure		95,6
Budget line 05 09 03 01 (AGRI)		
Grants	31	211,7
Prizes		0
Procurement		0
Financial instruments		20
Experts		0,1
Others		5
Subtotal		235,8
of which, Climate-related expenditure		114,7
Total of the Specific Objective		519,8
of which, Climate-related expenditure		277,4

Specific Objective 10: Societal challenges - making the transition to a reliable, affordable, publicly accepted, sustainable and competitive energy system, aiming at reducing fossil fuel dependency, in the face of increasingly scarce resources, increasing energy needs and climate change

Indicator 1: Publications in peer-reviewed high impact journals in the area of secure, clean and efficient energy

Baseline (FP7, January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
14 publications per EUR 10 million funding ²⁴						On average, ²⁰	On average, 20 publications per EUR 10 million funding ²⁰
	Actual results						
			371 ²⁵				

Indicator 2: Patent applications and patents awarded in the area of secure, clean and efficient energy

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
ew approach (For FP7 Cooperation projects finished by January 2017:2 patent applications per EUR 10 million funding) ²⁴						On average, ²⁰	On average, 2 patent applications per EUR 10 million funding ⁷²⁰
	Actual results						
			35 ²⁶				

²³ Part of the line is also included under Specific Objective 5.

²⁴ The common result indicators under the "Societal challenges" are not relevant for the H2020 funds managed by the Directorate-General for Energy (ENER). The following ENER specific result indicators, agreed with RTD, will be introduced as of 2017 (i.e. once they become relevant due to the availability of data): Investments triggered by close-to-market projects in the area of Secure, clean and efficient energy. Energy savings (GWh/year/EUR million) triggered by projects funder under the Energy Efficiency focus area of secure, clean and efficient energy. Smart Cities: Demonstration and up scaling of major innovative solutions combining energy, transport and ICT technologies that enable cities where they are demonstrated to outperform EU targets on CO2, use of RES and energy efficiency.

²⁵ As the first projects started end of 2014 and as the publications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported publications. Therefore it was considered not relevant to report the number of publications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of publications reported so far.

²⁶ As the first projects started end of 2014 and as the patent applications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported patent applications. Therefore it was considered not relevant to report the number of patent applications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of patent applications reported so far.

Indicator 3: Number of prototypes and testing activities							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach ²⁴						to be developed ¹⁵	to be developed ¹⁵
	Actual results						
			190 prototypes and 1347 testing activities				

Indicator 4: Number of joint public-private publications							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach ²⁴						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Indicator 5: Share of the overall Energy challenge funds allocated to the following research activities: renewable energy, end-user energy-efficiency, smart grids and energy storage activities

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
New approach			85 %				85 %
	Actual results						
	91 % ²⁷	94 %	94 %				

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 03 03 (RTD)		
Grants		328,8
Prizes	(* 3)	(* 15)
Procurement	1	0,2
Financial instruments		0
Experts		0,2
Others		1
Subtotal		330,2
of which, Climate-related expenditure		330,2
Budget line 08 02 07 37 (FCH 2 JU) ²⁸ – Support expenditure		1,5
Budget line 08 02 07 38 (FCH 2 JU)		47,2
Subtotal		48,7
of which, Climate-related expenditure		48,7
Budget line 32 04 03 01(ENER)		
Grants	100	259,7
Prizes		0
Procurement	50	20
Financial instruments		0
Experts		0,4
Others	10	20
Subtotal		301,0
of which, Climate-related expenditure		301,0
Total of the Specific Objective		679,9
of which, Climate-related expenditure		679,9

(*) Because 3 Inducement Prizes with a total amount of EUR 15 million will be part of the Work Programme 2018 but will only be awarded and committed in 2020, they are mentioned in the table Expenditure related outputs in order to fulfil the financial regulation requirements, but they are not included in the totals.

Specific Objective 11: Societal challenges - achieving a European transport system that is resource-efficient, climate- and environmentally-friendly, safe and seamless for the benefit of all citizens, the economy and society

²⁷ For this calculation, signed grant agreements as well as main-listed proposals have been considered as projects. Analysis for bottom-up topics has been done at project level. As the counting of FCH has not been clarified in the Declaration, it is counted half for the 85% target. 'Other Actions' (e.g. procurements, grants to named beneficiaries) are not included in this analysis.

²⁸ Part of the line is also included under Specific Objective 11.

Indicator 1: Publications in peer-reviewed high impact journals in the area of smart, green and integrated transport							
Baseline (FP7, January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
2,1 publications per EUR 10 million funding						On average, 20 ²⁰	On average, 20 publications per EUR 10 million funding ²⁰
	Actual results						
			64 ²⁹				

Indicator 2: Patent applications and patents awarded in the area of smart, green and integrated transport							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach (For FP7 Cooperation projects finished by January 2017: 1 patent applications per EUR 10 million funding)						On average, 2 ²⁰	On average, 2 patent applications per EUR 10 million funding ⁷²⁰
	Actual results						
			5 ³⁰				

Indicator 3: Number of prototypes and testing activities							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Indicator 4: Number of joint public-private publications							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 03 04 (RTD)		
Grants	75	227,8
Prizes		0
Procurement		1,0
Financial instruments		0,5
Experts		0
Others		1,5
Subtotal		230,8
of which, Climate-related expenditure		131,3
Budget line 08 02 07 35 (Clean Sky 2 JU) – Support expenditure		4,4
Budget line 08 02 07 36 (Clean Sky 2 JU)		279,0
Subtotal		283,4
of which, Climate-related expenditure		170,1
Budget line 08 02 07 37 (FCH 2 JU) ³¹ – Support expenditure		0,8
Budget line 08 02 07 38 (FCH 2 JU)		26,2
Subtotal		27,0
of which, Climate-related expenditure		16,2
Budget line 06 03 03 01 (MOVE)		
Grants	8	37,2
Prizes	1	3,0 (*)

²⁹ As the first projects started end of 2014 and as the publications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported publications. Therefore it was considered not relevant to report the number of publications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of publications reported so far.

³⁰ As the first projects started at the end of 2014 and as the patent applications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported patent applications. Therefore it was considered not relevant to report the number of patent applications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of patent applications reported so far.

³¹ Part of the line is also included under Specific Objective 10.

Procurement	3	2,0
Financial instruments		0
Experts		0,5
Others(ELENA Facility)		14,3
Subtotal		54,0
of which, Climate-related expenditure		23,7
Budget line 06 03 07 31 (SESAR 2JU) – Support expenditure		3,3
Budget line 06 03 07 32 (SESAR 2JU)		106,7
Subtotal		110,0
of which, Climate-related expenditure		66,0
Budget line 06 03 07 33 (Shift2Rail) – Support expenditure		1,6
Budget line 06 03 07 34 (Shift2Rail)		75,8
Subtotal		77,4
of which, Climate-related expenditure		45,0
Total of the Specific Objective		782,6
of which, Climate-related expenditure		452,3

(*) The prizes included in the table will be part of the Work Programme 2018 but will only be awarded and committed after 2018. They are mentioned here only for information in line with the requirement of article 138(2) of the financial regulation. The corresponding amount is not included in the total of the 2018 expenditure related outputs.

Specific Objective 12: Societal challenges - achieving a resource - and water - efficient and climate change resilient economy and society, protection and sustainable management of natural resources and ecosystems and a sustainable supply and use of raw materials, in order to meet the needs of a growing global population within the sustainable limits of the planet's natural resources and ecosystems

Indicator 1: Publications in peer-reviewed high impact journals in the area of climate action, resource efficiency and raw materials

Baseline (FP7, January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
27 publications per EUR 10 million funding						On average, 20 ²⁰	On average, 20 publications per EUR10 million funding ²⁰
	Actual results						

Indicator 2: Patent applications and patents awarded in the area of climate action, resource efficiency and raw materials

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach (For FP7 Cooperation projects finished by January 2017: 0,3 patent applications per EUR 10 million funding)						On average 2 ²⁰	On average, 2 patent applications per EUR 10 million funding ⁷²⁰
	Actual results						
			3 ³²				

Indicator 3: Number of prototypes and testing activities

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Indicator 4: Number of joint public-private publications

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

³² As the first projects started at the end of 2014 and as the patent applications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported patent applications. Therefore it was considered not relevant to report the number of patent applications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of patent applications reported so far.

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 03 05 (RTD)		
Grants	13	278,2
Prizes	1	5 (*)
Procurement	2	1,3
Financial instruments	1	10
Experts	1	0,2
Others	6	8
Subtotal	24	297,7
of which, Climate-related expenditure		148,7
Budget line 02 04 03 01 (GROW)		
Grants	4	60,7
Prizes	0	0
Procurement	2	1,3
Financial instruments	0	0
Experts	1	0,1
Others	1	1,1
Subtotal	8	63,8
of which, Climate-related expenditure		0
Total of the Specific Objective		361,5
of which, Climate-related expenditure		148,7

(*) The prize included in the table will be part of the Work Programme 2018 but will only be awarded and committed after 2018. It is mentioned here only for information in line with the requirement of article 138(2) of the financial regulation. The corresponding amount is not included in the total of the 2018 expenditure related outputs.

Specific Objective 13: Societal challenges - fostering a greater understanding of Europe, provide solutions and support inclusive, innovative and reflective European societies in a context of unprecedented transformations and growing global interdependencies

Indicator 1: Publications in peer-reviewed high impact journals in the area of inclusive, innovative and reflective societies

Baseline (January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
10 publications per EUR 10 million funding ³³						On average, 20 ²⁰	On average, 20 publications per EUR 10 million funding ²⁰
	Actual results						

Indicator 2: Patent applications and patents awarded in the area of inclusive, innovative and reflective societies

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
Not applicable (Based on the experience from the implementation of FP7, no patent applications and therefore no patents awarded are expected under this Specific Objective).							
	Actual results						

Indicator 3: Number of prototypes and testing activities

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

³³ This figure does not include ICT projects of FP7 and CIP-ICT-PSP. As to publications the estimated baseline for ICT projects in the area of inclusive, innovative and reflective societies is 12 per EUR 10 million funding (the data refer to all journals). This baseline is based on an annual survey conducted by DG CONNECT on FP7 ICT projects finished by October 2013.

Indicator 4: Number of joint public-private publications							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 03 06 (RTD)		
Grants	30	87,2
Prizes	1	1,2
Procurement	6	16,7
Financial instruments	0	0
Experts	5	1
Others	3	18
Subtotal	45	124,1
of which, Climate-related expenditure		5
Budget line 09 04 03 02 (C-NECT)		
Grants	24	37,2
Prizes		0
Procurement	2	1,3
Financial instruments		0
Experts		0,4
Others (COST Contribution)	1	2,6
Subtotal		41,5
of which, Climate-related expenditure		0
Total of the Specific Objective		165,6
of which, Climate-related expenditure		5

Specific Objective 14: Societal challenges - fostering secure European societies in a context of unprecedented transformations and growing global interdependencies and threats, while strengthening the European culture of freedom and justice

Indicator 1: Publications in peer-reviewed high impact journals in the area of secure societies							
Baseline (FP7, January 2017)	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
1 ³⁴ per EUR 10 million funding						On average, 20 ²⁰	On average, 20 per EUR 10 million funding ²⁰
	Actual results						
	0	6	103 ³⁵				

Indicator 2: Patent applications and patents awarded in the area of secure societies							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						On average 2 ²⁰	On average, 2 per EUR 10 million funding ⁷²⁰
	Actual results						
			1 ³⁶				

³⁴ This figure does not include ICT projects of FP7 and CIP-ICT-PSP. As to publications, the estimated baseline for ICT projects in the area of secure societies is 8 per EUR 10 million funding (the data refers to all journals). As to patents, the baseline is 0.8 patents per EUR 10 million funding. These baselines are based on an annual survey conducted by DG CONNECT on FP7 ICT projects finished by October 2013.

³⁵ As the first projects started at the end of 2014 and as the publications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported publications. Therefore it was considered not relevant to report the number of publications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of publications reported so far.

³⁶ As the first projects started end of 2014 and as the patent applications normally appear at the end of the project lifetime (or even afterwards), only a few projects have so far reported patent applications. Therefore it was considered not relevant to report the number of patent applications per EUR 10 million funding at this early stage. Instead, the figure reported is simply the number of patent applications reported so far.

Indicator 3: Number of prototypes and testing activities							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						
	0	0	2				

Indicator 4: Number of joint public-private publications							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 09 04 03 03 (C-NECT)		
Grants	31	49,3
Prizes		0
Procurement	2	0,5
Financial instruments		0
Experts		0,3
Others		0
Subtotal		50,1
of which, Climate-related expenditure		0
Budget line 18 05 03 01 (HOME)		
Grants	24	153,5
Prizes	0	0,0
Procurement	2	1,0
Financial instruments	0	0
Experts		0,6
Others		1,4
Subtotal		156,5
of which, Climate-related expenditure		0
Total of the Specific Objective		206,6
Of which, Climate-related expenditure		0

Specific Objective 15: Spreading excellence and widening participation - fully exploiting the potential of Europe's talent pool and to ensure that the benefits of an innovation-led economy are both maximised and widely distributed across the Union in accordance with the principle of excellence

Indicator 1: Evolution of the publications in high impact journals in the relevant research fields							
Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach						to be developed ¹⁵	to be developed ¹⁵
	Actual results						

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 04 (RTD)		
Grants	37	95,9
Prizes	0	0
Procurement	0	0
Financial instruments	0	0
Experts		0,5
Others (WIRE, COST JPI UE)	2	26,3
Subtotal		122,7
of which, Climate-related expenditure		0

Specific Objective 16: Science with and for society - building effective cooperation between science and society, to recruit new talent for science and to pair scientific excellence with social awareness and responsibility

Indicator 1: Number of institutional change actions promoted by the programme

Baseline	Milestones foreseen						Target for Horizon 2020 ⁶
	2014	2015	2016	2017	2018	2019	
New approach				7	16	27	100 ³⁷
	Actual results						

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 08 02 06 (RTD)		
Grants	22	58,7
Prizes	2	0,4
Procurement	5	2,5
Financial instruments	0	0
Experts	2	1
Others	1	2,4
Subtotal		65,0
of which, Climate-related expenditure		0

Specific Objective 17: Non-Nuclear Direct Actions of the Joint Research Centre - providing customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands

Indicator 1: Number of occurrences of tangible specific impacts on European policies resulting from technical and scientific support provided by the Joint Research Centre

Baseline 2013	Milestones foreseen						Target 2020 ³⁸
	2014	2015	2016	2017	2018	2019	
248	215±5			330±10			>330±15
	Actual results						
	275	376					

Indicator 2: Number of peer reviewed publications in high impact journals³⁹

Baseline (2010 – 2013)	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
460	460±10			500±15			>500±20
	Actual results						
	465	518	553				

³⁷ This target is for the whole Horizon 2020 cumulated.

³⁸ Milestone and long term target for this indicator reflect two opposing trends: a slightly upward and fluctuating evolution regarding the total number of policy impacts identified on the one hand, and a continuous predictable downward trend in resources on the other hand. Policy support impact indicators count cases where JRC's support becomes part or even the basis of European policy, i.e. cases where JRC's work helped putting Commission priorities on a solid and robust scientific evidence base. Impacts are identified in the JRC's annual evaluation exercise performed by an internal peer group of experts on the basis of an ISO certified evaluation methodology.

³⁹ Scientific productivity indicators count the peer-reviewed articles published within a given year in (i) journals, the titles of which are listed in the Thomson-Reuters Science Citation Index Expanded (SCI-e) and/or Social Science Citation Index (SSCI). This indicator reflects the degree to which JRC publishes the results of its research

Expenditure related outputs

Output	DB 2018	
	Output (no.)	EUR million
Budget line 10 02 01		
Policy support deliverables	707	27,2
Total	707	27,2
of which, Climate-related expenditure		8,2

Justification of changes to the financial programming and/or to the performance information

The output corresponds to the number of policy support deliverables (for non-nuclear actions) from the JRC's Multi-annual Work Programme 2017-2018, which are planned to be released by the JRC in the course of 2018 as a result of its direct research activities. These products and services for EU policy makers refer to scientific and policy reports, reference materials, validated methods, technical systems, scientific information systems, databases, etc. The EU added value of JRC's policy support work has been embodied by 1282 policy support outputs released by the JRC in 2016. The JRC's Multi-annual Work Programme is a rolling work programme, reflecting Commission needs. In this sense, the number of planned deliverables from the work programme is subject to change, since they will have to take into account forthcoming requests from the Commission. Moreover, the reduction in the financial programming as a consequence of the contribution to EFSI might have an impact on the number of expenditure related outputs in 2018.

The JRC contribution to EFSI will affect the financial programming and therefore might have an impact on the results of the above indicators. If necessary, the target and milestone might be revised in the context of the Draft Budget 2019.

Specific Objective 18: The European Institute of Innovation and Technology - integrating the knowledge triangle of higher education, research and innovation and thus to reinforce the Union's innovation capacity and address societal challenges

Indicator 1: organisations from universities, business and research integrated in the Knowledge and Innovation Communities (KICs)

Baseline (2010 - 2012)	Milestones foreseen ⁴⁰						Target for Horizon 2020 ⁴¹
	2014	2015	2016	2017	2018	2019	
200 (with 3 KICs)	240	450	500	800(revised)			1200 (revised)
	Actual results						
	550	800	1052 (preliminary results)				

Indicator 2: collaboration inside the knowledge triangle leading to the development of innovative products, services and processes

Baseline (2010 - 2012)	Milestones foreseen ⁴²						Target 2020 ⁴¹
	2014	2015	2016	2017	2018	2019	
33 start-ups and spin-offs	30	280	400	500 (revised)			600 start-ups and spin-offs
	Actual results						
	181	250 (revised)	381 (preliminary result)				
210 innovations	300	800	1500	2200			6 000 innovations
	Actual results						
	1184	2145	3565 (preliminary result)				

Expenditure related outputs

Output	Draft Budget 2018	
	Number	EUR million
Budget line 15 03 05 (EAC)		
Others	1	396,2
Subtotal		396,2
of which, Climate-related expenditure		158,5

⁴⁰ Annual figure.

⁴¹ Target and milestones were revised. The initial number foreseen for the performance information has been revised in order to reflect the inclusion of additional KICs.

⁴² Cumulative figure.

Justification of changes to the financial programming and/or to the performance information

The updated target under the indicator 1 is due to the fact that the initial target was too conservative. The difference between the target to be achieved in the whole Horizon2020 programme and the actual result for 2016 under the EIT first indicator (500 KIC partners planned in Horizon 2020 and over 1000 likely to be achieved in 2016) is due to the unexpected success of the KIC partnerships which have proven to be more popular beyond what the original data indicated. This indicator is EIT's big success in the context of EIT's Horizon 2020 legal base indicators. To this aim, it was decided to revise the target, in order to take into account the updated scale of the KIC's operations, by increasing the target from 540 to 1200.

For indicator 2, 2015 actual results for the start-ups/spin-offs indicator, as well as 2014 and 2105 results for the innovations indicator, have been updated in order to reflect the final approved figures (the previous figures were still the expected ones and not the actual results).

5. Programme contribution to the Sustainable Development Goals

The EU is committed to development that meets the needs of the present without compromising the ability of future generations to meet their own needs. A life of dignity for all within the planet's limits that reconciles economic prosperity and efficiency, peaceful societies, social inclusion and environmental responsibility is at the essence of sustainable development. To create from these challenges opportunities for new businesses and new jobs, a strong engagement in research and innovation is necessary. The EU Framework Programme for Research and Innovation, Horizon 2020, addresses many Sustainable Development Goals (SDGs) which is also expressed in the expectation to contribute at least 60% of its budget to sustainable development.

The tracked expenditure of the Horizon 2020 budget for the signed Grant Agreements indicates a contribution of 55% to Sustainable Development. However, and in light of the EC's initiative to link its activities with the UN's SDGs, the current tracking methodology underestimates the contribution to the SDGs and will be revised shortly resulting in a higher contribution.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

Financial instruments	Debt		Equity	Total
	Loans	Guarantees		
Horizon 2020 Budget (EUR billion)	1	1	0,5	2,7
EFSI & EIF Contribution (EUR billion)	0	0,9	0,5	1,4
Expected amount of financing leveraged (EUR billion)	12	17	6	35

In 2014, the European Commission and the European Investment Bank Group (EIB and EIF) launched a new generation of EU financial instruments and advisory services to help innovative firms access finance more easily. It is expected that the "InnovFin – EU Finance for Innovators" products will in Horizon 2020 (2014-2020) make available EUR 35 billion of financing for research and innovation (R&I) to small, medium and large companies and the promoters of research infrastructures. The final investments in R&I should reach more than 1,5 times the total amount invested.

"InnovFin – EU Finance for Innovators" consists of a range of tailored products – from guarantees to intermediaries that lend to SMEs, to direct loans to enterprises - helping support from the smallest up to the largest R&I projects in the EU and countries associated to Horizon 2020. InnovFin guarantees and loans will be backed by funds set aside under Horizon 2020 and by the EIB Group for the purpose of supporting R&I investment, which by nature is riskier and harder to appraise than tangible investments. All are demand-driven instruments, with no prior allocations between sectors, countries or regions. These debt instruments are complemented by a suite of equity instruments managed by the EIF. In total, some EUR 2.7 billion out of Horizon 2020's nearly EUR 77 billion budget support these financial instruments.

The EIB Group consists of the European Investment Bank and the European Investment Fund (EIF). The European Investment Bank provides loans to medium-size and larger companies, as well as guarantees to banks that lend to them. The EIF provides guarantees to banks that lend to small and medium-sized firms and – at a later stage – will invest in venture capital funds, which provide startups and fast-growing firms with equity.

- **Debt finance** (*Loans Service for R&I ; SME & small midcaps R&I Loans Service; SME Initiative*)

Loans are provided through the EIB to large and mid-size companies, and to research infrastructures. In addition, products for energy and infectious diseases have been developed to address specific needs in these areas. The total foreseen budget for loans in Horizon 2020 amounts to EUR 1 billion. This is expected to generate around EUR 12 billion of loans; the additional financing coming from commercial actors (the "leverage effect").

Guarantees provided to local financial intermediaries (mostly banks) through the EIF are specifically designed for innovative SMEs and small mid-caps. The overall budget in Horizon 2020 is EUR 1 billion. Because of the high demand for this type of support, the EFSI fund has stepped in with a "top-up" of EUR 880 million, which allows a faster implementation. More than 100 financial intermediaries are currently implementing these guarantees. With the leverage effect, they are expected to generate over EUR 17 billion of financing to innovative SMEs and small mid-caps.

- **Equity finance** (Early stage finance for innovative enterprises; Pilot facility for technology transfer, the Pan-European VC Fund-of-Funds)

On the **equity** side (i.e. financing own capital for companies), the financial instruments make available venture capital (VC) for the early stages of R&I-driven SMEs & small mid-caps. The overall budget for Horizon 2020 amounts to EUR 0,5 billion. This is done through the EIF, which supports risk capital funds that invest, on a predominantly cross-border basis, in individual enterprises.

Within the equity financial instrument, the **Pan-European VC Fund-of-Funds** is a priority action under the Commission's Capital Markets Union (CMU), and complements other actions to boost VC in Europe, notably proposed expansion of the European VC Funds (EuVECA) regulation and proposals to address the bias in the tax system towards debt over equity. The EU will provide cornerstone investments of up to EUR 300 million in one or more independently managed VC Fund-of-Funds, up to a maximum budget of EUR 400 million for all Fund-of-funds. The selected fund manager(s) must raise at least three times as much from other sources (the EU investment is capped at 25%). This means additional investments to VC of around EUR 1.6 billion, which is a major boost, as the total of VC funds raised last year in the EU was EUR 5 billion. The EU investment combines resources from Horizon 2020's InnovFin Equity scheme (up to EUR 200 million), EFSI (up to EUR 100 million) and COSME (where up to EUR 100 million is foreseen). The 2016 call for managers interested in applying to run the Pan-European VC Fund-of-Funds can be found on the [EIF's website](#).

7. Programme related additional information

Expenditure related outputs not linked to a specific objective

Output	Draft Budget 2018	
	Number	EUR million
Budget line 08 02 05 (RTD)		
Others (e.g. Dissemination and EMPIR)	1	111,6
Total		111,6

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**Euratom Research and Training Programme****Lead DG: RTD**

Associated DGs: JRC

I. Programme Update

The Euratom Research and Training Programme (2014-18) complementing Horizon 2020 in the field of nuclear research and training was launched on 1 January 2014. Over five years EUR 1601 million is being invested in improving nuclear safety and radiation protection, and to contribute to the long-term decarbonisation of the energy system. The Euratom Programme is implemented through indirect actions competitive calls for proposals managed by the Commission's Directorate-General for Research & Innovation and through direct actions- research performed by the Commission's Directorate-General Joint Research Centre.

Implementation Status (2014-2017)Indirect Actions:

In fission research, two competitive calls for proposals were implemented during 2014-2017. The first call resulted in 23 projects launched in 2015, supporting research in nuclear safety, waste management and radiation protection. Following the second call, 70 eligible proposals were submitted by 5 October 2016 and it is expected that grant agreements for the 25 selected proposals will be signed during the first half of 2017.

In fusion energy research, a new framework for supporting fusion research was established in 2014 that replaced previous instruments¹. This new framework² consists of two elements. The first is multiannual support (EUR 424 million over the period 2014-2018) through a co-fund Grant Agreement with the EUROfusion consortium of national fusion laboratories and institutes³ to implement a European Joint Programme based on the fusion roadmap⁴. The second is a support, through an ad hoc bilateral contract under Article 10 of the Euratom Treaty, for the continued operation of JET, the Joint European Torus⁵ (EUR 283 million, 2014-2018), as the principal research device exploited under this joint programme. In line with article 4(5) of the Council Regulation (Euratom) No 1314/2013, the Euratom Work Programme 2014-2015 constitutes a five-year financing decision for both the European Joint Programme (Grant Agreement with EUROfusion) and the 'New JET Operation Contract'.

Direct actions:

The work programme of the Joint Research Centre was implemented as planned. The work programme is currently distributed in 22 projects related to nuclear safety (35%), nuclear security (27%), nuclear waste disposal (9%), reference materials and measurements (14%), knowledge management (13%) and non-energy applications (2%). It is adapted yearly accordingly to the evolution of the field.

Key achievementsIndirect actions:

In fission research: In line with the Council regulation establishing the Euratom Programme, some of the selected projects should lead to a demonstrable improvement in nuclear safety practice in Europe and others will contribute to the development of safe long-term solutions for the management of ultimate nuclear waste. In radiation protection, following launch of the European Joint Programme in radiation protection (CONCERT) in 2015, next actions of the Commission aim at supporting research for improving radiation protection in medical field and at filling gaps in the knowledge on the effects of radiation on living beings.

In fusion research, following the expiry of Contracts of Association and EFDA (European Fusion Development Agreement), which had defined the structure of European fusion research for many years, the Commission put in place in 2014 a radically different approach based on a comprehensive European Joint Programme implemented by all national fusion labs in line with an agreed goal-oriented research roadmap to fusion electricity. The effective integration of all national efforts across Europe represents a first for any EU-promoted research field and includes comprehensive research activities in some 33 separate work packages, education and training actions, international cooperation aspects, industrial involvement, centralised programme management, and the efficient use of key resources through a truly transnational access approach to key facilities. Programme and project management and related governance structures have become more transparent, with information readily available to the Commission services that retain overall monitoring and assessment responsibilities.

¹ The European Fusion Development Agreement (EFDA) and the Contracts of Association between the Commission and national fusion laboratories, which all expired at the end of 2013

² Established in accordance with point (i) of the Annex I of the Council regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 Framework Programme for Research and Innovation, OJ L 347, 20.12.2013.

³ EUROfusion consortium, for more information see <https://www.euro-fusion.org/>

⁴ 'Fusion Electricity – A roadmap to the realisation of fusion energy', <https://www.euro-fusion.org/eurofusion/the-road-to-fusion-electricity/>

⁵ For more information see <https://www.euro-fusion.org/jet/>

'Fusion Electricity – A roadmap to the realisation of fusion energy': the fusion roadmap remains the fundamental guiding document of the Joint Programme, representing a comprehensive and detailed goal-oriented approach to the challenge of developing magnetic confinement fusion as an energy source. Though fusion remains a long-term endeavour, we can already point to tangible and incremental progress along this roadmap thanks to the achievements of EUROfusion in the first three years (2014-16) of the Joint Programme. Over this period, the EUROfusion consortium achieved the vast majority of the agreed deliverables and milestones set out in its annual Work Plans. For example, in 2015, most high-level milestones have been reached and some 450 articles published in peer-reviewed journals. In addition, regarding availability of leading research infrastructures, the Wendelstein7-X (W7-X) stellarator, located at IPP, Greifswald in Germany, the construction of which was co-funded through Euratom in the past, has now been fully integrated into the EUROfusion joint programme following successful commissioning and the 'first plasma' achieved in December 2015. This facility has now joined the other cutting-edge devices in Europe and is being exploited under the EUROfusion Joint Programme. EUROfusion is currently undertaking its first 5-year revision of the roadmap, which will be completed by mid-2017. This will update the roadmap following agreement on the new ITER baseline.

Joint exploitation of European fusion research facilities: JET is the operational fusion device that is closest to ITER⁶ in design, thanks in particular to the all-metal 'ITER-like' inner wall installed on JET in a major refit during 2009-2012, and current scientific exploitation of JET by the EUROfusion consortium is therefore wholly to support the ultimate success of ITER, through investigating ITER plasma scenarios and mitigating ITER operational risks. Early experimental results from JET following restart after the installation of the 'ITER-like' wall challenged our understanding of the behaviour of plasmas in 'allmetal' tokamaks. Though technical problems at JET in 2014 & 15 prevented the carrying out of further cutting-edge research for several months, following resolution of these problems the latest experimental campaign in autumn 2016 was very successful. JET operated at almost full power and significant progress was made in improving plasma performance in 'allmetal' tokamaks. The fusion research community is confident that remaining plasma performance issues can now be resolved before ITER becomes operational, thereby accelerating the research programme on ITER and enabling significant cost savings. In EUROfusion, it is not only JET that is exploited but also other key 'medium-sized' tokamaks and linear plasma devices in other countries (e.g. ASDEX-Upgrade at IPP, Germany, TCV at EPFL, Switzerland, and now W7-X at IPP Greifswald, Germany, with MAST-Upgrade at CCFE, UK, set to join in 2017). The joint programming approach that is now central to EUROfusion has enabled the more efficient planning of experiments in all these devices, so that the most appropriate one is used in each case, with obvious efficiency savings. The related access and mobility of researchers together with the dissemination and sharing of results are assured through the Joint Programme, once again underlining that the fusion research programme is the best example that Europe can offer of ERA – the 'European Research Area' – in action.

The European Prize for Innovation in Fusion Research (SOFT Innovation Prize) was first awarded at SOFT (Symposium on Fusion Technology) in September 2014, and the second edition at the following SOFT in September 2016. The SOFT prize highlights and rewards the excellence in innovation that can be found in fusion energy research as well as the quality of the researchers and industries involved. For the second edition, prizes were awarded to a team from the Karlsruhe Institute of Technology (KIT) in Germany, a partnership from ENEA and CEA, and a young researcher from CCFE. The technologies were respectively a new type of high temperature superconducting cable, a new membrane to produce ultra-pure hydrogen, and new VR software to improve radiation protection.

Direct actions:

The programme implementation of direct action is reviewed yearly to take in consideration the evolution of the EU priorities and the needs of other groups of stakeholders (European platforms, national Institutions, international organisations,...). Highlights of the JRC nuclear activities are given below

Clearing house on Operating Experience feedback: The European Clearinghouse on Operating Experience Feedback for Nuclear Power Plants (NPPs) is a regional network established to enhance nuclear safety through communication, cooperation and sharing of operating experience and event reporting amongst the members of the network. The EU Clearinghouse is organised around a central office located at the JRC. The work programme is prepared by JRC in coordination with the members, approved by the Steering Committee and executed by the JRC central office with the support of the members when necessary. Membership is mainly composed of nuclear safety regulatory authorities and their Technical Support Organizations within the EU. The Clearinghouse issues periodical reports on NPP events, and organises trainings and workshops, dealing with root cause analysis and events investigation, for the staff of MS' nuclear safety authorities. The EU Clearinghouse increases the safety of the EU NPPs by contributing to understand the causes of the events occurred in Nuclear Power Plants and defining the related lessons learned that would avoid their recurrence. Therefore it increases the nuclear safety in Europe, providing a valuable tool to learn from the experiences obtained in other NPPs.

Towards a new generation of nuclear energy systems: the Generation IV International Forum (GIF) leads international collaborative efforts to develop next-generation nuclear energy systems that can help meet the world's future energy needs. Euratom is a member of GIF and signed the Framework agreement extension on November 2016 at the OECD premises in Paris. Generation IV designs will use fuel more efficiently, reduce waste production, be economically competitive, and meet stringent standards of safety and proliferation resistance.

The JRC acts as an implementing agent for Euratom, coordinating the efforts of both the Euratom research programme and that of the EU Member States (excluding France which is an individual member of GIF), integrating research and development carried out

⁶ ITER – the International Thermonuclear Experimental Reactor, under construction in France as part of a global collaboration (www.iter.org)

by contributing national research bodies, and informing them about progress. The JRC direct research focuses in nuclear safety performance, (including safe operation, thermal hydraulics, materials, fuels and nuclear data), as well as proliferation resistance of the selected Generation IV systems. JRC research results provide valuable input on various types of reactors to the European system demonstrators

European nuclear security training centre: To increase the nuclear security in Europe and abroad, EUSECTRA developed training courses and methods. The centre, under the principle of training to the trainers, is providing training to several groups: front-line officers, custom officers, radiation protection authorities. Training for third countries has been provided, for front-line officers from Algeria, Armenia, Georgia, Belarus under neighbour initiatives, and also to third country officers under a contract with US-DOE. The school host in Nov 2016 the APEX Europe exercise, more than 50 delegates from 26 MSs discussed and evaluated the level and organisation of communication, coordination and collaboration within the EU in case of a radiological event. The JRC identifies, as a result, actions deserving further attention under the frame of the support of the EC to the concerns of MSs in nuclear security.

Forthcoming implementation

2018 is the last year of the implementation of the Euratom Research and Training Programme 2014-2018 and a call for proposals will be launched following adoption of the 2018 Work Programme.

In accordance with the legal basis (Council Regulation (Euratom) No 1314/2013 of 16 December 2013) the Commission carries out in 2017 an interim evaluation of the Euratom Programme with the assistance of independent experts. A panel of independent experts is carrying out the evaluation from October 2016, delivering a report in the first quarter 2017. With the expiry of the Euratom research programme in 2018, the interim evaluation should facilitate upcoming decisions for continuing the programme beyond 2018 and build a fact base for future impact assessments of nuclear activities.

Unlike Horizon2020, the current Euratom Programme has been adopted for only 5 years, (2014-18), owing to the limit set by the Euratom Treaty in article 7, but the funding for nuclear research is already in the budgetary planning for 2019-2020 under heading 1(a) of the Multiannual Financial Framework (373 million euro in 2019 and 397 million euro in 2020 for direct and indirect actions together). In order to continue supporting nuclear research it is necessary for the Commission to adopt a proposal for a Council regulation for the Euratom Research and Training Programme for 2019-2020.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 Framework Programme for Research and Innovation (OJ L 347, 20.12.2013, p. 949.)	2014 - 2018	1 603,3

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	115,8	114,7	115,1	114,9	115,2			575,7
Operational appropriations	169,0	187,4	202,0	226,3	240,5			1 025,2
Total	284,8	302,1	317,1	341,2	355,7			1 600,9

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	450,325	83,09 %	412,227	66,31 %	417,563	66,29 %	477,066	18,16 %
Authorised appropriation excluding external earmarked revenue	320,470	99,68 %	278,712	87,35 %	342,572	78,97 %	360,757	21,65 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Euratom Research and Training Programme (2014-18) complements Horizon2020 in the field of nuclear research and training. The Euratom programme's main added value is the mobilisation of a wider pool of excellence, competencies and multi-disciplinarity in the nuclear field than is available at the level of individual Member States. The Euratom programme firmly focuses on the continuous improvement of nuclear safety and radiation protection in all areas of application. It involves the promotion of

scientific and technological breakthroughs such as low dose research in radiation protection and improved understanding of radiation effects in nuclear structural material, through the support to collaborative pan-European research and innovation actions and the maintenance and further development of the necessary skills and competences, i.e. the development of a “safety culture”, through dedicated training and knowledge management and transfer activities. Importantly in this respect, the Euratom Programme supports the Research and Innovation pillar of the Energy Union, one of the main objectives of the current Commission.

In the short term, the Euratom fission research supports this objective by enhancing the safety record of nuclear energy, which provides 27% of electricity in the EU and is the main low-carbon base load power source in the European grid. Euratom research may also play a role in the security of energy supply at EU level, through dedicated research on the diversification of fuel sources, notably regarding pressurised reactors of Russian origin operating in the EU, and on the possible optimisation of the use of resources through further investigation of the safety and feasibility of closed fuel cycle options.

In the long term, both Euratom fission and fusion research can support the decarbonisation of the energy system by developing magnetic confinement fusion and by improving safety aspects of new fission technologies. One of the key actions is research to support the successful operation of ITER. Without such efforts from the Euratom Programme, which include ensuring that Europe is in a position to exploit the results from ITER in order to progress to the next stage of electricity generation from a DEMO device, the investment in ITER would be jeopardised and the opportunity of fusion energy could be lost.

Direct actions, implemented by the Joint Research Centre (JRC), have a unique European dimension. They notably contribute to the nuclear safety research needed for safe, secure and peaceful use of nuclear energy and other non-power applications. The JRC provides a scientific basis for the relevant Union policies and, where necessary, reacts within the limits of its mission and competence to nuclear events, incidents and accidents. To that effect, the JRC carries out research and assessments, provides references and standards and delivers dedicated training and education.

Examples of the JRC’s EU added value are the provision of nuclear reference data to Member State (MS) and international organisations, the feed-back experience from nuclear power plant incidents management (Clearinghouse), research performed complementing the national research programmes on the safety of nuclear fuel (JRC has unique facilities for handling and examination of irradiated fuel). In the field of emergency preparedness, JRC is managing on behalf of Euratom the European Community Urgent Radiological Information Exchange (ECURIE) as well as European Radioactivity Data Exchange Platform (EURDEP).

JRC has competences and laboratories in Europe in the field of nuclear safeguards and is supporting nuclear inspections to MS facilities in compliance with international Treaties. In the field of nuclear security JRC has competences and facilities for testing detection technologies and origin determination of nuclear materials (nuclear forensics); those expertise and facilities are used by MS institutions and EU industry. These activities are complemented by training programmes offered by JRC to MS.

Finally JRC is the representative of the EU in international fora such as Generation IV and provides support to the Commission (DG ENER) on monitoring the technical implementation of the Nuclear Directives (Safety, Waste and spent fuel, Basic Safety Standards).

Synergies with relevant cross-cutting initiatives will be sought as appropriate, with the aim of optimizing human and financial resources and to avoid duplication of nuclear research and development in the European Union. The JRC activities in these areas will be conducted taking into account relevant initiatives at the regional, Member State or at European Union level, within the perspective of shaping the European Research Area.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU’s GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society) 100% (lines 08 03 01 01 + 08 03 01 02 + 10 03 01)	226,3	240,5

Gender mainstreaming

The gender dimension is implemented and monitored as follows:

Indirect Actions:

Two objectives underpin the strategy on gender equality as a cross-cutting issue in Euratom Research and Training Programme:

- Fostering equal opportunities and gender balance in research teams, in order to close the gaps in the participation of women.
- Ensuring gender balance in decision-making, in order to reach the target of 40% of the under-represented sex in panels and group sand of 50% in advisory groups. To date, women make up 16% of experts in call evaluation panels and 52% in advisory

group. By signing the grant agreement, the beneficiaries commit themselves to “take all measures to promote equal opportunities between men and women in the implementation of the action” and “must aim, to the extent possible, for a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level”.

Direct Actions

To ensure the availability of data on human resources with a gender dimension, the European Human Resources Observatory for the Nuclear Energy Sector (EHRO-N), is managed and implemented by the European Commission’s Joint Research Centre's (JRC). One of the results of EHRO-N is that there is no EU-wide data base for human resources with a gender dimension in the nuclear sector. In 2016 EHRO-N launched a survey to remedy the situation. A specific focus of the study will be on the professional roles and educational levels of men and women.

4. Performance information

General objectives

General Objective 1: to pursue nuclear research and training activities with an emphasis on continuous improvement of nuclear safety, security and radiation protection, notably to potentially contribute to the long-term decarbonisation of the energy system in a safe, efficient and secure way

Indicator 1: Reduction of greenhouse gas emissions at EU level compared to 1990

Baseline 2012	Milestones foreseen						Target 2020 ⁷
	2014	2015	2016	2017	2018	2019	
18 %			20 %				21 %
Actual results							
	23 %						

Specific objectives

Specific Objective 1: to support safety of nuclear systems

Indicator 1: The number of projects (joint research and/or coordinated actions) likely to lead to a demonstrable improvement in nuclear safety practice in Europe

Baseline Euratom, 2007-2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
41		7			14 ⁸ (cumulative indicator)
Actual results					
		8			

Specific Objective 2: to contribute to the development of solutions for the management of ultimate nuclear waste

Indicator 1: The number of projects contributing to the development of safe long term solutions for the management of ultimate nuclear waste

Baseline Euratom, 2007-2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
15		5			8 ⁹ (cumulative indicator)
Actual results					
		5			

Specific Objective 3: to support the development and sustainability of nuclear competences at Union level

Indicator 1: Training through research - the number of PhD students and postdoctoral researchers supported through the Euratom fission projects

Baseline Euratom, 2007-2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
200		500			1 000 (cumulative indicator)
Actual results					
		Not yet available ¹⁰			

⁷ COM(2014) 689.

⁸ The target figure is lower compared to the baseline due to the larger average size of the projects expected in the Euratom Framework Programme (2014-2018).

⁹ The target figure is lower compared to the baseline due to the larger average size of the projects expected in the Euratom Framework Programme (2014-2018).

¹⁰ No data available because of the time lag between launch of projects and reporting on education and training outcomes.

Indicator 2: The number of fellows and trainees in the Euratom fusion programme

Baseline Euratom, 2007-2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
27		30			50 (average per year)
	Actual results				
	17	45			

Specific Objective 4: to support radiation protection and development of medical applications of radiation, including the secure and safe supply and use of radioisotopes

Indicator 1: The number of projects likely to have a demonstrable impact on regulatory practice regarding radiation protection and on development of medical applications of radiation

Baseline Euratom, 2007-2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
33		15			25 ¹¹ (cumulative indicator)
	Actual results				
		1	3		

Specific Objective 5: to move towards demonstration of feasibility of fusion as a power source by exploiting existing and future fusion facilities

Indicator 1: The number of publications in peer-reviewed high impact journals

Baseline 2010 ¹²	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
800			800	800	800(average per year)
	Actual results				
	200	450 ¹³	Not yet available ¹⁴		

Specific Objective 6: to lay the foundations for future fusion power plants by developing materials, technologies and conceptual design

Indicator 1: The percentage of the Fusion Roadmap's milestones established for a period 2014-2018 reached by the Euratom Programme

Baseline	Milestones foreseen ¹⁵				Target 2018
	2014	2015	2016	2017	
New approach ¹⁶	13 %	31 %	54 %	75 %	90 %
	Actual results				
	10 %	28 %	Not yet available ¹⁷		

Specific Objective 7: to promote innovation and industrial competitiveness

Indicator 1: The number of spin-offs from the fusion research under Euratom Programme

Baseline ¹⁸ Euratom, 2007-2013	Milestones foreseen				Target2018
	2014	2015	2016	2017	
4			5		10 (cumulative indicator)
	Actual results				
	1	3	Not yet available		

Indicator 2: The patents applications generated and patents awarded on the basis of research activities supported by the Euratom Programme (average number per year)

Baseline	Milestones foreseen	Target 2018
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¹¹ Projects to be launched within the European Joint Programme co-fund actions concerning radiation protection.

¹² Data from the Horizon 2020 impact assessment, SEC(2011)1427, Annex 6, page 84.

¹³ The results obtained so far are significantly lower than the upcoming milestone for 2016, partly because the fusion programme's emphasis has shifted from research (under FP7) to technology development (under Horizon 2020), and the latter produces fewer publications, and partly because of the long time it takes to publish research results, which makes this indicator low in the first years.

¹⁴ The 2016 results will be extracted from the EUROfusion report for 2016 which is expected in the middle of 2017.

¹⁵ Milestones have been defined in the co-fund grant agreement with the EUROfusion consortium.

¹⁶ Fusion roadmap was adopted by the members of the European Fusion Development Agreement (EFDA) in 2012.

¹⁷ The 2016 results will be extracted from the EUROfusion report for 2016 which is expected in the middle of 2017.

¹⁸ Spin-offs are defined as technology transfers from the research programme. In fusion research technology transfer in previous years has already contributed to many spin-off enterprises in areas such as high-heat flux components, super conducting magnets for medical imaging systems (MRI), high power industrial microwaves, plasma physics software and diagnostics adaptations for semiconductor and thin-film fabrication, new high tech textile weaving equipment and carbon-composite materials.

Euratom, 2007-2010	2014	2015	2016	2017	
3		3	4		4 patent applications ¹⁹
	Actual results				
	1	2	Not yet available		

Specific Objective 8: to ensure availability and use of research infrastructures of pan-European relevance

Indicator 1: The number of researchers having access to research infrastructures through Euratom Programme support

Baseline 2008	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
Ca. 800 ²⁰		800			1 200
	Actual results				
	872	958	Not yet available ²¹		

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Output – EURATOM Fission	08 03 01 02	25	67,6
Output – EURATOM Fission	08 03 01 01	2	161,9
Total		27	229,5

Outputs		Number of outputs foreseen (F) and produced (P)					
		2014	2015	2016	2017	2018	
Output – EURATOM Fission	F	13	25	25	25	25	
	P	14	23	25			
Output – EURATOM Fusion	F	2	0	2	2	2	
	P	2	0	2			

Justification of changes to the financial programming and/or to the performance information

The first results for 2014-2015 show a satisfactory implementation of the Euratom Research and Training Programme (2014-18), and there is good progress towards reaching of the 2018 targets. For some indicators, the milestones were even exceeded. Indicator 1 (number of researchers having access to research infrastructures through Euratom Programme support) for the specific objective 8 (to ensure availability and use of research infrastructures of pan-European relevance) has reached 958 in 2015 compared to the milestone of 800. Similarly, indicator 2 (number of fellows and trainees in the Euratom fusion programme) for the specific objective 3 (to support the development and sustainability of nuclear competences at Union level) has reached 45 in 2015 compared to the milestone of 30. However, the indicator for specific objective 4 (to support radiation protection and development of medical applications of radiation, including the secure and safe supply and use of radioisotopes) is lower than expected due to the larger average size of the projects launched by the CONCERT - European Joint Programme in Radiation Protection research. Also, the results obtained so far for the indicator for specific objective 5 (moving towards demonstration of fusion as a power source) are significantly lower than the upcoming milestone for 2016, partly because the fusion programme's emphasis has shifted from research (under FP7) to technology development (under Horizon 2020), and the latter produces fewer publications, and partly because of the long time it takes to publish research results, which makes this indicator low in the first years.

Specific Objective 9: to improve nuclear safety including: nuclear reactor and fuel safety, waste management, decommissioning, and emergency preparedness

Indicator 1: JRC policy support indicator – The number of occurrences of tangible specific impacts on Union policies resulting from technical and scientific policy support provided by the JRC

Baseline 2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
13		12±1	12±1		12±2
	Actual results				
	14	16	15		

Policy support impact indicators count cases where JRC's support becomes part or even the basis of European policy, i.e. cases where JRC's work helped putting Commission priorities on a solid and robust scientific evidence base. Impacts are identified in the

¹⁹ No sufficient amount of meaningful data is expected for "patents awarded" before 2020, because of the time that is needed for a patent to be awarded.

²⁰ 2008 figure concerns researchers using mobility scheme under Fusion Programme. Target and milestones are based on the assumption that exploitation of Joint European Torus (JET) will continue until 2018.

²¹ The 2016 results will be extracted from the EUROfusion report for 2016 which is expected in middle of 2017.

JRC's annual evaluation exercise performed by an internal peer group of experts on the basis of an ISO certified evaluation methodology.

Milestone and long term target for this indicator reflect two opposing trends: a slightly upward and fluctuating evolution regarding the total number of policy impacts identified on the one hand and a continuous predictable downward trend in resources.

In 2016 the extension of the participation of the EU in Generation IV International Forum was signed. JRC will continue being the EU implementing agent, contributing with research performed under its own direct actions and taken part in indirect actions funded by DG RTD complementing its own programme.

Examples of tangible specific impacts on Union policies on Specific Objective 9:

- Impact tests on spent nuclear fuel segments: JRC assessed the long term behaviour and structural integrity of spent nuclear fuel rods during transportation and interim storage under normal and accident conditions. The main conclusion from the tests indicated that in the event of a fuel rod failure due to severe mechanical impact only the fuel volume directly affected by the fracturing is released from the metallic cladding. These data are necessary for the regulators to define safety margins and regulations to be applied to spent nuclear fuel management and to assess consequences of an accident during transportation of spent fuel in terms of radiological dispersion and nuclear criticality.
- Borosilicate Glass as nuclear waste form: its exceptional resistance against self-irradiation damage supports its suitability as a long term waste form for geological disposal. CEA (F) researchers prepared borosilicate glass doped with the isotope Curium 244. JRC performed unprecedented measurements on the evolution of the glass with time. It was proved for the first time that the highly radioactive fission products and minor actinides do not cause significant degradation of the borosilicate glass which is suitable for the long term isolation of the wastes generated at reprocessing plants, when uranium and plutonium are retrieved from the fuel. The data are used by CEA and their industrial partners in further strengthening the safety case for waste disposal in glass, as is practiced at AREVA's La Hague Plant. The results are accessible to other European industrial facilities and their corresponding safety authorities. This work supports to the EU technological platform IGD-TP and the France's Waste management programme.

Indicator 2: The number of peer reviewed publications

Baseline (average 2010 – 2013)	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
72		72±4	72±4		72±8
	Actual results				
	90	80	45		

Scientific productivity indicators count the peer-reviewed articles published within a given year in (i) journals, the titles of which are listed in the Thomson-Reuters Science Citation Index Expanded (SCI-e) and/or Social Science Citation Index (SSCI). This indicator reflects the degree to which JRC publishes the results of its research. The reason for the fluctuation in the number of peer reviewed publication between years is the evolution of the maturity of the research performed.

Specific Objective 10: to improve nuclear security including: nuclear safeguards, non-proliferation, combating illicit trafficking, and nuclear forensics

Indicator 1: JRC policy support indicator – The number of occurrences of tangible specific impacts on Union policies resulting from technical and scientific policy support provided by the JRC

Baseline 2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
15		14±1	14±1		14±2
	Actual results				
	16	22	19		

For additional details on policy support impact indicators, milestone and long-term target, please refer to notes on Specific Objective 9.

The number of impacts in nuclear security is showing some peaks because of the maturity of projects yielding more results and also because of ad-hoc requests received, sometimes urgent and sensitive, requiring programme adjustments.

Examples of tangible specific impacts on Union policies on Specific Objective 10:

- JRC contribution to the implementation of the EU CBRN Centres of Excellence initiative: The JRC supports the EU CBRN Centres of Excellence by developing and implementing the Needs Assessment Questionnaire, where all areas of CBRN risk mitigation are covered, it provides direct support to the development of each country's CBRN National Action Plan and to their evaluation and to the drafting of the terms of reference of the regional projects to be carried on. This project involves 50 countries in different regions in the world (Africa, Asia, Middle East, Central Europe, North Africa) JRC, also implemented nuclear security projects in some countries under this initiative. The projects started with a need assessment, in field technical

visits and the prioritization of the borders to be equipped. JRC experts also provided advanced nuclear security trainings, practical exercises, to national customs officers.

- Nuclear Forensic Support to EU Member States and Countries outside the EU: JRC provides technical expertise in case nuclear material is detected out of regulatory control in the form of nuclear forensic analysis of samples of nuclear material seized upon request. In 2015 the investigation of samples from several incidents seized in Ukraine was completed. The material had been shared with Livermore National Laboratory (USA) and with IAEA. The Ukrainian authorities were provided with the results which served for supporting the further investigation. Moreover, the results served for demonstrating complementary laboratory capabilities, strengths and weaknesses in analytical performance and advantages of international collaboration in nuclear forensics.

Indicator 2: The number of peer reviewed publications					
Baseline (average 2010 – 2013)	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
16		16±1	16±1		16±2
	Actual results				
	20	16	21		

For additional details on scientific productivity indicators, please refer to note on Specific Objective 9.

Specific Objective 11: to increase excellence in the nuclear science base for standardisation

Indicator 1: JRC policy support indicator – The number of occurrences of tangible specific impacts on Union policies resulting from technical and scientific policy support provided by the JRC

Baseline 2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
15		14±1	14±1		14±2
	Actual results				
	10	9	6		

For additional details on policy support impact indicators, milestone and long-term target, please refer to note on Specific Objective 9.

Objective 11 is horizontal to the other activities carried out, being in support of them. In some occasions, the impact of these activities appears, therefore, complementing the others.

Examples of tangible specific impacts on Union policies on Specific Objective 11:

- First uranium reference materials certified for the production date for method validation in nuclear forensics and safeguards released. The IRMM-1000a and IRMM-1000b uranium reference materials are the first uranium reference materials certified for the production date, i.e. the date of the last chemical separation of these two radionuclides. Such certified reference materials (CRMs) are required for proper validation of measurement procedures in nuclear forensics, safeguards and security in order to determine the "age" of uranium samples and to provide traceability of the measurement results.
- Assessment of thermal properties of Minor Actinide Bearing Fuels: The JRC contributed to the assessment of minor actinide fuels to be used in the ASTRID reactor in France. Samples of Am containing fuel were synthesised at the JRC Minor Actinide laboratory and thermal properties were measured, the data are a first of a kind, for which the JRC is the only institution in Europe capable of preparing such samples and performing measurements thereon. The output is a direct contribution to the Sustainable Nuclear Energy Technology platform; they are key data to enable the licensing of these innovative fuels, and will be used in design and assessments of reactor concepts by MS authorities and technical safety organisations.

Indicator 2: The number of peer reviewed publications					
Baseline (average 2010 – 2013)	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
58		58±4	58±4		58±8
	Actual results				
	118	63	50		

For additional details on scientific productivity indicators, please refer to note on Specific Objective 9.

Specific Objective 12: to foster knowledge management, education and training

Indicator 1: JRC policy support indicator – The number of occurrences of tangible specific impacts on Union policies resulting from technical and scientific policy support provided by the JRC

Baseline 2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
13		12±1	12±1		12±2
	Actual results				
	12	13	9		

For additional details on policy support impact indicators, milestone and long-term target please refer to notes on Specific Objective 9.

The research performed in the fields of nuclear safety, nuclear security and nuclear science for standardisation is instrumental for the JRC programmes contributing to this objective. JRC is exploring different ways of increasing the impact as collaboration with other actors as Universities or networks, and different learning tools and procedures.

Examples of tangible specific impacts on Union policies on Specific Objective 12:

- User lab for actinide science: JRC opens its infrastructure to external users within the frame of access programmes. Open calls for proposals are published and best scientific proposals selected by an independent panel. Eligible proposals are implemented with the full support of JRC scientists and radioprotection services to host and train the users and perform experiments in the laboratories. Operating days at the infrastructure are delivered through the Actinide User Laboratory programme. The programme results in joint scientific publications with European research institutions and universities.
- Access to JRC neutron and radionuclide measurement infrastructure (EUFRAAT) and nuclear data research infrastructure in the member states (CHANDA): The JRC has been leading in establishing transnational access to research infrastructures in Europe in the field of nuclear data measurements. The EUFRAAT access scheme has been successfully established in the nuclear data and radionuclide communities. During the two years (2014-2015), the Programme Advisory Committee, together with four external experts, evaluated a total of 36 proposals, 24 for neutron measurements and 12 for radionuclide measurements. The success of the CHANDA transnational access program is evidenced by the number of proposals and concluded experiments: 15 scientific visits and 30 experiments in the first 2 years. Related output shows work that was completed by either EUFRAAT or CHANDA.

Indicator 2: JRC scientific productivity indicator – The number of peer reviewed publications					
Baseline (average 2010 – 2013)	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
35		34±2	10±2		10±4
	Actual results				
	20	7	15		

For additional details on scientific productivity indicators, please refer to note on Specific Objective 9.

Specific Objective 13: to support the policy of the Union on nuclear safety and security

Indicator 1: JRC policy support indicator - The number of occurrences of tangible specific impacts on Union policies resulting from technical and scientific policy support provided by the JRC

Baseline 2013	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
7		6±1	6±1		6±1
	Actual results				
	11	7	13		

For additional details on policy support impact indicators, milestone and long-term target please refer to note on Specific Objective 9.

Examples of tangible specific impacts on Union policies on Specific Objective 13:

- Implementation of the EU legislation related to nuclear safety: The JRC activities supporting DG ENER for the supervision of the implementation of the directive 2009/71/EURATOM (Nuclear Safety Directive) consisted of technical review of EU MS reports on the implementation of the directive and technical reviews of the EC Communication on the implementation of the directive, (COM(2015)573), and the accompanying Staff Working Document (SWD(2015)244), prepared by DG ENER. JRC also participated in IAEA IRRS (Integrated regulatory review service) missions undertaken in EU MS in fulfilment of the requirements of the Directive.
- Improvement of nuclear safety in countries of the European neighbourhood: The Instrument for Nuclear safety Cooperation (INSC) aims to promote and directly contribute to higher levels of nuclear safety in countries outside the EU by assisting in the resolution of nuclear safety deficiencies in beneficiary countries, while increasing the strength, technical capacity and safety culture of those countries. The work carried out by JRC provided DG DEVCO with required technical inputs to successfully develop the Annual Action Programmes of the INSC and to prepare, contract and/or manage the implementation of its portfolio of actions.

Indicator 2: JRC scientific productivity indicator – The number of peer reviewed publications					
Baseline	Milestones foreseen				Target 2018
	2014	2015	2016	2017	
Not applicable			10±5		10±5
	Actual results				
	n/a	15	7		

For additional details on scientific productivity indicators, please refer to note on Specific Objective 9.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Output – EURATOM Direct research- JRC: Products and services for EU policy makers	10 03 01	242±50	10,9
Total			10,9

Outputs		Number of outputs foreseen (F) and produced (P)						Total of all 5 years	Legal basis 2014 - 2018
		2014	2015	2016	2017	2018			
– Output EURATOM Direct research- JRC: Products and services for EU policy makers	F	379	370	327	221±50	242±100	1539±100	750	
	P	408	312	268					

The above values correspond to the number of policy support deliverables (for nuclear actions) from the JRC's Multi-annual Work Programme 2017-2018, which are planned to be released by the JRC as a result of its direct research activities. These products and services for EU policy makers refer to scientific and policy reports, reference materials, validated methods, technical systems, scientific information systems, databases, etc. The JRC's Multi-annual Work Programme is a rolling work programme, reflecting Commission needs. In this sense, the number of planned deliverables from the work programme is subject to change, since they will have to take into account forthcoming requests from the Commission. A reliable value for 2018 planned deliverables can only be provided at the end of 2017, when the new work programme is finalized.

Justification of changes to the financial programming and/or to the performance information

The number of foreseen outputs (1539±100) has been increased with respect to the figures reported during the preparation of the Euratom programme (750). At that time the estimation of outputs was done on the basis of previous years (ex-post assessment). With the introduction of the new rolling Work Programme the number of planned outputs can be counted, ex-ante, from a central registry. Figures for 2017 and 2018 are made up in a format "baseline ± fluctuation rate" to account for a number of factors that may influence the production of policy support deliverables.

5. Programme contribution to the Sustainable Development Goals

Nuclear science and technology can make a major contribution to economic growth and competitiveness, and have a significant role to play in support of the "2030 Agenda Sustainable Development Goals". The nuclear power is one of the lowest carbon technologies for energy production, besides, applications of nuclear and ionizing radiations namely radioisotopes can be successfully used in sectors such as health, food and agriculture, environment, water supply or industry.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

In 2016, a call for applications was launched for loans from the EU financial instrument "InnovFin– EU Finance for Innovators" for fission research and innovation projects in relation to the construction or refurbishing of research infrastructures, specialised equipment or technology demonstrators. A budget of 20 million euros was allocated under Euratom Work Programme 2016-2017 for these loans, which will be managed by the European Investment Bank in cooperation with the European Commission. The selection procedure of the EIB will be applied to check the financial viability of each project, while the Commission will approve each project against eligibility criteria set for the R&I projects in line with the objectives of the Euratom Research and Training Programme (Council Regulation (Euratom) No 1314/2013 of 16 December 2013).

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)****Lead DG: GROW****I. Programme Update**

COSME is the EU programme for competitiveness and SMEs, with a total budget of EUR 2.3 billion over 2014-2020. It has four main objectives:

1. Access to finance (at least 60 % of the budget)
2. Access to markets (indicatively 21.5 % of the budget)
3. Promoting a favourable environment for businesses and competitiveness of enterprises (indicatively 11 % of the budget)
4. Promoting entrepreneurship (indicatively 2.5 % of the budget)

Its overall objective is to support the creation and growth of SMEs.

The programme is executed through an annual work programme and through support measures. While overall responsibility of COSME remains with the Commission, some implementing tasks are delegated to an executive agency, the Executive Agency for Small and Medium-sized Enterprises (EASME), while the financial instruments are entrusted to the European Investment Fund (EIF).

Implementation status (2014-2017)***The financial instruments***

The calls for expressions of interest launched by EIF in 2014 in accordance with the terms and conditions set out in the COSME Delegation Agreement attracted great interest from financial intermediaries across the EU and non-EU countries participating in COSME, especially for the Loan Guarantee Facility (LGF). At the end of 2016, the EIF signed 68 agreements for loan guarantees for a total volume of EUR 612 million, out of which 57 agreements were backed by the European Fund for Strategic Investment (EFSI). Under these agreements, more than 117 000 SMEs already got financing by the end of September 2016.

Signing agreements for the Equity Facility for Growth (EFG) took longer, as equity entails more complex due diligence and fund-raising processes. At the end of 2016, the EIF has invested through the EFG in 9 funds, for a total amount of EUR 101,4 million. Of these, three were multi-stage funds combined with the InnovFin Equity Facility for Early Stage set up under Horizon 2020.

The total budget foreseen under the 2016 work programme (180 million) was fully implemented and even exceeded (209 million), due to additional commitments of EUR 18 million re-allocated in favour of the LGF and the EFG at the end of 2016 and the commitment in favour of the EFG of almost EUR 11 million of GIF2 repayments received in 2016.

The Enterprise Europe Network

The Enterprise Europe Network started its activities on 1 January 2015 (the 2014 activities were still covered by the CEF predecessor Competitiveness and Innovation framework programme). Network services are available to SME in all regions of the EU as a result of two calls for proposals where 92 consortia were selected, they include 479 organisations in the EU and 85 in the eight COSME participating countries; additional organisations from Bosnia-Herzegovina and Ukraine are expected as they joined the COSME programme recently. Network organisations signed seven-year framework partnership agreements and specific grant agreements for 2015-2016 (first operational period) and 2017-2018 (second operational period).

More than two thirds of the COSME budget for access to markets (objective 2) will be allocated to the Network to help SMEs to internationalise, mainly by finding business and technology partners abroad. In the period 2014-2015, 5 088 partnership agreements between SMEs were signed via the network (reaching the target of 5 000 for 2 years). The network also helps SMEs make the most of the internal market by providing information, advice and brokerage. A new monitoring and reporting strategy was introduced in 2015 with a renewed focus on quality, efficiency and impact in Network activities. Network partners were asked to focus on advisory services bringing real added values (compared to information services). They were very active in providing these services, with 56,244 advisory services delivered and 21,676 clients attending in brokerage events and company missions. They resulted in additional activities and increased competitiveness of SMEs in the Single Market and third countries, creating jobs and growth.

Erasmus for Young Entrepreneurs

Erasmus for Young Entrepreneurs (EYE) holds annual calls for proposals resulting in EASME signing 24-month grant agreements and framework partnership agreements as of 2016. Not all projects that passed the evaluation could be funded over the last years because of budget constraints. In 2014 the budget was EUR 5 500 000, topped up by another EUR 1 million to cover more proposals. In 2015, the budget was increased to EUR 7.8 million and in 2016 a further increase to at least EUR 8.25 million is planned. Activities started in February 2015 with a network of 175 IOs in 32 countries (26 EU Member States and 6 other COSME countries). In 2016 the EYE scheme has already reached the level of 4600 exchanges between new and experienced entrepreneurs

since the start of the programme, and proved to be successful in addressing the needs of entrepreneurs in the European market. In order to strengthen the scheme a longer term Framework partnership agreement (2016-2021) was signed with experienced intermediary organisations of the programme. In 2016 the network of EYE MEP ambassadors was launched that comprises around 30 Members of the European Parliament supporting the programme. The evaluation of the programme performed in 2014 already concluded that the overall concept of the programme proved to be successful in addressing the needs of entrepreneurs in the European market. About 36,5 % of EYE participants started a business in the reference period and considerable shares of EYE entrepreneurs were able to hire more people.

SME Policy

SME Policy action covers the following activities:

- the contract to draft the SME Performance Annual Report and the country fact sheets which provides an empirical statistical tool to monitor SME performance and guide policy making. They support the Commission's monitoring of improvements in the framework conditions in particular for SMEs, including the implementation of the Small Business Act (SBA) and feed into the preparation for the European Semester Country Reports.
- the organisation of the SME Assembly under the EU presidency. The main objective of the Assembly is to create an annual forum with SME stakeholders at EU and national level for the improvement of SME business environment. The Assembly also enables a better cross-border cooperation of SME stakeholders.
- the contract to realise "Business Planet" series. The series contributes to promote and inform on SME policy implementation (best practices) including available support at EU and Member States level.

Results and outputs include:

- the SPR Annual Report and 35 country fact sheets were launched at press event involving a large number of journalists; they were also published and made available in our webpages.
- the SME Assembly (as written in the statement) attracted 600 participants and was highly appreciated by them (more than 90%).
- Business Planet: As the broadcasting seasons do not follow the calendar years exactly, 24 magazines were produced and broadcast from 08.03.2014 to 07.02.2015 (3rd season); 24 magazines were produced and broadcast from 13.06. 2015 to 11.06.2016 (4th season) and 10 episodes from 10.10.2016 to 11.03.2017 (so far out of 24 planned from October 2016 to October 2017; 5th season). The number of viewers are properly assessed once the cycle has finished: e.g. the estimated audience (adult contacts) for the whole 4th season (13.06. 2015 to 11.06.2016) of the Business Planet – 23.7 million (Euronews reports, based on the Eureka/Telmar database).

Other projects

The programme also continued to support activities such as the EU-Japan Centre and the Intellectual Property Rights (IPR) Helpdesks, as well as projects such as those dealing with Clusters (cluster and business network collaboration), modernisation of industry, and actions to support the Single Market Strategy and the Communication on Start-ups/scale-ups.

Monitoring ensured that budget was reallocated to the most successful and oversubscribed activities. The budget for EYE is increased every year and in 2015 funds were transferred to the 'Access to finance' objective from the others.

Key achievements

The front-loading mechanism put in place for the LGF in 2015 through additional risk-bearing capacity made available under EFSI continued to be very successful in 2016, providing a much bigger amount of financing for riskier SME transactions as would have been the case without the EFSI guarantee (39 guarantee agreements signed, for a total amount of EUR 337 million of legal commitments). It is expected that especially start-ups and smaller SMEs, which find it hardest to access finance, will benefit from the enhanced LGF. As of 30 September 2016, more than 117 000 SMEs in 19 countries already received financing for more than EUR 4.2billion¹. 92% of these SMEs have less than 10 employees and 45% are start-ups with an operational history of less than 5 years.

The Enterprise Europe Network's services range from information on EU matters, company visits and awareness-raising campaigns to specialised advisory services, company missions and matchmaking and technology brokerage events. Analysis of reporting data shows that, on a yearly basis, some 3 000 network staff have been active in local events involving more than 200 000 SMEs. They have provided specialised advisory services to 70 000 SMEs on access to finance, intellectual property rights, business and technology, resource efficiency services etc. About 25 000 SME participated in matchmaking events resulting in about 2 500 international partnerships signed between SMEs. Final reporting data on the first operational period 2015-2016 is due in March 2017.

For Erasmus for Young Entrepreneurs, more than 10 000 entrepreneurs' profiles have been accepted and 4 600 matches involving 9 200 entrepreneurs established. A survey shows that:

¹ See COSME LGF Implementation Status as at 30 September 2015 available at: http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/index.htm

- more than a third of the would-be entrepreneurs who took part actually started a business, and
- two thirds of the experienced entrepreneurs participating gained new ideas or technical know-how, tapped into new markets and increased their turnover.
- The average stay is about 3.5 months.

Evaluations/studies conducted

- The COSME mid-term evaluation has started in January 2017 with the aim of delivering a report early 2018.
- In 2015, external consultants evaluated the services provided by the Enterprise Europe Network for 2008-2014. In general, the evaluation showed that the network's SME clients performed better, had a higher growth rate and were more innovative than SMEs that did not use its services. The services most appreciated were those that helped SMEs to take advantage of growing markets. The evaluation showed that SMEs using the network's services grew 3.1 percentage points faster in turnover and jobs than a control group. The user satisfaction rate exceeded the 2020 target as early as 2013, at 86 % (target 82 %). The changes made to the network from 2015 should increase its performance and benefits for SMEs even further.
- Erasmus for Young Entrepreneurs was studied in 2014 by external consultants to provide a statistical analysis of the results of a 2013 survey that aimed to capture its long-term results. The study confirmed the benefits of the programme, including:
 - directly helping to set up new companies: more than a third of would-be entrepreneurs who participated had taken steps towards realising their business idea;
 - helping experienced entrepreneurs to boost their businesses: two-thirds of host entrepreneurs gained new ideas or technical know-how, tapped into new markets and increased their turnover.

Forthcoming implementation (2017-2018)

The work programme for 2017 has a total budget of EUR 292 million of which some 60% is allocated to financial instruments and some 20% to activities promoting enterprises' access to markets – the two main priorities of the programme. The work programme is structured according to the four action areas and linked to the implementation of the Commission's policy priorities, in particular on promoting jobs, growth and investment, upgrading the single market and digital single market and implementing better regulation.

The financial instruments

Two amendments to the COSME Delegation Agreement with EIF are foreseen in 2017. The first amendment, signed in February 2017, enables a contribution of up to EUR 100 million from the EFG to the Pan-European VC Fund-of-Funds project, in addition to the resources made available to this initiative from the EFSI SME window (up to EUR 100 million) and the InnovFin Equity Facility for Early Stage under Horizon 2020 (up to EUR 200 million). The second amendment is foreseen to allow in 2017 the conversion of the temporary front-loading of the LGF through additional risk-bearing capacity provided under EFSI into a permanent top-up of the LGF budget by additional resources from EFSI.

Enterprise Europe Network

More than two-thirds of the COSME budget for access to markets will be devoted to the Enterprise Europe Network (EEN).

The specific grant agreements for the EEN for the second operational period 2017-2018 have been signed with a renewed focus on advisory services bringing real added value to SMEs.

Erasmus for Young Entrepreneurs

The Erasmus for Young Entrepreneurs scheme (EYE) has signed longer term Framework partnership agreements (2016-2021) with experienced intermediary organisations of the programme in order to strengthen the scheme. In addition, a call for proposals is planned in 2017 to select intermediary organisations that are new to the project.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC	2014 - 2020	2 298,2

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	4,2	3,9	2,8	3,4	3,5	4,1	4,1	26,0
Operational appropriations	243,4	292,2	302,2	336,8	326,1	348,2	406,7	2 255,6
Executive Agency	6,5	8,0	7,0	9,0	9,5	9,9	10,2	60,2
Total	254,1	304,1	311,9	349,3	339,1	362,2	421,1	2 341,7

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	337,094	98,80 %	178,752	75,61 %	353,377	83,19 %	315,618	21,26 %
Authorised appropriation excluding external earmarked revenue	322,874	100,00 %	144,119	88,54 %	349,315	84,27 %	285,659	23,06 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The additional value for action at the Union level relies on the following five main sources:

- Strengthening the Single Market, by overcoming market fragmentation in areas such as venture capital investment, cross-border lending and credit enhancement as well as informational and organizational constraints which prevent SMEs from taking advantage of the opportunities that the Single Market offers.
- Demonstration and catalytic effects through the dissemination of industrial and policy best practices.
- Economies of scale in areas where it would be difficult for individual Member States to achieve the required critical mass. For instance, in the field of support to SMEs abroad, European added value is created by the bundling of national efforts and, by establishing services that would lack critical mass if provided at national level (for example, through support to IPR enforcement). Union intervention can also contribute to avoid duplication of effort, promote cooperation between Member States and coordination with relevant non-Member States.
- Coherence and consistency in national measures through the exchange of best practices at European level and benchmarking.

The European Investment Fund (EIF), entrusted with the implementation of the financial instruments, has a long-standing experience in designing and implementing SME-friendly financing schemes. The Enterprise Europe Network has achieved tangible results by putting emphasis on promoting the internationalisation of SMEs (in the Internal Market and beyond) through providing information on Union matters as well as the possibility to feed into the decision making process.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility) 100% (lines 02 02 01; 02 02 02)	336,9	326,1

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
Equity facility for Growth	8	9.3
Enterprise Europe network	15.9	14.5
Total	23.9	23.8

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
21.2	21.6	21.1	23.9	23.8	24.7	26.9	

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

4. Performance information

General objectives

General Objective 1: to strengthen the competitiveness and sustainability of the Union's enterprises, particularly SMEs

Indicator 1: Performance of SMEs as regards sustainability

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
26 %*	Share of EU SMEs producing green products (goods and services): 2013= 205			30			Increase the share of Union SME producing
	Actual results						
	26%	26%					

* data from the Flash Eurobarometer 426 on SMEs, Resource Efficiency and Green Markets, December 2015. New Eurobarometer with 2017 data will be available in Q4/2017.

Indicator 2: Changes in unnecessary administrative and regulatory burdens on both new and existing SMEs

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
5.4 working days to set up an SME and EUR 372 cost of start-up	3,5 days and EUR 313			4 days EUR 300 cost of start-up			Marked reduction of number of days to set-up a new SME*
	Actual results						
	3,5 days and EUR 335	3,6 days and EUR 339	3,5 days and EUR 320				

* A 2020 target of 3 days and EUR 100 is mentioned in the Industrial Policy Communication COM (2014) 14 of 22 January 2014. Figures for 2014 and 2015 were updates following a revision of data done by some Member States in 2016.

Indicator 3: Changes in the proportion of SMEs exporting within or outside the Union

Baseline 2009	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
25 % of SMEs export and 13 % of SMEs export outside the Union					29 % of SMEs exporting within the EU 17.5 % of SMEs exporting outside the EU		Increase in the share of SMEs exporting and increase in the share of SMEs exporting outside the Union
	Actual results						
	30% of SMEs exporting within the EU; 20% of SMEs exporting outside the EU(*)						

(*)Source: 2015 Eurobarometer survey on the internationalisation of SME, based on figures for 2014. Latest figures from EUROSTAT are expected end February 2017.

Justification to the performance information:

The objectives of COSME and of the Small Business Act (SBA) are aligned and full impacts are reached by the coordination of spending and policy action. In line with such coordination, the 11% of the COSME budget supports action to improve the business environment. This is an area where notable results have been achieved under the COSME predecessor programme, the Competitiveness and Innovation Framework Programme (CIP)². Time, costs and other administrative burdens to start up a business have steadily decreased, e.g. an estimated overall 40 billion EUR savings for enterprises due to proposals for legislative revision has been achieved under the CIP. Action is continued under COSME.

² http://ec.europa.eu/cip/documents/implementation-reports/index_en.htm

As regards indicator 2, the time to obtain licences to start up a company, the milestone target (2017) has already been reached in 2014. In 2015, a Flash Eurobarometer Survey provided additional data on licencing procedures, including those related to protection of the environment, health and safety which typically represent a challenge for start-ups. Action will be pursued to reach our 2020 target in this area as the programme is well on track.

General Objective 2: to encourage entrepreneurial culture and to promote the creation and growth of SMEs

Indicator 1: Changes in SME growth: Total EU turnover (Gross Value Added)							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
In 2010 SMEs provided more than 58%	Annual increase of 4% in SMEs Gross Value-Added (GVA)	4 %	4 %	4 %	4 %	4 %	Increase of SME output (value added)
	Actual results						
	SME's value added grew in 2014 by 4.33% ³	6.19 %	1.28 %	2.58 %	3.86 %		

Data from the SME Performance Review 2017 based on figures for 2014. The data from last year for the reference year 2015 was 3.98 Billion € by EU SMEs of the non-financial business economy.

Indicator 2: Changes in SME growth: Employees							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Total number of employees in SMEs in 2010 = 87.5 million (67% of private sector jobs in the EU)							Increase of SME employees Target number around 95.5 million jobs in 2020 (calculated from the base year 2014)
	Actual results						
	90.14 million	91.42 million	92.93 million	94.07 million	94.8 million		
The annual growth of employees in SMEs in 2010 was -0.4% and 0.2% in 2011	Annual growth of employees in SMEs of 1%	1 %	1 %	1 %	1 %	1 %	
	Actual results						
	2.03 %	1.42 %	1.66 %	1.22 %	0.77 %		

Data from the SME Performance Review 2017 based on figures for 2014. SME's value added grew in 2015 by 5.7% and employment by 1.5%.

Justification of changes to the performance information:

It is important to note that since 2008 employment has increased more in SMEs than in larger companies (SMEs account for 58% of total GVA but create more than 80% of new jobs). However annual growth has been lower than 1%. GVA and employment indicators have been impacted by the downturn in the construction and manufacturing sectors in particular. Stronger economic growth will be necessary to reach the milestone target on the employment related indicators. As underlined in the 2014 Annual Report on European SMEs, heavy focus is needed on improving the business environment to foster SME growth (please see also general objective 1 under COSME), in particular as regards better regulation (specific objective 2 under COSME), access to finance (specific objective 1 under COSME) and innovation in SMEs (specific objective 2 under Horizon 2020).

Indicator 3: Changes in the proportion of Union citizens who wish to be self-employed							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
37%	Not available (No Eurobarometer since 2012)	Not available (No Eurobarometer since 2012)		50%			Increase in share of EU citizens that would like to be self-employed compared to baseline
	Actual results						

No Eurobarometer on Entrepreneurship has been performed since 2012. To note that the Global Entrepreneurship Monitor measures every year the percentage of the adult population between the ages of 18 and 64 years who believe that entrepreneurship is a good career choice. According to the latest GEM report (2016) among other areas of the world Europe has the lowest belief in entrepreneurship as a good career: 57,2%, compared for instance to 63,7% in the US. However in this survey Europe does not correspond to the EU, but it is rather a geographical Europe, including for instance also Switzerland and Russia. See: <http://www.gemconsortium.org/report>.

³ http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm. Figures from the SME performance review 2015. Data for 2015 will become available in the SME performance review 2016.

Specific objectives

Specific Objective 1: to improve framework conditions for the competitiveness and sustainability of Union enterprises, particularly SMEs, including in the tourism sector

Indicator 1: Activities to improve competitiveness - Number of simplification measures adopted

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
3	4 in 2014 (1 postponed to early 2015)						At least 7**
	Actual results						
	5	4*					

(*) Contact has been taken with SG to provide more information on the content and number of simplifications to substantiate the follow-up of this indicator.

(**) Indicator and milestones set by the COSME regulation <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1287&from=EN>

Indicator 2: Activities to improve competitiveness – Making the regulatory framework fit for purpose

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Delivered in 2013: 1 Fitness Check 2 Cumulative Cost Assessments 1 Review 1 Legislative initiative	Delivered in 2014: 3 Evaluations 1 Legislative initiative 2 Withdrawals	1 Repeal 2 Fitness checks 4 Evaluations 1 Cumulative Cost Assessment	1 Fitness Check 3 Evaluations 2 Cumulative Cost Assessments	2 evaluations 2 Cumulative Cost assessments			20 Fitness Check, Evaluations, cumulative Cost Assessment and Repeals to be delivered by 2016
	Actual results						
	8	6	6				

Indicator 3: Activities to improve competitiveness - Number of Member States using the competitiveness proofing test

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of Member States using the competitiveness proofing test: 0	1 Member State (November 2014)			7 Member States by end 2017			Marked increase in the number of Member States using the competitiveness proofing test
	Actual results						
	6*						

Data from SBA Fact sheets and DG GROW internal sources, Q1 2015.

Indicator 4: Activities to improve competitiveness – Resource efficiency (which may include energy, materials or water, recycling, etc.) actions taken by SMEs

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
93% of SMEs are taking at least one action to be more resource efficient, with the most common actions being to minimise waste, save energy (both 67%) and save materials (59%). At least half are also recycling by reusing material or waste within the company, or by saving water (both 51%). Eight out of ten SMEs are planning additional resource efficiency actions in the next two years, particularly saving energy (58%) and minimising waste (56%). Almost half (49%) plan to save materials, while 43% will save water and 41% will recycle within the company				(Awaiting launch of European Resource Efficiency Excellence Centre)			Increase in the share of Union SMEs that are taking at least one action to be more resource efficient (which may include energy, materials or water, recycling, etc.) compared to baseline (initial measurement) Increase in the share of Union SMEs that are planning to implement additional resource efficiency actions (which may include energy, materials or water, recycling, etc.) every two years compared to baseline (initial measurement)
	Actual results						
	Not available (last Eurobarometer 2013)	Not available (last Eurobarometer 2013)*					

(*) Next Eurobarometer is foreseen for end 2017

Indicator 5: Developing SME policy - Number of Member States using SME test							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
15 MS	Around 18 Member States using the SME test			19 MS			Marked increase in the number of Member States using SME test
	Actual results						
	20MS*		Not available yet**				

*2015 Report "EU member states reporting about their SME test", May 2015, http://www.eurochambres.eu/custom/Report_-_EU_member_states_reporting_about_their_SME-test-2015-00224-01.pdf.

**New figures will be available at the end of 2017 with the update of the 2015 Report which will include the results of a 2016 survey.

Indicator 6: Tourism – Participation in transnational cooperation projects							
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
3 countries covered per project	4 countries per project (on average)			5 countries per project (and expected total of 57 projects)			Increase in the number of Member States participating in transnational cooperation projects funded by the Programme
	Actual results						
	4 countries covered on average depending on project)	5 countries covered on average depending on project)	n/a (no call took place)				

Completing the information in this indicator we noted:

- Baseline target in 2013 of 33 projects support under calls for proposals for transnational partnerships
- 42 transnational cooperation projects supported involving SMEs in 2014
- 52 transnational cooperation projects supported involving SMEs in 2015
- 2020 target will also aim for better integration of SMEs in transnational tourism products funded by COSME.

Indicator 7: Tourism - Number of destinations adopting the sustainable tourism development models promoted by the European Destinations of Excellence

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
98 (on average 20 per year)	119			More than 150			More than 200 destinations adopting the sustainable tourism development models promoted by the European Destinations of Excellence (about 20 every year)
	Actual results						
	120 awarded EDEN destinations	140 awarded EDEN destinations	140 awarded EDEN destinations* *from 2011 the selection of EDEN destinations takes place every second year in alternation with a year dedicated to the promotion of the awarded destinations	*	*	*	

Indicator 8: New Business Concepts - Number of new products/services in the market							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
New indicator therefore no current baseline				5	15		Increase in the cumulative number of new products/services (initial measurement)
	Actual results						
		10 projects under the call for proposals design-based consumer goods (published twice)	150 partnerships under the call for tender WORTH				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018*	
		Number	EUR million
Activities to improve European Competitiveness - Studies, impact assessments, evaluations, conferences	02 02 01	Not yet available	Not yet available
Activities to develop SME policy and promote SMEs competitiveness - Meetings, reports, databases	02 02 01	Not yet available	Not yet available
Tourism - Projects, prizes, surveys, events	02 02 01	Not yet available	Not yet available
New business concepts for consumer goods - Market replication-type projects	02 02 01	Not yet available	Not yet available
Total			

*The procedure for drafting the work programme has just started. The figures will be available in September-October 2017

Outputs	Number of outputs foreseen (F) and produced (P)						
	2014(*)	2015	2016	2017	2018	2019	2020
1.Activities to improve European Competitiveness - Studies, impact assessments, evaluations, conferences	F 44 P 70	51 *	55 *	60	65	70	75
2.Activities to develop SME policy and promote SMEs competitiveness -Meetings, reports, databases	F 102 P	115 *	120 *	122	128	130	132
3.Tourism - Projects, prizes, surveys, events	F 10 P	16 22 projects under calls for proposals, 1 Eurobarometer survey, 1 tender, 1 contract under framework contract , 2 events	16 44 project under calls for proposals, 1 Eurobarometer Survey, 2 ad-hoc grants, 1 direct contract, 1 tender, 3 events	18 18 projects (under EDEN ad-hoc grant scheme), 1 tender, 2 contracts under framework contracts, 1 ETC ad-hoc grant agreement, 6 events	20 PLANNED: 18 projects (under EDEN ad-hoc grant scheme), 3 projects (under call for proposals), 5 contracts under framework contracts (two studies/reports, organisation of three events), 1 ad-hoc grant agreement with ETC	22 20 (depends on availability and amount of budget)	25 22 (depends on availability and amount of budget)
4.New business concepts for consumer goods - Market replication-type projects	F 8 P	11 10 projects under the call for proposals consumer-based goods (published twice)	12 150 partnerships under the call for tender WORTH	12 40 start-ups under call for proposals European Incubation Networks for Creativity-driven Innovation	14 14 projects under possible 2 nd call for proposals on design-based consumer goods (depends	15 100 partnerships under possible 3 rd call for tender WORTH (depends on availability and amount	15 40 start-ups under 2 nd call for proposals European Incubation Networks for Creativity-driven

						on availability and amount of budget)	of budget)	Innovation (depends on availability and amount of budget)
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(*) Beyond launching financial instruments under COSME, the Commission took action in 2014 to support SMEs' access to finance, e.g. by monitoring national policies, raising awareness on the Late Payment Directive and disseminating information on how best using the European Structural and Investment Funds (ESIF) to support SMEs (e.g. brochures for local administrations, success stories showcased via the Business Planet programme on Euronews).

In addition, several reports on the competitiveness of enterprises across Europe, the SME Performance Review and the SBA Factsheets have been published.

Finally, under the Green Action Plan for SMEs adopted on 2 July 2014, the Commission announced new specific actions to be implemented as from 2015 to boost resource efficiency in SMEs, in particular a guide on how to support resource efficiency in SMEs through ESIF and a resource efficiency self-assessment tool for SMEs which will be used to monitor the achievement of the related result indicator.

Some figures will only be available when monitoring reports for 2015 and 2016 will be finalised.

Specific Objective 2: to promote entrepreneurship and entrepreneurial culture

Indicator 1: Number of Member States implementing entrepreneurship solutions based on good practice identified through the programme

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
22	Monitoring under SBA and European semester			25			All MSs
	Actual results						
	28	28	28				

(*)Measuring entrepreneurship inclination is challenging. The indicator measuring how many Member States implement entrepreneurship solutions may vary over time, even within one Member State. Besides, many other possible indicators are not practically feasible to measure. Nevertheless, the SBA Performance Review demonstrated that the 2013 publication of the Entrepreneurship 2020 Action Plan struck a chord with virtually all Member States and that implementation of its many recommendations continues apace. It is why number of more specific conferences and labs were held starting from 2014 and are planned for the years ahead. In each case the findings are/will be as widely disseminated as possible and used as the basis for policy recommendations at both national and European level.

Indicator 2: Number of Member States implementing entrepreneurship solutions targeting potential, young, new and female entrepreneurs, as well as other specific target groups

Baseline 2013 ⁴	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
12 Member States in the European Network of Mentors for Women Entrepreneurs 6 Member States and 2 regions have a specific strategy for Entrepreneurship Education 10 Member States have incorporated national objectives related to entrepreneurship education in broader lifelong learning strategies and in 8 Member States entrepreneurship strategies are currently under discussion		New data on entrepreneurship education anticipated in 2015		12 MS implementing new initiatives in this area (potential, young, new and female entrepreneurs)			Marked increase in number of Member States
	Actual results						
		5 MS and 1 region have a specific strategy for Entrepreneurship Education 14 MS and 2 regions have national objectives related to entrepreneurship education in a broader strategy 2 MS have a specific strategy in development All MS implement specific	6 COSME countries ⁵ and 4 regions have a specific strategy for Entrepreneurship Education while 18 countries/regions have a broader strategy that is related to entrepreneurship education All MS join the European e-platform for women entrepreneurs that the				

⁴ The main focus of EU action in entrepreneurship is on support to entrepreneurship education, as this is one of the areas showing the best return on investment and on Erasmus for Young Entrepreneurs (EYE). This programme gives new entrepreneurs know-how on starting and running a business through exchanges with experienced entrepreneurs in another Member State. It offers a unique opportunity for cross-border mobility with the goal of strengthening the business skills and knowledge of both new and experienced entrepreneurs. EYE has been evaluated positively in 2014 and is now being ramped up.

⁵ <http://ec.europa.eu/DocsRoom/documents/21365>.

	<p>actions for women entrepreneurs. Croatia has a national strategy for women entrepreneurship. The Women Entrepreneurship network (WES) is a policy network from national government or agencies working on women entrepreneurship and includes the 28 EU MS plus 3 COSME countries. All MS will join the European e-platform that the Commission is currently preparing by providing links to national/ regional one stop shops to assist women to start-up and grow their enterprises as well as to mentor and network.</p> <p>18 MS took part at the European Network of Female Entrepreneurship Ambassadors plus 4 COSME associated European countries</p> <p>12 MS took part at the European Network of Mentors for Women Entrepreneurs plus 5 COSME associated European countries</p>	<p>Commission launched in 2016, providing links to national/ regional one stop shops to assist women to start-up and grow their enterprises as well as to mentor and network.</p> <p>The new EU Women Business Angels Network covers 14 MS</p>				
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Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Studies, campaigns, events	02 02 01	4	2.4
Number of exchanges	02 02 01	1000	10
Total			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014(*)	2015	2016	2017	2018	2019	2020
1.Studies,campaigns, events	F	6	10	11	11	12	12	12
	P	17	10	11				
2.Number of exchanges	F	663	800	1241	1398	1635	1806	1993
	P	815	646	914				

Specific Objective 3: to improve access to finance for SMEs in the form of equity and debt**Indicator 1:** Number of firms benefiting from debt financing

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
As of 31 December 2013, EUR16.1 billion in financing mobilised, reaching 312,000 SMEs (CIP SMEG) ⁶				Value of financing mobilised ranging from EUR7 billion to EUR10.5 billion; number of firms receiving financing which benefit from guarantees from the programme ranging from 108,000 to 161,000 (COSME Loan Guarantee Facility)			Value of financing mobilised ranging from EUR14 billion to EUR21 billion; number of firms receiving financing which benefit from guarantees from the programme ranging from 220,000 to 330,000 (COSME Loan Guarantee Facility ⁷ targets)
	Actual results						
	COSME LGF (Loan Guarantee Facility) ⁸	COSME LGF: EUR 0.7 billion of financing mobilised & 30,885 SMEs	COSME LGF: EUR: EUR 4.2 billion of financing mobilised &				

⁶ EIF quarterly report as of 31 December 2013 for the SME Guarantee Facility (SMEG) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

⁷ The programme will run from 2014 until 2020.

⁸ COSME Delegation Agreement signed on 22/07/2014. Call for expression of interest published on 04/08/2014.

	CIP SMEG: EUR 19.3 billion in financing mobilised & 368,000 SMEs having received financing ⁹	having received financing ¹⁰ CIP SMEG: EUR 20.3 billion in financing mobilised & 377,000 SMEs having received financing ¹¹	117,000 SMEs having received financing ¹² CIP SMEG: EUR 21.1 billion of financing mobilised & 387,000 SMEs having received financing ¹³				
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Indicator 2: Number of venture capital investments from the COSME programme and overall volume invested

Baseline 2013	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
As of 31 December 2013, EUR2.8 billion in VC funding mobilised to 334 SMEs ¹⁴				Overall value of VC investments ranging from EUR0.7 billion to EUR1.1 billion; number of firms receiving VC investments from the Programme ranging from 100 to 150 ¹⁵			Overall value of VC investments ranging from EUR2.6 billion to EUR3.9 billion; number of firms receiving VC investments from the Programme ranging from 360 to 540 (COSME Equity Facility for Growth ¹⁶ targets)	
	Actual results							
	COSME EFG (Equity Facility for Growth) ¹⁷	COSME EFG: First fund agreements signed end of 2015	COSME EFG: EUR 0.3 billion of investments mobilised to 7 SMEs ²⁰					
CIP GIF: EUR 3 billion in VC funding mobilised to 446 SMEs ¹⁸	CIP GIF: EUR 3.1 billion in VC funding mobilised to 490 SMEs ¹⁹	CIP GIF: EUR 3.1 billion in VC funding mobilised to 554 SMEs ²¹						

Indicator 3: Leverage ratio

Baseline 2012	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
Leverage ratio for the SMEG facility 1:32 Leverage ratio for GIF 1:6.7	Disbursement of financing will start in 2015 for the LGF and in 2016 for the EFG			Debt instrument 1:20 – 1:30 Equity instrument 1:4- 1:6			Debt instrument 1:20 – 1:30 Equity instrument 1:4- 1:6 ²²	
	Actual results							
	Not available yet	Not available yet	COSME LGF: Target leverage of 1:33 & achieved leverage of 1:12 ²³					
		COSME EFG: Target leverage of 1:5 &						

⁹ EIF quarterly report as of 31 December 2014 for the SME Guarantee Facility (SMEG) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

¹⁰ EIF quarterly operational report as at 30 September 2015 for the COSME Loan Guarantee Facility

¹¹ EIF quarterly report as of 30 September 2015 for the SME Guarantee Facility (SMEG) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

¹² EIF quarterly operational report as at 30 September 2016 for the COSME Loan Guarantee Facility

¹³ EIF quarterly report as at 30 September 2016 for the SME Guarantee Facility (SMEG) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

¹⁴ EIF quarterly report as of 31 December 2013 for the High Growth and Innovative SME Facility (GIF) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

¹⁵ These numbers take into account that investing by VC Funds is spread over 4-5 years after commitment.

¹⁶ The programme will run from 2014 until 2020.

¹⁷ COSME Delegation Agreement signed on 22/07/2014. Call for expression of interest published on 04/08/2014.

¹⁸ EIF quarterly report as of 31 December 2014 for the High Growth and Innovative SME Facility (GIF) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

¹⁹ EIF quarterly report as of 30 September 2015 for the High Growth and Innovative SME Facility (GIF) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

²⁰ EIF quarterly operational report as at 30 September 2016 for the COSME Equity Facility for Growth

²¹ EIF quarterly report as of 30 September 2016 for the High Growth and Innovative SME Facility (GIF) under the 2007-2013 Competitiveness and Innovation Programme (CIP).

²² EUR 1 from the Union budget will result in EUR 20-30 in financing and EUR 4-6 in equity investments over the lifetime of the COSME programme.

²³ EIF quarterly operational report as at 30 September 2016 for the COSME Loan Guarantee Facility (LGF) with the **target leverage** being the maximum amount of financing available to SMEs under the guarantee agreements signed as at 30 September 2016 divided by the total EU Contribution Committed towards the LGF at the same date and the **achieved leverage** being the actual amount of financing made available to SMEs as at 30 September 2016 under these agreements divided by the total EU Contribution Committed

			achieved leverage of 1:0.2 ²⁴					
Indicator 4: Additionality of the EFG and LGF								
Baseline 2012	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
Additionality of the SMEG: 64% of final beneficiaries indicated that support was crucial to find the finance they needed. Additionality of the GIF: 62% of GIF final beneficiaries indicated that support was crucial to find the finance they needed	This indicator will be measured as part of the interim and final evaluations of COSME			Share of final beneficiaries that consider the EFG or the LGF to provide funding that could not have been obtained by other means equal to or higher than the baseline			Increase in the share of final beneficiaries that consider the EFG or the LGF to provide funding that could not have been obtained by other means compared to baseline	
		Actual results						
		NA	NA	NA				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
No. of SME beneficiaries (loan guarantees) ²⁵	02 02 02	between 43 000 and 64 000 SMEs	
Loan volume (EUR million) ²⁶			between EUR 2,8 and EUR 4,2 billion
No. of SME beneficiaries (equity) ²⁷	02 02 02	between 30 to 50 SMEs	
EUR million leveraged (equity) ²⁸			between EUR 0.2 and EUR 0.4 billion
Total			

The figures will be available in September-october, once the preparation of the COSME Work Programme for 2018 will be sufficiently advanced.

Outputs		Cumulative number of outputs foreseen (F) ²⁹ and produced (P)						
		2014(*)	2015	2016	2017	2018	2019	2020
1.No. of SME beneficiaries (loan guarantees)	F	25 905	51 952	78 136	106 501	139 198	176 195	220 649
	P	0	51 099	117 452 ³⁰				
Loan volume (EUR million)	F	1.684	3.377	5.079	6.923	9.048	11.453	14.342
	P	0	1.292	4.216 ³¹				
No. of SME beneficiaries (equity)	F	42	85	128	175	228	289	362
	P	0	0	7 ³²				
EUR million leveraged (equity)	F	311	623	938	1.278	1.670	2.114	2.648
	P	0	0	28,2				

(*) The 2014 financial year focused on a smooth transition between the financial instruments under the former Competitiveness and Innovation Programme (CIP) and the new COSME programme. Financial instruments under the former CIP demonstrated their European added value over 2007-2013. They continued to deliver also after 2013 with an additional 75 000 SMEs having received an EUR 5 billion of financing thanks to the

²⁴ EIF quarterly operational report as at 30 September 2016 for the COSME Equity Facility for Growth (EFG) with the **target leverage** being the maximum amount to be invested into final recipients under the fund agreements signed as at 30 September 2016 divided by the total EU Contribution Committed towards the EFG at the same date and the **achieved leverage** being the actual amount invested into final recipients as at 30 September 2016 under these agreements divided by the total EU Contribution Committed

²⁵ Number of SMEs computed based on the leverage target of COSME which calls for a leverage of 20 to 30 for the debt instrument, referring to new SME loan portfolios built during the whole availability period (usually two to three years) of individual transactions signed with financial intermediaries under the 2018 budget

²⁶ Volume of financing computed based on the leverage target of COSME which calls for a leverage of 20 to 30 for the debt instrument, referring to new SME loan portfolios built during the whole availability period (usually two to three years) of individual transactions signed with financial intermediaries under the 2018 budget

²⁷ Number of SMEs computed based on the leverage target of COSME which calls for a leverage of 4 to 6 for the equity instrument, referring to investments made during the life-time of risks capital funds in which EFG investments were authorised from the 2018 budget

²⁸ Volume of investments computed based on the leverage target of COSME which calls for a leverage of 4 to 6 for the equity instrument, referring to investments made during the life-time of risks capital funds in which EFG investments were authorised from the 2018 budget

²⁹ The cumulative numbers related to 'outputs foreseen' are computed on the basis of the adopted 2014-2020 MFF figures for BL 02.0202, with an allocation of 52% towards the LGF and 48% towards the EFG, in accordance with the legislative financial statement accompanying the Commission proposal for the establishment of the COSME programme.

³⁰ As at 30 September 2016

³¹ As at 30 September 2016

³² Number of eligible final recipients (SMEs in their expansion and growth phase) in which investments from the EFG took place as at 30 September 2016

CIP SMEG and an additional 220 SMEs having profited from EUR 0,3 billion of VC funding between 2014 and 2016³³. The financial instruments under COSME were successfully launched in 2014 and there has been a strong demand from financial intermediaries especially for the Loan Guarantee Facility (LGF). Under the LGF, financial intermediaries have started since early 2015 with providing financing to SMEs which otherwise would not obtain the financing they need. First fund agreements have been signed in December 2015 under the Equity Facility for Growth (EFG) and started delivering as of 2016. Overall, the programme is well on track to achieve the targets set for financial instruments for the programming period. In November 2014, the Commission presented the new Investment Plan, which foresaw that approximately 25% of the European Fund for Strategic Investment (EFSI) were to be used to support risk finance for SMEs and mid-caps, leading to additional investments of approximately EUR 75 billion. The enhancement of the LGF thanks to EFSI allowed for a much quicker implementation than would have been possible without EFSI. Due to the huge success of the SME Window under EFSI, the Commission decided to scale up the SME window³⁴ by shifting up to EUR 500 million of the EU guarantee from the Infrastructure and Innovation window to the SME window, also to the benefit of the LGF.

Specific Objective 4: to improve access to markets, particularly inside the Union but also at global level

Indicator 1: International Industrial Cooperation – Number of cases of improved alignment between Union and third countries' regulations for industrial products

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
It is estimated that in regulatory cooperation with main trading partners (US, Japan, China, Brazil, Russia, Canada, India) there is an average of 2 relevant areas of significant alignment of technical regulations	No data available yet*		During this year in regulatory co-operation with 3 of our main trading partners (China, Japan and USA) we can estimate that there is an average of more than 2 relevant areas of significant alignment of technical regulations	3 relevant areas			4 relevant areas of significant alignment of technical regulations with main trading partners (US, Japan, China, Brazil, Russia, Canada, India)
	Actual results						

*The indicator "Number of cases of improved alignment between Union and third countries' regulations for industrial products" should be measured with caution as we cannot require a third country - US, Japan, China, Brazil, Russia, Canada, India - to align with our EU technical regulations. Actually, neither party can impose its system on the other. What we do with some of these countries is to have a regulatory cooperation/dialogue in view of seeking more convergence or compatibility in technical regulations and conformity assessment procedures. With respect to standards we promote greater acceptance of international standards.

Thus when it comes to specific results requested by the indicator there aren't any specific achievements.

Regulatory co-operation with main trade partners have been more relevant in 2016 with China, Japan and USA. In the case of Japan and USA, our regulatory dialogues have been in interaction with the current Free Trade Agreement (FTA) negotiations.

In the case of Japan regulatory dialogues have contributed to further alignment on technical regulations in the sectors of automotive, cosmetics and chemicals during 2016.

In the case of United States, the TEC cooperation in 2016 included constructive talks on e-Mobility (Interoperability within and between e-vehicles and smart grids), e-Health, raw materials (US-EU Raw Materials Action Plan), SMEs (EU-US Cooperation SME cooperation) bio-based materials and nanotechnology. Also the EU-US IPR cooperation continues being constructive.

In the case of China regulatory dialogues have been conducted to progress on the areas of conformity assessment, standardisation, motor vehicles' safety and emissions, electrical and pressure equipment, toys, textiles, medical devices, cosmetics, SME policy, raw materials, energy efficiency and emissions reduction in industry, tourism, space and public procurement in 2016.

We also have an industrial dialogue with Taiwan, covering digitalisation of industry /ICT, circular economy, SMEs internationalisation and cluster cooperation since 2015.

Indicator 2: Enterprise Europe Network - Number of partnership agreements signed

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2475 (2012) 2295 (2013)				7500 (3Y)			2 500/ year
	Actual results						
	2636	2566	2522				

³³ As at 30 September 2016

Indicator 3: Enterprise Europe Network – Recognition of the Network amongst SME population							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
To be measured in 2015-2016		Milestone to be determined once baseline has been set in 2015-2016					Increase in the recognition of the Network amongst SME population compared to baseline
	Actual results						
		8% of SME have heard about EEN services (Eurobarometer 2015)	8% of SME have heard about EEN services (Eurobarometer 2015)				

Indicator 4: Enterprise Europe Network – Clients satisfaction rate (% SMEs stating satisfaction, added-value of specific service provided by the Network)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
86% rated services as 'Good/Very good'	No data available yet	No data	Survey foreseen in 2017, after the first operational period	80%			>82%
	Actual results						
	No data	No data					

The next (and first in the new EEN) client satisfaction survey is planned for 2017. It should be noted that these surveys are organized every 2-3 years only.

Indicator 5: Enterprise Europe Network – Number of SMEs receiving support services							
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
435 000	435,700 (2013) 490,000 (2012)	Will be available with final reports due in March 2017	Will be available with final reports due in March 2017	1 400 000 (3Y)			500 000/ year
	Actual results						
	522,725						

Indicator 6: Enterprise Europe Network – Number of SMEs using digital services (including electronic information services) provided by the Network

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2 million SMEs	No data available yet			2,2 million			2,3 million SMEs/ year
	Actual results						
	Not measured for 2014	10.5 million	Will be available with final reports due in March 2017				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Enterprise Europe Network – Partnership proposals	02 02 01	*	*
Enterprise Europe Network – SMEs receiving support services (per 1000 SMEs)	02 02 01	*	*
SME business support in markets outside the EU - Studies	02 02 01	*	*
SME business support in markets outside the EU - SME centres; SME helpdesks	02 02 01	*	*
SME business support in markets outside the EU - Platforms, events, promotion activities	02 02 01	*	*
International Industrial Cooperation –Workshops, meetings	02 02 01	*	*
Total			

* The figures will be available in October, once the preparation of the COSME Work Programme for 2018 will be sufficiently advanced.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014(*)	2015	2016	2017	2018	2019	2020
1. Enterprise Europe Network – Partnership proposals	F	5 697	5 793	5 901	6 041	6 122	6 337	6 576
	P	9169	7500	7750				
2. Enterprise Europe Network – SMEs receiving support services (per 1000 SMEs)	F	403	418	438	458	488	508	539
	P	522	Not available yet	Not available yet				
3. SME business support in markets outside the EU - Studies	F	10	12	15	14	15	18	20
	P	11						
4. SME business support in markets outside the EU - SME centres; SME helpdesks	F	5	6	7	9	10	12	14
	P	5						
6. International Industrial Cooperation – Workshops, meetings	F	5	8	8	9	10	11	12
	P	6						

The actual numbers for 2015 for the EEN will become available with the final reporting which is due in June 2017.

5. Programme contribution to the Sustainable Development Goals

COSME projects support the following Sustainable Development Goals

- n° 8 (promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all)

Ex: Entrepreneurship projects to strengthen entrepreneurship education, mentoring, guidance and other support services. Help businesses access opportunities offered by digital technologies and support the digital single market strategy. Projects such as the "Watify awareness campaign" aim to boost technological transformation through digitisation and the uptake of advanced technologies, especially key enabling technologies (also applies to goal n° 9). Companies, public administration and other stakeholders access practical information for doing business in the Single Market via the Your Europe Business portal. Social economy projects work to strengthen the links between traditional and social economy enterprises.
- n° 9 (build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation).

Ex: projects to modernise industry, targeted financing for SMEs, Cluster partnerships, Smart specialisation, promote new skills

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

The programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) is improving access to finance for SMEs through two financial instruments that have been available since August 2014. COSME has a budget of over EUR 1.3 billion to fund these financial instruments that facilitate access to loans and equity finance for SMEs where market gaps have been identified.

Thanks to this budget, it is estimated that it will be possible to mobilise up to EUR 25 billion in financing from financial intermediaries via leverage effects. The financial instruments are managed by the European Investment Fund (EIF) in cooperation with financial intermediaries in EU countries.

The Loan Guarantee Facility (LGF)

Part of the COSME budget is dedicated to fund **guarantees** and **counter-guarantees** for financial intermediaries (e.g. guarantee organisations, banks, leasing companies) to help them provide more loan and lease finance to SMEs. This facility also includes the securitisation of SME debt-finance portfolios. It is expected that up to 330,000 SMEs will receive loans backed by COSME guarantees, with the total value of lending reaching up to EUR 21 billion.

The COSME financial instruments build on experience from the financial instruments under the Competitiveness and Innovation Framework Programme (CIP) that ran from 2007 to 2013. Since 2007, more than 340,000 SMEs have benefited from a guaranteed loan or lease thanks to the [SME guarantee facility \(SMEG\)](#).

The Equity Facility for Growth (EFG)

Another part of the COSME budget is dedicated to investments in risk-capital funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs, in particular those operating across borders. It is expected that some 500 firms will receive equity financing through the programme, with overall investment reaching up to EUR 4 billion. It is also anticipated that further finance will be attracted through co-investments from other public and private sources.

The COSME equity financial instrument builds on the experience of the equity financial instrument under the Competitiveness and Innovation Framework Programme (CIP) that ran from 2007 to 2013. From 2007 to date, the equity financing facility under CIP (the so-called GIF facility) has mobilised more than EUR 2.3 billion in equity investments. Financing is still available from CIP through financial intermediaries that have been recently selected and approved.

For additional information please consult: https://ec.europa.eu/growth/access-to-finance/cosme-financial-instruments_en

III. Performance of the Predecessor programme

Please refer to the programme Statements of the 2017 draft budget

HEADING 1A: Competitiveness for growth and jobs**The Union Programme for Education, Training, Youth and Sport (Erasmus+)**

Lead DG: EAC

I. Programme update***Implementation status (2014-2016)***

With a total budget of EUR 14,8 billion under Heading 1 and EUR 1,68 billion under Heading 4 to support its strong international dimension, the implementation of Erasmus+ started successfully in 2014. The programme is implemented under indirect management (76 % through National Agencies) and direct management (20 % through the Executive Agency for Education, Audiovisual and Culture and 4 % through DG EAC) modes. The allocated budget was committed by almost 100 % in 2014, 2015 and 2016. Heading 4 funds were only available at the end of 2014 delaying the launch of some international actions such as capacity building in higher education and international credit mobility.

In 2015, the interest for Key Action 1 - Learning mobility of individuals (the largest action in Erasmus+ which in 2015 received 57% of the Erasmus+ total budget) increased by 11 % compared to 2014 (+3 700 applications received). With a budget increase of 10%, 16 266 projects could be granted, 2% more than in 2014. The number of participants involved in these projects also increased, reaching more than 678 000 in 2015 (about 650 000 in 2014). Specifically in the field of E&T, over EUR 1 billion was granted to more than 10 500 projects (compared to 10 006 in 2014, representing an increase of 6 %), involving around 25 000 organisations (compared to nearly 27 000 in 2014, representing a decrease of 7 %, in some cases compensated by the broader scope and increased deliverables of the projects), and supporting the mobility of 524 000 learners and staff (compared to 494 027 in 2014 representing an increase of 6 %) to study, train, and gain work experience abroad. In the field of Youth the demand increased significantly in 2015. Almost 16 000 projects were submitted representing an increase of more than 35 % compared to 2014, and showing the high interest in non-formal learning activities in the field of youth. As the available budget for this action (EUR 130 million) remained stable compared to 2014, the success rate decreased from 49 % to 35 %. Youthpass, the European recognition tool for non-formal and informal learning activities achieved a record year, with around 110 000 certificates issued compared to around 80 000 certificates issued in 2014.

In KA2 ("Cooperation for innovation and the exchange of good practices" – representing 19 % of the total Erasmus+ commitments), a total amount of over EUR 370 million (+ 6 % compared to 2014) was granted to over 1 900 projects involving around 11 000 organisations, and directly benefitting around 460 000 participants. The demand for the Strategic Partnerships action increased across all fields, notably in school education, with 4 378 project proposals received and 900 granted (compared to 4 055 and 728 in 2014), in VET with 1 868 proposals received and 402 granted (compared to 1 657 and 377 in 2014) and in Youth, with 2 121 received and 227 granted (compared to 1,730 and 258 in 2014). Under the capacity building strand, the interest in Knowledge Alliances was again extremely high, resulting in a very strong competition for funding. A budget of EUR 8,9 million was granted to 10 projects, i.e. a success rate of 5 % in relation to the number of proposals submitted. The budget increase in 2016 enabled the funding of 20 Knowledge Alliances and a success rate of around 10 %. Since the start of Erasmus+, 40 Knowledge Alliances could be funded. In 2015 the total amount granted to projects for Sector Skills Alliances was nearly EUR 7 million. A budget increase of 44 % compared to 2014 allowed for granting more projects, but considering that out of the 36 submitted applications only 8 proposals received a grant, the earmarked budget for this action is still limited.

KA3 – Support for policy reform, represents 3 % of Erasmus+ total budget and implements the European policy agenda, the Strategic framework for European cooperation in education and training (ET 2020) and the European Youth Strategy. In 2015 this action was allocated an overall amount of EUR 83 million and granted 724 projects involving more than 62 000 participants. The first call for proposals for forward-looking cooperation projects was published this year, also focusing on social inclusion and addressing issues such as disparities in learning outcomes of disadvantaged learners. In the E&T fields 36 projects were contracted, out of the 78 projects received while in the field of Youth, 4 projects were contracted out of the 23 proposals received.

In 2015, the Erasmus+ Sport chapter focused more on grassroots sport, and on sport projects aimed at increasing the level of participation in sport and physical activity. A total budget of EUR 22,9 million was earmarked for the sport chapter in 2015, reaching 34,1 million in 2016. In the first round of the 2015 call for proposals related to the European Week of Sport, five not-for-profit events and five collaborative partnerships projects were selected for funding. As regards the second round of the call, concerning applications not related to the EWoS 2015, out of the 341 applications received 334 were considered eligible. 40 projects were finally selected, representing a success rate of 11,7 %. In 2016, beside the collaborative partnerships and not-for-profit events, a new kind of action was introduced: small collaborative partnerships. In total, 369 applications were submitted and 119 projects were selected for funding, with the success rate between 9 % for not-for-profit-events and 53 % for small collaborative partnerships.

As regards 2016, most of the projects (87 %) were still on-going and around 1 270 000 participants and 103 000 organisations were engaged in the projects. Erasmus+ is well on track to meet its target of 4 million participants by 2020.

Key achievements

In 2015, Erasmus+ continued to ensure that the implementation of all its Key Actions strategically serves the EU policy priorities through the specific goals of improving and modernising education and training systems, and youth and sport policies. In response to the terrorist events of 2015, Erasmus+ was in particular called upon to contribute to the urgent EU-level priorities of enhancing social inclusion and tackling youth radicalization, migrants' education needs, and educational poverty at large. These priorities were promptly accommodated through adjustments to Erasmus+ calls and through cooperation with the National Agencies and stakeholders. Concretely, a series of measures were prepared to be implemented through Erasmus+ calls and contacts were taken with stakeholders across sectors to take on board the new priorities and to put a stronger focus on inclusion of migrants and their needs in education, on the prevention of youth radicalisation and on addressing educational poverty, both in ongoing and future actions.

In reply to the stakeholders' feedback highlighting a number of difficulties associated with the complexity of the programme and the administrative burden, throughout 2015 the efforts continued to simplify the programme (e.g. unit costs, preparatory work for e-applications) and streamline rules across sectors. 2015 was also a year of consolidation, stability and clarification of potentially ambiguous principles and rules of the programme.

Under the 2015 call, 264 000 Erasmus+ participants assessed their language level using Online Linguistic Support¹ (OLS) and more than 107 000 (41 %) of them followed an OLS language course. Under the Erasmus Mundus Joint Master Degrees, in 2015, the 17 granted projects awarded a total of 508 scholarships, 304 student and 204 scholar scholarships over three intakes (2015-2016-2017). In 2015, Erasmus Mundus scholarships were awarded to 1 081 master students and Doctoral fellowships were awarded to 153 PhD candidates from programme and partner countries.

2015 saw the 85 first students moving abroad with an Erasmus+ guaranteed Master loan at affordable rates, allowing postgraduate students to obtain a full Master's degree (1 or 2 years) in a European ECHE2-certified university abroad. By the end of 2016 a total of EUR 159 million in student loans was available (for some 11.500 student loans), enabled through EUR 25,9 million in signed guarantee agreements with 5 financial intermediaries [Spain, France (2), Ireland (operating in UK) and Turkey] and a first university [in Luxemburg].

Under Key Action 2, Strategic Partnerships were further improved in 2015 to address its complexity and low success rate. Over the first two years of the programme more than 20 000 applications were submitted but only 3 550 granted, demonstrating the high interest for this new action and, the insufficient budget to meet the demand across all actions.

In the field of higher education, the Capacity building action was successfully implemented for the first time in 2015 within the framework of the EU's external policies and is supported by the corresponding financial instruments³. In 2015, 420 grant agreements were signed for a total amount of EUR 144 million. In 2015 a specific 'Western Balkans Youth Window' was introduced, funded by the Instrument for Pre-accession Assistance (IPA II, 2014 – 2020).

Preparations for the transparency and communication to the public of projects financed by the European Union in the field of education, training and youth started in 2014, through the construction of the new Erasmus+ Project Results Platform⁴. The final improvements were implemented in 2016 as foreseen and the maintenance phase has started with the implementation of small improvements.

The School Education Gateway, Europe's online platform for school education went live in 2015, and by the end of the year it had attracted about 150 000 visitors and 6 500 registered users.

The demand in KA1 youth mobility action increased by 35 % in 2015.

The programme has addressed current challenges on inclusion and integration and as result, the participation of young people with fewer opportunities in 2015 reached 36 % of all the young KA1 participants. Moreover, in 2015, Youthpass reached the threshold of half a million certificates.

The role of the programme within the context of the refugee crisis in Europe was further discussed with the National Agencies, who were invited to raise awareness of the programme opportunities among this target group and to encourage projects addressing this issue for Round 3. As a result, 5 % of the granted projects were flagged as addressing refugees in the October deadline.

260 Jean Monnet projects aiming at promoting excellence in teaching and research in the field of European Union studies worldwide were granted in 2015. The trend of 2014 was confirmed: two thirds of the applications concerned teaching and research, with a vast majority of Chairs and Modules, while one third were projects aiming at offering new methodologies and spreading knowledge on the European integration process among a wider target audience. As in 2014, 7 institutions pursuing an aim of European interest received an operating grant to support their functioning for a total of almost EUR 30 million. The overall success rate of Jean Monnet activities amounted to 30 %

¹ Online Linguistic Support was launched in October 2014 and language assessments (before and after mobility) became compulsory in January 2015.

² Erasmus Charter for Higher Education

³ European Neighbourhood Instrument (ENI), the Development Cooperation Instrument (DCI) and the Instrument for Pre-accession Assistance (IPA) in 2015.

⁴ <http://ec.europa.eu/programmes/erasmus-plus/projects/>

Following the call for projects related to the European Week of Sport 2015 (EWoS), 5 not-for-profit events and 5 collaborative partnerships projects were selected, i.e. a success rate of 12,3 %. The 1st edition of the EWoS took place between in September 2015 with more than 7 000 events taking place across Europe and approximately 5 million participants. The 2nd edition of the EWoS took place in September 2016 with over 15 000 events with 10 million active participants. During the opening event alone, over 5 million users were reached. Adding up the estimated 20 million viewers of TV spots on Eurosport and the potential number of reaches of the #BeActive campaign gives a total of over 200 million Europeans reached.

Preliminary statistics also indicate that the participants are satisfied about the programme (96 %), improved their skills (94 %) and feel better prepared for finding a job (80 %).

Evaluations/Studies conducted

The Regional Impact Analysis of the Erasmus programme⁵, building on the EU-level Erasmus Impact Study published in 2014⁶, found that the unemployment level of mobile students is lower than that of the non-mobile (in Southern Europe 56% less Erasmus alumni experienced unemployment), that work placements have a direct positive impact on finding a job (one in three Erasmus students are offered a position by their host company, while in Southern Europe goes up to nearly 50 %) and that mobility also fosters an entrepreneurial spirit (especially in Eastern Europe 38 % of alumni are planning to create a start-up while in Southern Europe one in ten graduates has already done so).

For the Student Loan Guarantee Facility an annual survey of beneficiaries is being undertaken; first results of the 85 beneficiaries taking a loan in 2015 are positive in terms of policy objectives and implementation: 70 % of the 44 respondents would not have been able to study for their Master abroad without the loan guaranteed through the scheme. Half of these respondents are 1st generation higher education attendees; a substantial number of them reported their families had 'some difficulty in making ends meet'. 70 % of respondents were moderately to very satisfied, with positive appreciation of the terms of the loan.

The Education and Training Monitor is an annual series that captures the evolution of Europe's education and training systems by bringing together a wide array of evidence in one digestible report. The Education and Training Monitor 2016⁷ explores societal challenges in more depth and addresses migration, demography and the key competences that education should help develop. The 2016 edition shows progress, but also points to the need to make education systems more relevant and inclusive, in particular with regard to helping to integrate newly arrived refugees and migrants. In 2015, the percentage of those leaving education and training without an upper secondary diploma decreased to 11 % across the EU. And the share of young people with a migration background dropping out of education early is almost twice as high as that of their native-born peers. Concerning Erasmus+, this monitor exercise demonstrates how the evidence accumulating in recent years confirms that learning mobility positively affects personal development, as well as employment prospects. It is also claimed that as the evidence on the benefits of learning mobility is improving, so are the quantitative data on the actual share of students and graduates participating in an international learning mobility scheme. According to its overall key findings, improvements can be achieved through embedding work-based learning across higher education while learning mobility can offer students the invaluable opportunity of improving employment prospects. Obstacles to learning mobility do remain, however, particularly when it comes to the recognition of learning credits and the portability of grants and loans.

Forthcoming implementation (2017/2018)

As in previous years, in 2017 the Programme will directly address, through different actions, specific policy priorities. The Commission proposes to maintain a high-level of continuity, although some priorities have been revised and complemented in order to take into account recent policy developments (e.g. the European Solidarity Corps, the Learn 2Move initiative, actions related to the Paris Declaration on promoting citizenship and the common values of freedom, tolerance and non-discrimination through education). The proposed 2018 activities and related budgets are based on the current MFF programming. The current moving policy context and future development of current initiatives can change these initial assumptions for 2018. In 2018, the increase of the budget (Heading 1) will be up to 15 % compared to 2017. The most significant increases will be for mobility projects (20 % compared to 2017) and Strategic Partnerships (24 % compared to 2017). The budget of Jean Monnet increases by 12 % compared to 2017. Sport budget will grow with 19 % compared to 2017).

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+' the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC	2014 - 2020	14 774,5

⁵ http://ec.europa.eu/dgs/education_culture/repository/education/library/study/2016/erasmus-impact_en.pdf

⁶ http://ec.europa.eu/dgs/education_culture/repository/education/library/study/2014/erasmus-impact_en.pdf

⁷ http://ec.europa.eu/education/sites/education/files/monitor2016_en.pdf

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	10,4	11,0	10,4	11,7	11,9	12,1	12,4	80,0
Operational appropriations	1 525,0	1 574,1	1 699,2	2 026,9	2 222,8	2 515,2	2 831,9	14 395,1
Executive Agency	23,4	23,0	25,1	25,6	25,8	27,4	27,3	177,5
Total	1 558,8	1 608,1	1 734,7	2 064,2	2 260,5	2 554,7	2 871,6	14 652,6
<i>Erasmus+ - Contribution from external instruments - operational appropriations (Heading 4)*</i>	231,9	223,5	247,4	260,0	216,5	228,0	233,7	1 641,0
<i>Erasmus+ - Contribution from external instruments to Executive Agency (Heading 4)*</i>	6,0	5,5	5,4	5,9	5,5	5,4	5,2	38,8
Total contribution from external instruments (Heading 4)*	237,8	229,0	252,9	265,9	221,9	233,4	238,9	1 679,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 044,820	96,95 %	2 181,881	92,49 %	2 134,068	67,31 %	2 051,193	37,00 %
Authorised appropriation excluding external earmarked revenue	1 850,975	96,69 %	1 927,374	96,94 %	2 132,732	65,00 %	1 940,120	36,14 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Programme shall support only those actions and activities which present a potential European added value and contribute to the achievement of the general objective. The European added value of the actions and activities of the Programme shall be ensured in particular through their:

- transnational character, particularly with regard to mobility and cooperation aimed at achieving a sustainable systemic impact;
- complementarity and synergy with other programmes and policies at national, Union and international level;
- contribution to the effective use of Union transparency and recognition tools.

Contribution to Europe 2020 headline targets

The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
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Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	1 338,6	1 467,6
Inclusive Growth (employment and skills, fighting poverty)	568,8	681,3
Total	1 907,4	2 148,9

4. Performance information

General objectives

General Objective 1: The Programme shall contribute to the achievement of the objectives of the Europe 2020 strategy, including the headline education target; the objectives of the strategic framework for European cooperation in education and training ("ET 2020"), including the corresponding benchmarks; the sustainable development of partner countries in the field of higher education; the overall objectives of the renewed framework for European cooperation in the youth field (2010-2018); the objective of developing the European dimension in sport, in particular grassroots sport, in line with the Union work plan for sport; and the promotion of European values in accordance with Article 2 of the Treaty on European Union.

Indicator 1: % of 18-24 year-olds with only lower-secondary education who are not enrolled in education or training							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Latest known situation 11,9 % ⁸	11,7 %	11,4 %	10,8 % ⁹	10,6 %	10,4 %	10,2 %	10 %
	Actual results ¹⁰						
	11,2 %	11,0 % ¹¹					

Indicator 2: % 30-34 year-olds with completed tertiary or equivalent education							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Latest known situation 37,1% ¹²			39 % ¹³		39,5 %		At least 40 %
	Actual results						
	37,9 %	38,7 % ¹⁴					

Indicator 3: % of higher education graduates who have had a period of higher education-related study or training (including work placements) abroad							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2,9 % of EU graduates qualified in a country other than the country in which they achieved their upper secondary diploma (degree mobility only) ¹⁵				17 %			20 %
	Actual results						
		8 %					

Indicator 4: % of 18-34 year-olds with an initial vocational education and training qualification who have had an initial vocational education and training-related study or training period (including work placements) abroad							
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2-3 % ¹⁶				4 %			6 %
	Actual results						
	3,1 % ¹⁷						

Indicator 5: number of staff supported by the Programme, by country and by sector							
Baseline 2013 ^{18,19}	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
- higher education (HE):46 Number in 1 000	49		50				70
	Actual results ²⁰						
	42	45	47				
- vocational education and training (VET):9 Number in 1 000	23		11				15
	Actual results						
	20	16	18				
- Schools: 13 Number in 1 000	21		15				20
	Actual results						

⁸ In line with Eurostat latest data available: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_40&plugin=1

⁹ Eurostat estimates for 2016 based on the first 3 quarters of 2016

¹⁰ The results for 2016 will be available end April 2017.

¹¹ In line with Eurostat latest percentage available: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_40&plugin=1

¹² In line with Eurostat latest data available: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_41&plugin=1

¹³ Ib

¹⁴ Ib

¹⁵ The data collection is based on Commission Regulation 912/2013. The first full data transmission on learning mobility of tertiary graduates (degree and credit mobility) is scheduled under this Regulation for November 2017 (to be published spring 2018), referring to the academic year 2015/16. The partial estimate which is provided for 2013 will therefore be more complete for the academic year 2015/16. Graduates which are credit mobile during their studies include graduates who participated in the Erasmus+ EU programme. It is not possible to provide an estimation for 2014 at this stage and the 2017 mile stone depends on better availability of data world-wide as well.

¹⁶ Estimate on available data for annual participation in VET mobility under the Leonardo Da Vinci programme and from certain countries (SWD SEC (2011) 670 on the development of benchmarks on education and training for employability and on learning mobility).

¹⁷ Weighted average for 16 EU MSs where data are available through a Eurostat pilot collection (BE, BG, EE, ES, IT, LV, LT, HU, NL, AT, PL, PT, RO, SI, SK, SE). The final results can only be provided when all the projects have been finalised.

¹⁸ Reporting on the performance of the programme in a specific year (n) including detailed reports (breakdown) on the indicators annexed to the basic act will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website. Figures updated to EU 28.

¹⁹ Baselines are in line with the Strategic Plan 2016-2020

²⁰ Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing. The actual results are based on EU28.

	18	18	20				
- Adult: 2 Number in 1 000	6		3				5
	Actual results						
	5	4	4				
- youth: 16 Number in 1 000	21	21	22	23	24	25	26
	Actual results						
	33	32	29				

Indicator 6: number of participants with special needs or fewer opportunities

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Special needs (LLP) 8 Number in 1 000	15 ²¹			15			40
	Actual results ²²						
	9	10	11				
Fewer opportunities (Youth) 18,7 Number in 1 000	47			21,6			37
	Actual results						
	40	44	43				

Indicator 7: number and type of organisations and projects, by country and by action

Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Actions managed by National Agencies (in 1000) Projects: 11 / organisations: 32 Actions managed by EACEA (in 1000) Projects: 0,8 / organisations: 4	11-32						
	Actual results ²³						
	NAs: 18 / 67 EACEA: 0,7/2,2	NAs: 20/70 EACEA: 0,9/4					

Specific objectives

Specific Objective 1: to improve the level of key competences and skills, with particular regard to their relevance for the labour market and their contribution to a cohesive society, in particular through increased opportunities for learning mobility and through strengthened cooperation between the world of education and training and the world of work;

Indicator 1: % of participants declaring that they have increased their key competences

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
81 % ²⁴		83 %		85 %			88 %
	Actual results ²⁵						
	94,5 %						

Indicator 2: The number of pupils, students and trainees participating in the Programme, by country, sector, action and gender

Baseline ²⁶ 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
higher education (HE) : 260 (in 1000)	236 ²⁷	239	248	270	319	356	412
	Actual results ²⁸						
	233	239	256				
Vocational education and training (VET):41(in 1000) ²⁹	78	78	80	87	99	121	131
	Actual results ³⁰						
	90	96	103				

²¹ Figure in line with the Strategic Plan 2016-2020

²² The actual results are reported in EU 28 and currently exclude HE data which will only be known once all projects are finalised

²³ Number of participants in EU33

²⁴ According to the Erasmus impact study published in September 2014, "81% of Erasmus students perceive an improvement in their transversal skills when they come back".

²⁵ Result Indicator: the final results for 2014 and 2015 can only be provided when all the projects will be finalised

²⁶ Figures updated to EU 28..

²⁷ In line with the Strategic Plan 2016-2020.

²⁸ The actual results are reported in EU 28

²⁹ Milestones and targets are in line with the Strategic Plan 2016-2020

³⁰ The actual results are reported in EU 28

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Individual Mobility of Staff (HE – VET - Schools – Adult)	15 02 01 01	97 876	136,1
Students Mobility HE	15 02 01 01	280 781	674,0
Students Mobility VET	15 02 01 01	99 328	322,8
Erasmus Mundus Joint Masters	15 02 01 01	4600	100,0
Masters (Student loan guarantee facility)	15 02 01 01	19 426	50,0
Operating grants for National Agencies	15 02 01 01	55	73,9
Total			1 356,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Individual Mobility of Staff (HE,VET,Schools,Adult)	F	71 541	72 474	76 326	90 191	97 876	113 654	127 947
	P	85 945	84 724	88 970				
Students Mobility HE	F	223 857	224 286	236 207	239 142	280 781	309 060	356 074
	P	231 323	233 814	247 792				
Students Mobility VET	F	77 554	77 650	81 777	87 227	99 328	121 200	130 391
	P	89 826	95 665	102 909				
Erasmus Mundus Joint Masters	F	1 608	2 800	3 400	4 000	4 600	5 300	5 700
	P	1 786	1 968	1 326				
Masters (Student loan guarantee facility) ³¹	F	10 964	12 764	20 890	19 426	19 426	43 004	50 334
	P	0*	3 440	65 69				
Operating grants for National Agencies	F	55	55	55	55	55	55	55
	P	55	55	56				

*The Facility has been established as from 2015

Justification of changes to the financial programming and/or to the performance information

Given the delayed start-up of the E+ Student Loan Guarantee Facility, commitments are currently being kept at the same level. EAC is keeping the implementation of the scheme under constant review with EIF, including on the long-term disbursement schedule, and may adapt to its budgetary needs accordingly.

Specific Objective 2: to foster quality improvements, innovation excellence and internationalisation at the level of education and training institutions, in particular through enhanced transnational cooperation between education and training providers and other stakeholders;

Indicator 1: The number of users of Euroguidance

Baseline 2013 ³²	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2 921 925 hits on Euro guidance websites				5 million web visits			10 000 000
	Actual results ³³						
	3 561 668 visitors consulted the Euro guidance Centre's website	5 000 000 ³⁴					
11 411 participants in Euro guidance seminars/workshops	7 643 participants in events			10 000 participants in events			100 000
	Actual results ³⁵						
	31 832 participants in events	30 463					

³¹ Output measured in terms of volume of loans made available in any year of the scheme. As an innovative financial instrument, the Erasmus+ Master Loan scheme provides a partial guarantee of the loan portfolios of Financial Intermediaries, leveraging 6 times the value of the EU contribution as an investment in future mobility. Unlike other mobility parts of the Programme, the Erasmus+ Master Loan scheme does not directly finance mobilities in the year the budget is committed. The EU financing makes a certain number of loans available through financial intermediaries, however, both loans and mobilities may occur with some time-lag. This delay also operates in favour of the scheme, since financial intermediaries can sign up to the guarantee scheme until 2020, with the option to grant loans until 3 years thereafter

³² Based on 2013 final reports.

³³ The results for 2016 will be available mid-2017.

³⁴ According to Erasmus+ annual report 2015.

³⁵ The results for 2016 will be available mid-2017.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Strategic partnerships (School, HE, VET, Adult)	15 02 01 01	3 545	465,8
Knowledge alliances/Sector Skills Alliances	15 02 01 01	48	45,3
Web platforms	15 02 01 01	4	18,5
Total			529,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Strategic partnerships (School, HE, VET, Adult) ³⁶³⁷	F	1 739	1 780	1 863	3 026	3 545	3 916	4 515
	P	1474	1683	1486				
Knowledge alliances/Sector Skills Alliances ³⁸	F	13	20	42	48	48	42	28
	P	14	15	35				
Web platforms	F	4	4	4	4	4	4	4
	P	4	4	4				

Specific Objective 3: to promote the emergence and raise awareness of a European lifelong learning area designed to complement policy reforms at national level and to support the modernisation of education and training systems, in particular through enhanced policy cooperation, better use of Union transparency and recognition tools and the dissemination of good practices;

Indicator 1: % of participants who have received a certificate, diploma or other kind of formal recognition of their participation in the Programme

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
HE 100 %		100 %		100 %			100 %
	100 %						
VET 65 %		68 %		70 %			75 %
	77 %						

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Support for policy reform	15 02 01 01	N/A	68,7
Total			68,7

The overall responsibility for the programme lies with EAC. The Erasmus+ Programme as integrated programme, its efficient implementation requires a close cooperation between EAC and EMPL. This will aim to ensure that the programme delivers on all its objectives as foreseen by the regulation while reflecting the evolution of the policy context.

DG EMPL is responsible for the definition of priorities for the areas under its remit (vocational education and training, adult learning, skills and qualifications). EMPL will be in the lead as regards the design of those centralised actions which impact on these areas and will discuss with EAC proposed changes to the other actions.

Specific Objective 4: to enhance the international dimension of education and training, in particular through cooperation between Union and partner-country institutions in the field of VET and in higher education, by increasing the attractiveness of European higher education institutions and supporting the Union's external action, including its development objectives, through the promotion of mobility and cooperation between the Union and partner-country higher education institutions and targeted capacity-building in partner countries;

³⁶ 2014 and 2015 updated to be aligned with official figures published in the Erasmus+ Annual reports 2014 and 2015.

³⁷ The number of strategic partnerships is lower than foreseen because the average grant size is higher than foreseen. Measures are being taken to reduce the average grant size in coming years.

³⁸ The number of Knowledge Alliances/Sector Skills Alliances is lower than foreseen in 2015 and 2016 because the average grant size is higher than estimated

³⁹ Result indicator: the final results can only be provided when all the formal recognitions have been delivered (year N=3).

⁴⁰ Result indicator: the final results can only be provided when all the formal recognitions have been delivered (year N=3).

Indicator 1: The number of partner country higher education institutions involved in mobility and cooperation actions							
Baseline 2013	Milestones foreseen						Target 2020
	2014 ⁴¹	2015	2016	2017	2018	2019	
1 000 ⁴²	0	1000	1 100		1 200		1 300
	Actual results						
	EM = 1 HEIs = 0	EM = 7 HEIs = 517	956				

Indicator 2: The number of higher education students receiving support to study in a partner country, as well as the number of students from a partner country coming to study in a Programme country

Baseline 2013	Milestones foreseen						Target 2020
	2014 ⁴³	2015	2016	2017	2018	2019	
HE students and staff going to a partner country (in 1 000)	0	3,8	4	4,3	3,6	3	3,9
	Actual results						
	0	5,8	4,3				
HE students and staff coming from a partner country (in 1 000)	0	15	16	17	14	15	15
	Actual results						
	0	22,8	13,1				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
International Student and Staff Mobility	Heading 4 ⁴⁴	30 000	95,3
Degree Mobility	Heading 4 ⁴⁵	228	20,9
International HE Capacity Building	Heading 4 ⁴⁶	136	100,3
Total			216,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014*	2015	2016	2017	2018	2019	2020
International Student and Staff Mobility (credit mobility)	F	14 363	15 718	17 906	30 000 ⁴⁷	30 000 ⁴⁸	30 000 ⁴⁹	30 000 ⁵⁰
	P	0	0 ⁵¹	16084				
Degree mobility	F	228	228	280	279	228	238	243
	P	0	518	423				
International HE Capacity Building	F	135	139	159	168	136	143	146
	P	0	138	147				

* Implementation of the actions delayed for the subsequent year due to the late adoption of the legal basis of the external instruments.

Specific Objective 5: to improve the teaching and learning of languages and to promote the Union's broad linguistic diversity and intercultural awareness;

⁴¹ International actions were only launched at the end of 2014.

⁴² These figures come from the numbers of non EU HEIs having participated in Erasmus Mundus (EM) and Tempus from 2009 to 2013.

⁴³ International actions were only launched at the end of 2014

⁴⁴ Contribution to Erasmus+ coming from the external instruments under heading 4, budget lines 19 05 20; 21 02 20; 22 04 20; 22 02 04 02.

⁴⁵ Contribution to Erasmus+ coming from the external instruments under heading 4, budget lines 19 05 20; 21 02 20; 22 04 20.

⁴⁶ Contribution to Erasmus+ coming from the external instruments under heading 4, budget lines 19 05 20; 21 02 20; 22 04 20; 22 02 04 02.

⁴⁷ The original annual forecasts were low at around 16,000 individuals per year. The contracts signed in the second semester 2015 indicated a much higher number of individuals who would be supported with the funds available. Each of the contracts awarded are 26 months long, and the mobility activities are spread over 4 academic semesters, with the majority of the participants mobile in year n+1, and the first semester of year n+2. Hence, the produced numbers for 2016, relating to the signed 2015 contracts are still low (~16,000) but from 2017 onwards, participants from 2 overlapping call years (2015 and 2016 contracts, active in 2017) will undertake mobility. Consequently, 30,000 mobilities per year on average are expected.

⁴⁸ Ib.

⁴⁹ Ib.

⁵⁰ Ib.

⁵¹ The 2015 result has been changed due to a misunderstanding between F and P. The (P)roduced figures was understood as the number of mobile individuals to be funded in contracts signed from the 2015 calls.

Indicator 1: % of participants in long-term mobility declaring that they have increased their language skills							
Baseline 2010 ⁵²	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
HE: 94 %		95 %		96 %			98 %
	Actual results ⁵³						
	97,3 %						
VET: 81 %				87 %			90 %
	Actual results ⁵⁴						
	97,1 %						

Specific Objective 6: to promote excellence in teaching and research activities in European integration through the Jean Monnet activities worldwide

Indicator 1: Number of students receiving training through Jean Monnet activities							
Baseline 2007	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
120 000	215 000	235 000	260 000	285 000	310 000	335 000	360 000
	Actual results						
	246 000	225 000	286 000				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Jean Monnet activities	15 02 02	310	42,0
Total			42,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Jean Monnet activities (in 1000)	F	215	235	260	285	310	335	360
	P	246	260	286				

Specific Objective 7: to improve the level of key competences and skills of young people, including those with fewer opportunities, as well as to promote participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity, in particular through increased learning mobility opportunities for young people, those active in youth work or youth organisations and youth leaders, and through strengthened links between the youth field and the labour market;

Indicator 1: % of participants declaring that they have increased their key competences							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Youth 75 %			77 %				80 %
	Actual results ⁵⁵						
	94 %						

Indicator 2: % of participants in voluntary activities declaring that they have increased their language skills							
Baseline 2010 ⁵⁶	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
87 %		90 %		92 %			95 %
	Actual results ⁵⁷						
	97 %						

⁵² In order to compare data, "long-term" mobility is considered here as from 2 months and over across all sectors.

⁵³ Result indicator: the final figures can only be provided when all the declaration have been received (year N=3).

⁵⁴ Result indicator: the final figures can only be provided when all the declaration have been received (year N=3).

⁵⁵ Result indicator: the final results can only be provided when all the declaration will be received (year N=3).

⁵⁶ In order to compare data, "long-term" mobility is considered here as from 2 months and over across all sectors.

⁵⁷ Result indicator: the final results can only be provided when all the declaration will be received (year N=3).

Indicator 3: The number of young people engaged in mobility actions supported by the Programme, by country, action and gender

Baseline 2012 ^{58,59}	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Youth: 59 (in 1000)	69 ⁶⁰	70	70	77	92	107	124
	Actual results ⁶¹						
	95	92	102				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Participants in Youth Exchanges	15 02 01 02	80 900	53,4
Participants in European Voluntary Service projects	15 02 01 02	4 500	31,5
Youth workers participating	15 02 01 02	23 800	17,6
Total		109 200	102,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Participants in Youth Exchanges	F	62 400	62 700	62 800	67 900	80 900	94 300	108 700
	P	75 480	77 174	92090				
Participants in European Voluntary Service projects	F	7 100	7 200	7 200	12000	4500	5200	6000
	P	6856	7 934	9586				
Youth workers participating	F	21 000	21 300	21 600	22 700	23 800	25 000	26 300
	P	32 841	31185	28597				

Specific Objective 8: to foster quality improvements in youth work, in particular through enhanced cooperation between organisations in the youth field and/or other stakeholders;

Indicator 1: The number of users of the Eurodesk network

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015 ⁶²	2016	2017	2018	2019	
140 000 information enquiries answered through the Euro desk network	140 000	140 000	140 000	140 000	140 000	140 000	140 000
	Actual results						
	258 500 ⁶³	266 000	338 381 ⁶⁴				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Strategic partnerships	15 02 01 02	2 280	48,8
Web Platforms	15 02 01 02	1	0,6
Total			49,4

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Strategic partnerships ⁶⁵	F	1 160	1 420	1 800	2 040	2 280	2 530	2 760
	P	1 500	1 700	1500				
Web Platforms	F	1	1	1	1	1	1	1
	P	1	1	1				

⁵⁸ Total of outputs for two actions: Youth exchanges and European Voluntary Service.

⁵⁹ Reporting on the performance of the programme in a specific year (n) including detailed reports (breakdown) on the indicators annexed to the basic act will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website.

⁶⁰ In line with the Strategic Plan 2016-2020.

⁶¹ Figures correspond to EU 28 actuals results – participants in awarded projects.

⁶² The 2015 results will be available mid-2016

⁶³ In line with the Erasmus+ Annual Report 2014

⁶⁴ This figure has significantly increased because of the European Solidarity Corps kick off which generated a lot of interest and enquiries across the network.

⁶⁵ Including Trans-National Cooperation activities.

Specific Objective 9: to complement policy reforms at local, regional and national level and to support the development of knowledge and evidence-based youth policy as well as the recognition of non-formal and informal learning, in particular through enhanced policy cooperation, better use of Union transparency and recognition tools and the dissemination of good practices;

Indicator 1: % of participants who have received a certificate 'for example a Youthpass', diploma or other kind of formal recognition of their participation in the Programme

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
26 %		35 %		45 %			65 %
	Actual results ⁶⁶						
	78 %						

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Structured Dialogue projects	15 02 01 02	163	5,7
Operating grants to European Youth NGOs	15 02 01 02	72	3,1
Support to Euro desk	15 02 01 02	35	1,9
European Youth Forum	15 02 01 02	1	2,1
Others	15 02 01 02	20	6,5
Total			19,3

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Structured Dialogue projects ⁶⁷	F	150	153	157	160	163	166	169
	P	166	220	234				
Operating grants to European Youth NGOs	F	66	68	69	71	72	73	75
	P	60	70	77				
Support to Euro desk	F	35	35	35	35	35	35	35
	P	35	35	35				
European Youth Forum	F	1	1	1	1	1	1	1
	P	1	1	1				
Others	F	20	20	20	20	20	20	20
	P	20	20	20				

Specific Objective 10: to enhance the international dimension of youth activities and the role of youth workers and organisations as support structures for young people in complementarity with the Union's external action, in particular through the promotion of mobility and cooperation between the Union and partner-country stakeholders and international organisations and through targeted capacity-building in partner countries.

Indicator 1: The number of youth organisations from both Programme countries and partner countries involved in international mobility and cooperation actions

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
5 300	5 500		5 600		5 800		6 000
	Actual results						
	7 700 ⁶⁸	6 200 ⁶⁹	6 300				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Capacity building projects	15 02 01 02	70	11,5
Total		70	11,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Capacity building projects	F	82	95	103	65	70	75	80
	P	60	61	60				

⁶⁶ Result indicator: the final results can only be provided when all the certificates will be received.

⁶⁷ 2014 and 2015 figures adapted (awarded level).

⁶⁸ The indicator's definition has been refined which explains the updated figures for 2014 and 2015

⁶⁹ lb.

Justification of changes to the financial programming and/or to the performance information

The number of capacity building projects has been modified as the average grant size is higher than initially foreseen

Specific Objective 11: to tackle cross-border threats to the integrity of sport, such as doping, match-fixing and violence, as well as all kinds of intolerance and discrimination;

Indicator 1: % of participants who have used the results of cross-border projects to combat threats to sport

Baseline 2009-2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 % (new EU action, no baseline available) ⁷⁰	6,6 %			50 %			75 %
	Actual results ⁷¹						

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Sport activities - cross-border projects to combat threats to sport	15 02 03	42	4,3
Total		42	4,3

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Sport activities - cross-border projects to combat threats to sport	F	8	8	12	40	42	44	46
	P	6	6	13				

Justification of changes to the financial programming and/or to the performance information

The indicators for Sport aim at measuring the improvement that the Erasmus+ programme brings in reaching relevant organisations, compared to the Preparatory Actions in the field of Sport (2009-2013). The baselines are therefore being computed from the Preparatory Actions in the field of sport. The thematic areas in the Preparatory Actions were different each year, but correspond for the whole period 2009-2013 to the specific objectives for Sport in Erasmus+.

Specific Objective 12: to promote and support good governance in sport and dual careers of athletes;

Indicator 1: % of participants who have used the results of cross-border projects to improve good governance and dual careers

Baseline 2009-2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 % (new EU action, no baseline available) ⁷²	9 %			50 %			75 %
	Actual results ⁷³						

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Sport activities - cross-border projects to improve good governance and dual careers	15 0203	40	8,6
Total		40	8,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Sport activities - cross-border projects to improve good governance and dual careers	F	14	16	23	39	40	42	50
	P	4	12	5				

Specific Objective 13: to promote voluntary activities in sport, together with social inclusion, equal opportunities and awareness of the importance of health-enhancing physical activity through increased participation in, and equal access to, sport for all.

⁷⁰ In line with the Strategic Plan 2016-2020.

⁷¹ Result indicator: the final results can only be provided when all the projects will be finalised.

⁷² In line with the Strategic Plan 2016-2020.

⁷³ Result indicator: the final results can only be provided when all the projects will be finalised.

Indicator 1: % of participants who have used the results of cross-border projects to enhance social inclusion, equal opportunities and participation rates

Baseline 2009-2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 % (new EU action, no baseline available) ⁷⁴				50 %			75 %
	Actual results ⁷⁵						

Indicator 2: Size of membership of sport organisations applying for, and taking part in, the Programme, by country

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 % (new EU action, no baseline available)				30 %			50 %
	Actual results ⁷⁶						

* Size of membership of sport organisations (% of small grassroots less than 1 000 members in the projects)

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Sport activities - cross-border projects to enhance social inclusion	15 02 03	175	30,1
Total		175	30,1

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Sport activities - cross-border projects to enhance social inclusion	F	21	24	35	168	175	185	200
	P	26	30	117				

Justification of changes to the financial programming and/or to the performance information

The difference between the estimated and actual number of outputs was a result of the introduction of a new category of grants: small collaborative partnerships, with the grants up to 60 000 EUR. This will be repeated also in the years to come, as small collaborative partnership will remain a part of Erasmus+ Sport.

5. Programme contribution to the Sustainable Development Goals

In the field of education, the Erasmus+ programme principally contributes to the SGD nr.4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all. The Erasmus+ programme also contributes concretely to SDGs nr.1, 3, 5, 8, 10, 16.

Within the EU, the Strategic Framework for European Cooperation in Education and Training (ET 2020) is designed to support Member States in addressing common education and training challenges through joint analysis, mutual learning based on exchanges of information and experience, peer counselling and dissemination of good practices. Much like Sustainable Development Goal 4 (SDG4), this cooperation is underpinned by the lifelong learning perspective and covers learning at all levels: from early childhood education and schools through to higher education, vocational education and training and adult learning. The new ET 2020 priorities, adopted by Council and Commission in November 2015, focus in particular on relevant and high-quality knowledge, skills and competences developed through-out lifelong learning for employability, innovation, active citizenship and well-being as well as on inclusive education, equality, equity, non-discrimination and the promotion of civic competences. As such the new ET 2020 priorities largely overlap with the SDG4 targets. These new ET 2020 priorities have also had a direct influence on the Erasmus+ Work Programmes. Erasmus + provides funding to support initiatives that are priority for achieving the SDGs such as social inclusion through education and training, addressing early school-leaving and underachievement in reading, maths and science; fostering employability of graduates and adult participation in learning, and enhancing democratic citizenship, social, civic and intercultural competences and the common EU values.

On the international scene, the EU has an active policy for cooperation in education (higher education in particular) and training with third countries aiming to enhance the quality of education and training in the EU and beyond by promoting peer-to-peer learning and comparison with education systems worldwide. The EU's Erasmus+ mobility and inter-university cooperation programme is an invaluable instrument for establishing lasting academic and cultural ties, which also promote the EU in partner countries. Overall Erasmus+ funding for developing regions will support around 150 000 mobility exchanges of university students and staff, 1 000 capacity building in higher education projects and around 27 000 scholarships for Erasmus Mundus Joint Master Degrees, primarily for partner countries across the world.

⁷⁴ In line with the Strategic Plan 2016-2020.

⁷⁵ Result indicator: the final results can only be provided when all the projects will be finalised.

⁷⁶ Result indicator: the final results can only be provided when all the projects will be finalised.

Support is also provided to higher education in Africa through the Joint Africa-EU Strategy, notably contributing to the harmonisation and enhancement of higher education on the continent with a view to increasing the relevance of degree programmes in relation to labour market needs, increased skills of graduates and a harmonised quality and accreditation framework and continental level which will facilitate mobility within Africa and with Europe and increase the global competitiveness of African higher education. The implementation of the policy work carried out in the framework of the Joint Africa-EU Strategy is being complemented by individual projects and partnerships under the Erasmus+ programme.

Through its different actions, including the Youth Capacity Building action, Youth exchanges and the European Voluntary Service, Erasmus+ is also contributing, both within the EU and with its partner countries in the world, to:

1. End poverty in all its forms everywhere

Through its activities to achieve social inclusion through education, Erasmus+ contributes to achieving Goal 1 of the SDGs, in particular its target of reducing at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

3. Ensure healthy lives and promote well-being for all at all ages

Through its education and training and sport activities, Erasmus+ promotes healthy habits and well-being, particularly among the youth, hence contributing to SDG 3, notably to its target on reducing by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

5. Achieve gender equality and empower all women and girls

The Erasmus+ Programme aims at removing social obstacles for participation in it for people facing discrimination because of gender, among other reasons. Strategic partnerships in the field of Youth give priority to projects that promote the empowerment of all young people, with a special focus on access to rights, autonomy and participation.

8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

All the actions of the Erasmus+ Programme contribute to increase the employability of the young people that participate in it, as shown by several studies. This is achieved through a combination of several outcomes, e.g. the acquisition of new skills, increased autonomy, increased knowledge of foreign languages, etc. The emphasis on inclusion aims to ensure that all can reap these benefits irrespective of disadvantage.

10. Reduce inequality within and among countries

In general, the Erasmus+ Programme aims at promoting equity and inclusion by facilitating access to it to participants with disadvantaged backgrounds and fewer opportunities compared to their peers. More specifically in the field of Youth, an Inclusion and Diversity Strategy has been designed as a common framework to support the participation and inclusion of young people with fewer opportunities.

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

One of the aims as regards students, trainees, apprentices, young people and volunteers participating in any of the mobility activities supported under Erasmus+ is a more active participation in society.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

Under Specific Objective 1 (To improve the level of key competences and skills, with particular regard to their relevance for the labour market and their contribution to a cohesive society, in particular through increased opportunities for learning mobility and through strengthened cooperation between the world of education and training and the world of work", the objective of the Erasmus+ Master Loan Scheme (a guarantee facility established under the Erasmus+ programme) is to incentivise commercial/retail banks, promotional banks, student loan bodies and other financial intermediaries (such as higher education institutions) to extend loans on favourable terms to mobile students pursuing a full higher education degree (Masters' programme) in a country which is neither their country of residence nor the country in which they obtained their qualification granting access to the Master's programme; the incentive is provided through effective portfolio credit risk transfer (via a guarantee or a counter-guarantee) by the EIF on behalf of the Commission (through a delegation agreement).

III. Performance of the Predecessor programme

Please refer to the programme Statements of the 2017 draft budget

HEADING 1A: Competitiveness for growth and jobs**European Union Programme for Employment and Social Innovation (EaSI)**

Lead DG: EMPL

I. Programme update**Implementation status (2014-2016)**

The activities planned for 2014, 2015 and 2016 are presented in the EaSI Work Programme 2014¹, the EaSI Work Programme 2015² and the EaSI Work Programme 2016³.

The majority of activities foreseen in the years of 2014-2016 for PROGRESS and EURES axes, more specifically calls for proposals and calls for tender, were or are being implemented. In the end of 2016, the EaSI work Programme 2016 was adjusted to cancel some and propose new activities, as well as to amend the call for proposals on social innovation to target exclusively asylum seekers, refugees and their family members.

In 2016 the PROGRESS axis concentrated on gathering evidence through studies, analysis and EU statistics to shape policy developments. It also fostered shared understanding of policy options and solutions by providing for high quality, inclusive, and participatory policy debates. It also promoted the involvement of civil society through financial support for key Union level NGOs and implementation of the Social Investment Package.

The EURES axis continued its support of the European job mobility portal, training courses on EURES services, as well as horizontal support to the member organisations of the EURES network. It also financed cross-border partnerships supporting mobility for frontier workers in the cross-border regions along with targeted mobility schemes, following the preparatory action "Your First EURES job".

Concerning the MF/SE axis, after the signature of the Delegation Agreement with the EIF in 2015, the implementation of the EaSI Guarantee continued in 2016. By the end of 2016, 40 operations (33 for Microfinance and 7 for Social Entrepreneurship) have already been signed in 20 countries for a total amount of EUR 59.34m, (50.28m for Microfinance and 9.06m for Social Entrepreneurship) representing more than half of the available budget of EUR 96m earmarked for this instrument over 2014-2020. In turn, these signed transactions alone are expected to unlock more than EUR 748m of financing for micro-and social enterprises thanks to a leverage effect, already surpassing the initial target of EUR 528m for the whole period.

In 2016, an additional window for capacity building investments was added to the Delegation Agreement with a financial envelope of € 16m, aiming at building up the institutional capacity (i.e. modernisation) of selected financial intermediaries in Europe for both microfinance and social entrepreneurship, primarily through equity investments. Furthermore, a Call for Expression of Interest was launched on 14 October 2016 regarding social business angels co-investment facility under the EFSI SME Window Equity Product.

In addition, an EaSI contribution of EUR 6.5 million that matched by an equivalent amount from Horizon 2020 InnovFin was made available as first loss piece in the framework of EFSI equity instruments with the objectives to leverage EUR 24 million of investments in Business Angels funds or alongside Business Angels to increase access to equity for social enterprises.

Key achievements

The 2nd EaSI Performance Monitoring Report covering the years of 2015 and 2016 will be available in May-June 2017 and the 1st one covering 2014 was issued in August 2015⁴. A complete review of all Key Performance Indicators (KPI) of the EaSI programme was carried out in the end of 2016, as well as the comparison of values of KPIs estimated in August 2015 (first EaSI monitoring report) with the values estimated at the beginning of the programme (2014) to be able to make first generalisations whether the programme is on track.

Some of the trends suggested by the monitoring information are the following:

- EaSI-funded analytical outputs regularly contributed to the most relevant policy initiatives in the area of employment and social affairs;
- the share of stakeholders stating that the EU/Commission is a source of useful and reliable information/knowledge remained high;
- the appreciation of EaSI-funded events remained very high among the participants;

¹ C(2014)1429 of 12 March 2014.

² C(2015)2809 of 30 April 2015.

³ C(2016)844 of 16 February 2016.

⁴ <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7824&type=2&furtherPubs=yes>.

- in the area of mainstreaming horizontal issues, gender equality and non-discrimination remained among the best mainstreamed horizontal issues. The Commission was also successful in increasing the attention in its policies to vulnerable groups, such as young people. The results of the EaSI survey clearly show that the stakeholders noted the importance and coverage of this issue. However, only 46% of the Stakeholder Survey participants said that in its policies the Commission is duly taking into account disability and accessibility matters.

Example of a project financed by EaSI- PROGRESS axis:

INSPIRE - Innovative Services for fragile People in Rome (VP/2014/008, grant identification number: VS/2015/0210) is an ongoing social innovation project responding to specific needs of Roma Capitale's vulnerable people, and defining new and more effective social innovation routes. The project supports a reorganization of the delivery of social services, by making them more efficient and reducing administrative burdens, contemporarily activating local private social resources in integrated and functional ways. The project, complying with the Roma Capitale's current needs, has been launching system actions that test innovative services to be integrated in the home offer, besides collecting evidence-based data in order to support the vulnerability care services' reform.

EURES axis:

YOUR FIRST EURES JOB (YFEJ) is an intra-EU job mobility scheme which aims to help young nationals in the 18–35 age bracket of any of the EU countries, Iceland and Norway to find a work placement - job, traineeship or apprenticeship - in another country than their country of residence. YFEJ is being implemented in the framework of EaSI as a 'targeted mobility scheme' (TMS).

Since the start date of the YFEJ activities in February 2015, in total 1,469 placements were made which corresponds to 46.3% of the combined target for the three targeted mobility projects which run until June 2016.

Regarding placement effectiveness, since February 2015, the majority of job-finders (65.4%) were placed within three months of registering for YFEJ. Nearly all filled vacancies (1,452 out of 1,469) were regular work placements (99%), with only one apprenticeship and 16 traineeships. Overall, 45% of job-finders had an open ended contract, while 34% had a contract with a 6-month duration.

Example of a project financed by EaSI-EURES:

EaSI-EURES Grande Region 2015 (VP/2014/011, Grant identification number: VS/2015/0101) is a joint effort of Franco-German-Belgian-Luxembourgish Public Employment Services (PES), employers, trade unions and regional political authorities, catering to jobseekers, employers and individuals living in the Greater Region (area between Rhin, Moselle, Sarre and Meuse, totalling 65 401 km²) and working across the border from their country. The project aimed to respond to the needs of cross-border inhabitants, the business community and public service providers and authorities by providing a range of innovative services thus ensuring transparency of the cross-border employment market and increasingly integrated intermediation between supply and demand of labour in the region.

Microfinance and social entrepreneurship axis:

EaSI financial instruments, in particular the Guarantee part of the scheme has started successfully in 2015 and continued in 2016. More specifically, the latest figures regarding transactions notified by EIF as at 30/09/2016 suggest an expected leverage effect of EU contribution within the range of 5.8-30.5 with an estimated average value of 12.6. This leverage effect is more than twice the Minimum Leverage Effect set in the Delegation Agreement (5.5) and suggests important gains in terms of effectiveness (improved results compared to initially foreseen) and in terms of efficiency gains (higher leverage effect and more efficient use of EU contribution).

Evaluations/studies conducted

The EaSI mid-term evaluation draft report is foreseen in August 2017 and the final evaluation report in November 2017. The public consultation in the frame of the mid-term evaluation of the programme was closed on 25 January 2017. The results will be available in March 2017.

The mid-term evaluation of Progress Microfinance Facility (2010-2016)⁵ was targeted at assessing the implementation, effectiveness, impact, complementarity, efficiency and sustainability of the results achieved until June 2013. All relevant information was included in the DB 2017. After the mid-term evaluation of Progress Microfinance Facility, there were no other evaluations/ studies conducted.

The next significant report will be the 2nd EaSI Performance monitoring report covering the years 2015-2016⁶ (available in May-June 2017). The Report will be structured around the specific objectives, which will be translated into immediate outcomes. Furthermore, with the guidance of the developed logical framework and the defined performance indicators, the report will provide a synthesis of the contribution of each axis to the general objectives (intermediate outcomes) of the programme. In addition, twice a year, reports on projects and organisations funded by the EaSI programme are prepared. The last volume of the report is available online: <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7727&type=2&furtherPubs=related>

⁵ <http://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=Progress+Microfinance+Facility&mode=advancedSubmit&langId=en&policyArea=&type=0&country=0&year=0>

⁶ In line with the EaSI regulation, the Commission shall draw up an initial qualitative and quantitative monitoring report covering the first year, followed by three reports covering consecutive two-year periods and shall send those reports to the European Parliament and the Council.

Four other volumes of the reports are also available online:

<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7885&type=2&furtherPubs=yes>

Forthcoming implementation (2017-2018)

The overview of the planned activities for 2017 is available in the EaSI Work Programme 2017⁷.

In 2017 within the PROGRESS axis a particular attention is placed on the call for proposals on social innovation: "Fast track integration into the labour market for third country nationals"⁸ – targeting exclusively asylum seekers, refugees and their family members. This call aims at funding projects to test and implement innovative policy schemes and delivery mechanisms that will ensure and facilitate a swift labour market integration of asylum seekers, refugees, and their family members. This action will be complemented by a pilot on business development services for refugees, including finance mentoring, with the view to improve the survival rate of micro-loans to refugees.

Under the thematic priority of social experimentation, a new action in the form of a call for proposals will be supported jointly by the Eures and Progress axis in 2017. This cross-axis action will be introduced for the first time in the EaSI programme capitalising on the overall philosophy of the programme to support innovative policy approaches. The action aims at contributing to the first stage of the European Solidarity Corps announced in the 2016 State of the Union speech by President Juncker. The initiative builds on the principle that young Europeans need greater opportunities to express their solidarity, which is a value strongly held throughout European society.

The EaSI EURES axis will support the implementation of EURES Regulation 2016/589, which entered into force in May 2016 with the aim to create a stronger network of European employment services at EU level. Actions will include the development of the EU EURES Portal and cross-border activities as well as targeted EU schemes for intra-EU labour mobility with dedicated services and compensation of travel, linguistic and integration costs. The PROGRESS axis will support to the enforcement of Directives 96/71 and 2014/67 on posting of workers and the European Platform to enhance cooperation in tackling undeclared work, established in 2016.

Concerning the MF/SE axis of EaSI, for the 2017/2018 period, the EaSI capacity-building instrument launched in December 2016 will be implemented. The EaSI funded instruments are expected to be finalized by Q2 2017. During the same period the social incubation facility, as well as the business angel facility under the EFSI SME Window Equity Product will be also implemented.

Regarding the activities planned for 2018, a discussion with the EaSI Committee members has started in the beginning of 2017.

The EaSI-financed activities in 2018 will, in principle, underpin the following overall political priorities:

- Investing in supportive conditions for greater labour market participation, more quality jobs and effective training and upskilling
- Putting in place adequate structures for dealing with influx of migrants including refugees beyond the immediate short-term needs
- Continue to fight youth unemployment
- Redesign of social protection systems to improve the promotion of labour market participation and proceed adequate employment security
- Tax and benefits schemes should provide adequate support and work incentives
- Better reflection of growing life expectancy in national pension systems
- Gender mainstreaming.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion	2014 - 2020	919,5

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	3,8	4,3	4,7	4,0	3,4	3,4	3,4	27,0
Operational appropriations	119,2	124,3	122,4	132,0	128,3	132,7	136,5	895,4
Total	123,0	128,6	127,1	136,0	131,7	136,1	139,9	922,4

⁷ EaSI : C(2016)7874 adoptée par la Commission le 8/12/2016

⁸ Please note that the call was included in the EaSI WP 2016, but the deadline for the submission of applications is 30 March 2017.

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	131,640	95,75 %	129,950	95,14 %	138,309	13,35 %	95,212	16,28 %
Authorised appropriation excluding external earmarked revenue	127,447	96,88 %	126,683	95,57 %	136,259	14,11 %	93,162	14,70 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU Programme for employment and social innovation (EaSI) provides EU funds to coordinate the implementation of the employment and social objectives of the Europe 2020 Strategy for smart, sustainable and inclusive growth.

EaSI creates added value to national policies by developing, coordinating and implementing modern, effective and innovative EU employment and social policies.

It focuses on key actions with high European added value such as:

- supporting the EU policy-making process and stronger EU policy-coordination/economic governance such as in the context of the European Semester;
- focusing on the transnational dimension of employment, social, working conditions and health and safety at work policy;
- ensuring development and proper application of EU laws in the field of employment, working conditions, health and safety at work and social protection;
- promoting EU governance, mutual learning to consolidate cooperation between Member States and achieve EU goals;
- making the knowledge and expertise accessible at EU level through policy experimentation and transferring the best practices across Member States;
- promoting workers' EU geographical mobility by developing services for the recruitment and placing of workers (in particular young people and professionals) in employment through the clearance at European level of vacancies and job applications;
- increasing the availability and accessibility of microfinance, as additional funding is more likely to be attracted from third-party investors such as the European Investment Bank.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	19,9	21,5
Inclusive Growth (employment and skills, fighting poverty)	92,4	85,5
Total	112,3	107,0

Smart Growth: 12% of 04 03 02 01 + 51,36% of 04 03 02 02

Inclusive Growth: 71,6% of 04 03 02 01 + 16,28% of 04 03 02 02 + 96,72% of 04 03 02 03

Gender mainstreaming

The EaSI programme aims to promote equality between women and men as part of the horizontal principles of the programme. In designing, implementing and reporting on the activities, beneficiaries/contractors must address this issue and provide detail in the final activity report on the steps and achievements made towards this goal. For instance, the terms of reference should describe how those issues should be considered in the objectives and how to include them in the tasks to be performed. Consequently, the contractor or a beneficiary is required to report on the horizontal issues in their final implementation report once the activity is over.

With regard to the Progress axis of EaSI, beneficiaries are required to indicate the gender of participants when submitting the lists of participants in events as well as in the general stakeholder survey.

Concerning the EURES indicators, the Commission has launched a review of the performance measurement system for EURES in line with the new EURES Regulation (2016/589, in force since 12 May 2016). The purpose of the review is to improve the reporting system for EURES. The review will also cover gender-disaggregated reporting. More information should be available in 2017 and the new monitoring system will be applicable to the successor of EaSI.

Regarding the indicators for Microfinance and Social Entrepreneurship Axis, sex-disaggregated data are received and will be reported on in the next performance monitoring report 2015-2016.

The gender dimension is specifically monitored through some of the key performance indicators (KPI): KPI 29 "Integration of horizontal issues in the overall policy debate" and KPI 30 "Extent to which horizontal issues were taken into account in EaSI-funded events". Both KPIs are assessed on the basis of survey results. Gender equality is however a transversal objective of the programme and it is therefore not relevant to produce estimate of budget contributions.

4. Performance information

General objectives

Specific objectives

Specific Objective 1: Support the development, implementation, monitoring and evaluation of the Union's instruments, policies (promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions*) and relevant law and promote evidence-based policy-making, social innovation and social progress, in partnership with the social partners, civil society organisations and public and private bodies (PROGRESS Axis)

Indicator 1: Declared gain of better understanding of EU policies and legislation

Latest-known result	Milestones foreseen					Target 2020
	2014	2015-2016	2017	2018	2019	
92% of the respondents to the 2013 Annual Survey on PROGRESS ⁹ Source to be used: EaSI survey – every 2 years			> 85%			Maintain results over 85%
	Actual results					
	91%	87%				

*The policy field « Working conditions » does cover both areas of « labour law » and « safety and health at work »

Indicator 2: Active collaboration and partnership between government institutions of the EU and Member States

Latest-known result	Milestones foreseen					Target 2020
	2014	2015-2016	2017	2018	2019	
91% of respondents to the 2013 annual survey on PROGRESS ¹⁰ Source to be used: EaSI survey – every 2 years			> 85%			Maintain results over 85%
	Actual results					
	86%	88.2%				

Indicator 3: Declared use of social policy innovation in the implementation of social CSRs and the results of social policy experimentation for policy making

Baseline	Milestones foreseen					Target 2020
	2014	2015-2016	2017	2018	2019	
62% of respondents (2014 survey) Source to be used: EaSI survey – every 2 years			64%			> 66%
	Actual results					
	62%	49.2%				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
PROGRESS Sub-objective no1: Develop and disseminate high-quality comparative analytical knowledge in order to ensure that Union employment and social policy and working conditions ¹¹ legislation are based on sound evidence and are relevant to needs, challenges and conditions in the individual Member States and other participating countries			
Analytical activities (eg. knowledge data base, EUROMOD, policy & legal experts' network, studies, skills panorama joint analysis with international organisations, preparatory studies for impact assessment, monitoring of policies and laws)	04 03 02 01	30	18 154
PROGRESS Sub-objective no 2: Facilitate effective and inclusive information-sharing, mutual learning and dialogue on Union employment and			

⁹ Question: Would you agree or disagree (scale 1 to 5 or NA) that the event you participated in helped you gain a better understanding of EU policies and objectives in the field that the event specifically addressed

¹⁰ Question: Would you agree (scale 1 to 5 or NA) that there is a sense of collaboration and partnership between your organisation and the EU institutions?

¹¹ The policy field « Working conditions » does cover both areas of « labour law » and « safety and health at work ».

social policy and working conditions ¹² legislation at Union, national and international level in order to assist the Member States and the other participating countries in developing their policies and in implementing Union law			
Mutual learning, awareness and dissemination activities (eg. PES to PES dialogue, peer review, mutual learning seminars, joint projects with OECD, ILO, World Bank, international conferences, European level events, Presidency Conferences, Observatory on Personal and Household services)	04 03 02 01	35	20 561
Support for main actors (eg. exchange of Inspectors SLIC, visits, reports, European Employment Observatory, Heads of Public Employment Services Network, meetings)	04 03 02 01	5	3 987
PROGRESS Sub-objective no 3: Provide policy-makers with financial support to test social and labour market policy reforms, build up the main actors' capacity to design and implement social experimentation, and make the relevant knowledge and expertise accessible			
Analytical activities (eg. Financial support for social experimentation projects)	04 03 02 01	4	10 185
Support for main actors (eg. Research, methodological development analysis, training activities including through experts networks, community of practice, digital platforms)	04 03 02 01	5	3 387
PROGRESS Sub-objective no 4: Provide Union and national organisations with financial support to step up their capacity to develop, promote and support ¹³ the implementation of Union employment and social policy and working conditions legislation			
Support for main actors (eg. running costs of EU NGO's networks, transnational cooperation between public authorities, civil society organisations and other relevant actors, technical assistance to microcredit providers)	04 03 02 01	10	23 382
Total			79 657

Outputs *Note: output numbers for the DB year and beyond reflect the legal basis programmed over 7 years. Output numbers for 2014-2017 were adjusted on the basis of annual programmes.	Number of outputs foreseen (F) and produced (P) ¹⁴							
	2014	2015	2016	2017	2018	2019	2020	
PROGRESS Sub-objective no 1: Develop and disseminate high-quality comparative analytical knowledge in order to ensure that Union employment and social policy and working conditions ¹⁵ legislation are based on sound evidence and are relevant to needs, challenges and conditions in the individual Member States and other participating countries								
Analytical activities	F	29	30	22	25	30	29	30
	P	26	30	17 ¹⁶				
Mutual learning, awareness and dissemination activities	F			3	2			
	P			3				
Support for main actors	F		6	2	3			
	P		3	1				
PROGRESS Sub-objective no 2: Facilitate effective and inclusive information-sharing, mutual learning and dialogue on Union employment and social policy and working conditions ¹⁷ legislation at Union, national and international level in order to assist the Member States and the other participating countries in developing their policies and in implementing Union law								
Analytical activities	F		3	7	3			
	P		3	5				
Mutual learning, awareness and dissemination activities	F	31	19	22	15	35	35	36
	P	26	11	15 ¹⁸				
Support for main actors	F	5	9	9	5	5	5	5
	P	4	8	7 ¹⁹				
PROGRESS Sub-objective no 3: Provide policy-makers with financial support to test social and labour market policy reforms, build up the main actors' capacity to design and implement social experimentation, and make the relevant knowledge and expertise accessible								
Analytical activities	F	4	1		3	4	4	4
	P	4	1					
Mutual learning, awareness and dissemination activities	F	2			1			
	P	2						
Support for main actors	F	3	1	1	2	5	4	4

¹² The policy field "Working conditions" does cover both areas of « labour law » and « safety and health at work ».

¹³ The policy field "Working conditions" does cover both areas of « labour law » and « safety and health at work ».

¹⁴ Unless stated otherwise, differences between planned and produced outputs result from shifts in priorities or other informed decisions (e.g. integration of several actions) and present no impact for the overall achievement of the supported specific objectives.

¹⁵ The policy field "Working conditions" does cover both areas of « labour law » and « safety and health at work ».

¹⁶ The difference between the foreseen and produced outputs is due to redeployments within the programme to increase the budget of the call for proposals on social innovation 'integration of refugees in the labour market'.

¹⁷ The policy field "Working conditions" does cover both areas of « labour law » and « safety and health at work ».

¹⁸ See footnote 16

¹⁹ See footnote 16

	P	3	1	1				
PROGRESS Sub-objective no 4: Provide Union and national organisations with financial support to step up their capacity to develop, promote and support the implementation of Union employment and social policy and working conditions²⁰ legislation								
Analytical activities	F		1	1	1			
	P		1	3				
Mutual learning, awareness and dissemination activities	F			3	2			
	P			3				
Support for main actors	F	10	8	7	3	10	10	10
	P	10	6	5				

Specific Objective 2: Promote workers' voluntary geographical mobility on a fair basis and boost employment opportunities by developing high-quality and inclusive Union labour markets that are open and accessible to all, while respecting workers' rights throughout the Union, including freedom of movement (EURES Axis)

Indicator 1: Number of visits of the EURES platform (monthly average in million)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0,85 million				0,8 million			1 million
Indicator measured by AWSTAT*	Actual results						
	0,7	0,7	0,7				

* Aiming to give the best possible follow-up of the indicator during the whole 2013-2020 period, the analysis of this indicator has changed as the indicator presented last year was measured with the web instrument 'Google Analytics'. However, the indicator is very sensitive to the IT environment, notably if new servers are used. Consequently, the complete time serie has been revised changing the data source to 'AWSTAT', an alternative web instrument providing more stable information.

Indicator 2: *Number of youth job placements achieved or supported under the Preparatory Action Your First EURES Job (YFEJ) as well as under Targeted Mobility Schemes (cumulative figures)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2013: 1 844 ²¹		5 000	7 000				15 000
	Actual results						
	3 433	5 053	5 720				

Comment on evolution: Data on 2013 and 2014 refer to results achieved under the Your first EURES job (YFEJ) preparatory action. Data on 2015 covers both the preparatory action and part of the activities under the YFEJ Targeted Mobility Scheme (transitional period). As from the end of 2015, the indicators show a steady increase due to: a) the large size and long duration of the YFEJ projects and, b) the experience and increased delivery capacity of the implementing organisations. The reporting period for the 2016 indicator ends on 30.06.2016. Data to complete the year will only be available at the end of April 2017. The scheme is expected to achieve the 2020 target.

Indicator 3: Number of individual personal contacts of EURES advisers with jobseekers, job changers and employers

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1 055 936			1 200 000				1 400 000
	Actual results						
	947 489	1 058 874	1 131 002				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
EURES Sub-objective no 1: Ensure that job vacancies and applications, and any related information are transparent for the potential applicants and the employers			
Actions to promote mobility of individuals in the Union (maintenance and development of the EURES Portal, communication activities, training activities for EURES, European Job Days)	04 03 02 02	7	7 655
EURES Sub-objective no 2: Develop services for the recruitment and placing of workers in employment through the clearance of job vacancies and applications at European level			
Actions to promote mobility of individuals in the Union (EURES cross-border partnership, support to EEA countries and to social partners and Targeted Mobility Schemes) ²²	04 03 02 02	10	15 579
Total			23 234

²⁰ The policy field "Working conditions" does cover both areas of « labour law » and « safety and health at work »

²¹ Aggregated figure for previous years.

²² We adjusted this to the number of supporting activities only. Results (in terms of job placements) are reflected by the new indicator on YFEJ

Outputs *Note: output numbers for the DB year and beyond reflect the legal basis programmed over 7 years. Output numbers for 2014-2016 were adjusted on the basis of annual programmes.	Number of outputs foreseen (F) and produced (P) ²³							
	2014	2015	2016	2017	2018	2019	2020	
EURES Sub-objective no 1: Ensure that job vacancies and applications, and any related information are transparent for the potential applicants and the employers								
Actions to promote mobility of individuals in the Union (maintenance and development of the EURES Portal, communication activities, training activities for EURES, European Job Days)	F	6	5	3	5	7	7	7
	P	6	3	3				
EURES Sub-objective no 2: Develop services for the recruitment and placing of workers in employment through the clearance of job vacancies and applications at European level								
Actions to promote mobility of individuals in the Union (EURES cross-border partnership, support to EEA countries and to social partners and Targeted Mobility Schemes)	F	8	6	7	8	10	10	10
	P	8	5	7				

Specific Objective 3: Promote employment and social inclusion by increasing the availability and accessibility of microfinance for vulnerable people who wish to start up a micro-enterprise as well as for existing micro-enterprises, and by increasing access to finance for social enterprises (Microfinance Axis)

Indicator 1: Number of businesses created or consolidated that have benefitted from EU support							
Baseline 2012	Milestones foreseen (cumulative figures)						Target 2020
	2014	2015	2016	2017	2018	2019	
6089 (EaSI Microfinance) ²⁴				21 000 businesses			41 000 Businesses (note 1)
	Actual results						
	0	421	13 021				
Social enterprises: 0 (see note 2)				500 social enterprises (see note 4)			1 350 social enterprises (see note 4)
	Actual results						
	0	0	63 (see note 3)				

Note 1: The milestones and targets have been based on the past experience with Progress Microfinance. Milestone and target are both subject to change, as the final budget, the required leverage and the potential co-investments are unknown at this stage

Note 2: There was no such support offered by the European Commission to social enterprises in the past.

Note 3: The EaSI delegation agreement with the EIF was signed on 22/06/2015. As of 31/12/2015, EIF had already signed 12 operations (11 for Microfinance and 1 for Social Entrepreneurship) but there were no social enterprises having received financing as at 30/09/2015. It is estimated that the milestone and target may still be reached. However, the time elapsed between the signing of the delegation agreement and the real implementation by the EIF has not yet allowed to fully reaching the target as the pipeline of transactions is being progressively build. The predecessor (the Progress microfinance facility) had a similar pattern of achievement before it reached its targets.

Note 4: This calculation is based on the total volume of the guarantees and funded instruments funds, multiplied by the expected leverage and divided by an average investment size of 200 000 EUR per social enterprise. For the funded instruments, an expected co-investment of EUR 20 million was taken into account. In addition, this target is set taking into account a slower take-off of the instruments and a more accelerated disbursement after the first three years.

Indicator 2: Proportion of beneficiaries that have created or further developed a business with EU microfinance that are unemployed or belonging to disadvantaged groups

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
59% Source: Progress Microfinance Implementation report				45 %			50%
	Actual results						
	NA	30.3%	19.3%				

²³ Unless stated otherwise, differences between planned and produced outputs result from shifts in priorities or other informed decisions (e.g. integration of several actions) and present no impact for the overall achievement of the supported specific objectives.

²⁴ For Progress Microfinance, the target is in microloans, not final recipients

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Microfinance Sub-objective no 1: Increase access to, and the availability of, microfinance			
Support to microfinance and social enterprises in particular through the financial instruments (microloans)	04 03 02 03	9 020	12 842
Microfinance Sub-objective no 2: Build up the institutional capacity of microcredit providers			
Support to microfinance in particular through funding for building up capacities (no. microcredit providers supported)	04 03 02 03	7	2 392
Microfinance Sub-objective no 2: Support the development of social enterprises			
Support to social enterprises in particular through funding and grants (no. social enterprises that obtained loans/equity)	04 03 02 03	297	11 755
Total			26 989

Outputs		Number of outputs foreseen (F) and produced (P) ²⁵						
		2014	2015	2016	2017	2018	2019	2020
Microfinance Sub-objective no 1: Increase access to, and the availability of, microfinance								
Support to microfinance and social enterprises in particular through the financial instruments (microloans)	F	410	2 870	6 150	8 200	9 020	8 200	6 150
	P	0	421	13 021				
Microfinance Sub-objective no 2: Build up the institutional capacity of microcredit providers								
Support to microfinance in particular through funding for building up capacities (no microcredit providers supported)	F	4	4	5	4	7	7	8
	P	0	0	4				
Microfinance Sub-objective no 2: Support the development of social enterprises								
Support to social enterprises in particular through funding (no social enterprises that obtained loans/equity)	F	13	95	203	270	297	270	202
	P	0	0	63				

*Please note that the yearly division and the total amount are only indicative as relevant variables such as co-investment, leverage rate and management mode are still subject to change. This is also the reason for the discrepancy with outputs indicated in the Commission's proposal on the EaSI Regulation COM (2011) 609.

5. Programme contribution to the Sustainable Development Goals

5) Achieve gender equality and empower all women and girls.

This is achieved indirectly by the fact that EaSI, in pursuing its general objectives, aims to equally fulfil its horizontal objectives, one of them being targeted at promoting equality between women and men, including through gender mainstreaming and, where appropriate, gender budgeting.²⁶

8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

EaSI work programmes contribute to the implementation of the Commission's political guideline "a New Boost for Jobs, Growth and Investment"²⁷. For instance, the EaSI WPs for 2015 and 2016 contributed to the implementation of: proposal for a Council Recommendation on Integration of the long term unemployment, New Skills Agenda for Europe, the Labour Mobility Package, review of the EU Health and Safety Legislation and a Pillar of Social Rights.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

EaSI financial instruments, in particular the Guarantee part of the scheme has started successfully in 2015 and continued in 2016. More specifically, the latest figures regarding transactions notified by EIF as at 30/09/2016 suggest an expected leverage effect of EU contribution within the range of 5.8-30.5 with an estimated average value of 12.6. This leverage effect is more than twice the Minimum Leverage Effect set in the Delegation Agreement (5.5) and suggests important gains in terms of effectiveness (improved results compared to initially foreseen) and in terms of efficiency gains (higher leverage effect and more efficient use of EU contribution). Concerning the MF/SE axis of EaSI, for the 2017/2018 period, the EaSI capacity-building instrument launched in December 2016 will be implemented. The EaSI funded instruments are expected to be finalized by Q2 2017. During the same period the social incubation facility, as well as the business angel facility under the EFSI SME Window Equity Product will be also implemented.

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

²⁵ Unless stated otherwise, differences between planned and produced outputs result from shifts in priorities or other informed decisions (e.g. integration of several actions) and present no impact for the overall achievement of the supported specific objectives.

²⁶ More information on gender mainstreaming can be found in the section 4.

²⁷ One of the political guidelines of the Juncker Commission as defined in the "Agenda for Jobs, Growth, Fairness and Democratic Change"

HEADING 1A: Competitiveness for growth and jobs**European Solidarity Corps (ESC)**

Lead DG: EAC

Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
Proposal for a Regulation of the European Parliament and of The Council on the European Solidarity Corps and amending Regulations (EU) No 1288/2013, (EU) No 1293/2013, (EU) No 1303/2013, (EU) No 1305/2013, (EU) No 1306/2013 of the European Parliament and of the Council and Decision No 1313/2013 of the European Parliament and of the Council	2018 - 2020	341,5

	Financial Programming (EUR million)			
	DB2018	2019	2020	Total Programme
Administrative support	4,6	4,6	3,9	13,0
Operational appropriations	68,2	98,6	114,4	281,2
Total	72,8	103,1	118,3	294,2
Contribution from other Programmes *	16,4	15,6	15,3	47,3
Total with contributions from other Programmes	89,2	118,7	133,6	341,5

*Contribution from the European Social Fund, the European Agricultural Fund for Rural Development, LIFE Programme, the Union Civil Protection Mechanism.

2. Implementation rates

Not applicable

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies*EU added value (ex-ante)*

The EU has a role to play in supporting a Europe-wide approach to solidarity. EU action through the European Solidarity Corps will not replace similar actions by Member States, but will serve to complement and support them, in full respect of the subsidiarity principle. While there are traditions in all Member States for running programs and instruments that support activities that serve the public interest, in particular through volunteering, these are quite diverse, with some countries preferring state intervention, and others letting civil society be in the lead. There are also different concepts and connotations of solidarity activities and volunteering, and the types of activities are different in content and duration. Moreover, there are quite different perceptions of how social protection relates to volunteering, as well as various degrees of legal status, learning and recognition. All this leads to fragmentation at EU level, which means that young people across the EU have uneven access to the opportunities on offer.

EU action through the European Solidarity Corps will contribute to addressing the need to overcome this fragmentation. At the same time, it will be an occasion to build on the lessons learnt from the variety of experiences across Member States, while boosting volunteering in those Member States where it is less prevalent today, as suggested by the stakeholders who were consulted during the preparation of this proposal. The European Solidarity Corps will complement the existing public and private policies, programmes and activities, both at national and European level. By applying a number of quality safeguards such as the European Solidarity Corps Charter, a quality label for participating organisations and the principles outlined in the Quality Framework for Traineeships, the European Solidarity Corps can help improve the quality of various placements for young people across the EU as well as the validation of their learning outcomes.

Furthermore, the European Solidarity Corps will offer a single entry point to high quality volunteering and occupational solidarity placements for young people across the EU, whereas currently these are only accessible via a multitude of schemes. It will therefore ensure that all interested young people across the EU have equal opportunities to join and easier access to a broader variety of activities. Bringing the different types of placements under one brand can also contribute to improving awareness about and visibility of the opportunities available to young people.

4. Performance informationComment:

– Progress on the specific objectives shall be measured by using indicators, such as:

- number of participants in volunteering placements (in-country and cross-border);
- number of participants in traineeship placements (in-country and cross-border);
- number of participants in job placements (in-country and cross-border);
- number of participants in solidarity projects;
- number of organisations holding a European Solidarity Corps quality label.

General objectives

General Objective 1: to enhance the engagement of young people and organisations in accessible and high quality solidarity activities as a means to contribute to strengthening cohesion and solidarity in Europe, supporting communities and responding to societal challenges

Specific objectives

Specific Objective 1: to provide young people, with the support of organisations, with easily accessible opportunities for engagement in solidarity activities while improving their skills and competences for personal, educational, social, civic and professional development, as well as their employability and facilitating transition to regular employment

Specific Objective 2: to ensure that the solidarity activities that are offered to the European Solidarity Corps participants contribute to addressing concrete societal challenges and strengthening communities, and are of high quality and properly validated

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Participants in volunteering Placements	15 05 01 (EUR 68,2 million) ¹	12 500	40,8
Participants in traineeships and jobs		4 500	10,4
Participants in project-based initiatives		3 800	4,6
Participants in networking activities		17 500	3,5
Participants receiving general training		21 500	2,4
Participants in cross-border placements receiving specific training		8 934	8,9
Participants in cross-border placements receiving online linguistic support		13 880	0,6
Participants enrolled in the European Solidarity Corps insurance		16 143	4,0
Participants receiving a certificate		17 200	0,1
Organisations receiving quality label		4 000	1,8
European Solidarity Corps Portal		1	2,0
Resource Centre		1	0,1
National Agencies receiving a Management fee		28	5,4
Total			

Outputs		Number of outputs foreseen (F) and produced (P)		
		2018	2019	2020
Participants in volunteering Placements	F	12 500	17 500	20 000
	P			
Participants in traineeships and jobs	F	4 500	6 500	7 400
	P			
Participants in project-based initiatives	F	3 800	5 400	6 000
	P			
Participants in networking activities	F	17 500	24 500	28 000
	P			
Participants receiving general online training	F	21 500	30 000	34 500
	P			
Participants in cross-border placements receiving specific trainings	F	8 934	15 635	20 101
	P			
Participants in cross-border placements receiving online linguistic support	F	13 880	19 435	22 215
	P			
Participants enrolled in the European Solidarity Corps insurance	F	16 143	22 600	25 827
	P			

¹ *Contributions from other programmes: the European Social Fund, the European Agricultural Fund for Rural Development, LIFE Programme, the Union Civil Protection Mechanism look as follow: 04 02 65 (EUR 11,1 million), 05 04 60 04 (EUR 1,8 million), 07 02 07 (EUR 1 million), 34 02 05 (EUR 0,5 million), 23 03 01 03 (EUR 2 million).

Participants receiving a certificate	F	17 200	34 400	34 400
	P			
Organisations receiving quality label	F	4 000	4 000	2 000
	P			
European Solidarity Corps Portal	F	1	1	1
	P			
Resource Centre	F	1	1	1
	P			
National Agencies receiving a Management fee	F	28	28	28
	P			

5. Programme contribution to the Sustainable Development Goals

Through its different actions the European Solidarity Corps contributes to:

SDG 1. End poverty in all its forms everywhere

Through its activities to achieve social inclusion through solidarity activities, the European Solidarity Corps contributes to achieving Goal 1 of the SDGs, in particular its target of reducing at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

SDG 3. Ensure healthy lives and promote well-being for all at all ages

Through its solidarity activities and community building activities, the European Solidarity Corps promotes healthy habits and well-being, particularly among the youth, hence contributing to SDG 3, notably to its target on reducing by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

SDG 5. Achieve gender equality and empower all women and girls

The European Solidarity Corps aims at removing social obstacles for participation in it for people facing discrimination because of gender, among other reasons.

SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

All the actions of the European Solidarity Corps contribute to increase the employability of the young people that participate in it, as shown by several studies. This is achieved through a combination of several outcomes, e.g. the acquisition of new skills, increased autonomy, increased knowledge of foreign languages, etc. The emphasis on inclusion aims to ensure that all can reap these benefits irrespective of disadvantage.

SDG 10. Reduce inequality within and among countries

Special attention is paid to ensure that activities supported by the European Solidarity Corps are accessible to all young people, notably the most disadvantaged ones. To this end, special measures should be put in place to promote social inclusion, the participation of disadvantaged young people, as well as to take into account the constraints imposed by the remoteness of the outermost regions of the Union and the Overseas Countries and Territories². Similarly, the participating countries should endeavour to adopt all appropriate measures to remove legal and administrative obstacles to the proper functioning of the European Solidarity Corps. These include resolving, where possible, and without prejudice to the Schengen acquis and Union law on the entry and residence of third-country nationals, administrative issues that create difficulties in obtaining visas and residence permits.

SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

One of the aims as regards young people participating in any of the solidarity activities supported under the European Solidarity Corps is a more active participation in society

² Individuals from an overseas country or territory (OCT) and competent public and /or private bodies and institutions from an OCT may participate in the programmes in accordance with Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community, OJ L314, 30.11.2001, p.1.

HEADING 1A: Competitiveness for growth and jobs**Action programme for customs in the European Union (Customs 2020)**

Lead DG: TAXUD

I. Programme update***Implementation status (2014-2016)***

Customs 2020 is a multiannual programme of 7 years. It aims to improve the proper functioning and modernisation of the customs union. It focuses on supporting customs authorities in protecting the financial and economic interests of the union and of the Member States, including the fight against fraud and the protection of intellectual property rights, to increase safety and security, to protect citizens and the environment, to improve the administrative capacity of the customs authorities and to strengthen the competitiveness of European businesses. The data collected in the performance measurement of the programme in 2014 (first year of implementation) and for 2015 shows that the Customs 2020 programme progressed towards obtaining its objectives and towards achieving the expected results of the projects planned in the Annual work programmes of 2014 and 2015. The results measured within the programme's performance measurement framework for 2014 and 2015 indicate that the overall implementation of the programmes is on track, without delays: in 2014, a score of 3,23 was achieved on the extent to which programme activities achieved their expected results, on a scale from 0 to 4 (fully). In 2015, this value was 3,35, testifying to the gradual increase in the achievement of results over the course of the programme's implementation. The data for 2016 is still in the process of collection at the time of writing.

The core outcomes of Customs 2020 programme are the European IT systems. These systems mainly create the conditions for setting-up and functioning of a more modern and paper-less customs environment. In December 2012, in its Communication on the State of the customs union, the Commission set out a course of action to modernise, strengthen and rationalise the customs union in the years ahead. The first priority concerned the modernisation of the customs union which resulted end-2013 amongst others in the adoption of the Union Customs Code (UCC), the legal framework to shift customs towards a paperless and fully electronic environment as well as the Union Customs Code (UCC) Delegated and Implementing Acts (2015) and the UCC Transitional Delegated Act (2016).

Throughout the 2014-2016 period, work on the implementation of the Union Customs Code progressed under the programme, notably to ensure that all Union Customs Code electronic systems are deployed by 31 December 2020. Ensuring the business and IT systems' continuity is a major responsibility under the programme since disruptions in the operation of the European IT systems would affect customs national administrations, citizens and businesses across the entire EU and hamper the functioning of the internal market. All the major centralised IT systems, as well as the underlying infrastructure (Common Communications Network/Common Systems Interface CCN/CSI) – developed, managed and maintained by the Commission – were available as scheduled, with more than 99% of the time during working hours, meeting the expected targets. Throughout the 2014-2016 period, the same very high availability has been maintained.

The collaboration between customs officials is a key sustainable success factor for implementing customs policy in Europe. This collaboration improves the understanding and the implementation of the customs law. It ensures the exchange of best practices and knowledge and creates the framework for joining efforts when IT solutions are developed. It also enhances the administrative capacity of participating countries. Indeed, the feed-back from participants in joint actions collected under the performance measurement framework shows that the collaboration robustness between programme stakeholders (Customs administrations and their officials) is progressing in the desired direction. In 2014, more than 95% of the responding participants declared that the programme provided a good opportunity for them to expand their network of (and contacts with) officials abroad; similar outcome is maintained in 2015 with 96% and in 2016 with 97% (according to thus far obtained data for that year). Additionally, in the same period, the number of respondents who declared that they have been in contact for work purposes with the officials they met during programme activities after the activities averaged at around 70%.

Finally, in 2014, a Customs Competency Framework was developed. Its primary objective is to help harmonise and raise customs performance standards throughout the EU. The framework is now available in 22 EU languages for national implementation.

Key Achievements

Strengthening security and protection of citizens while facilitating legitimate international trade, pursuing customs modernisation and developing and managing an effective and efficient EU customs union have been part of the Union's priorities. Those priorities are implemented to a large extent through Customs 2020 programme.

The achievement of these priorities is enabled under the programme, mainly through setting-up of a paper-less customs environment. This environment improves both the trade facilitation and the effective enforcement of rules for protection of EU financial, safety and security interests. Mainly, the European Information Systems supported by Customs 2020 play a vital role in interconnecting customs authorities. The functioning of these IT systems is enabled by a closed and secure Common Communication Network/Common Systems Interface (CCN/CSI). In the 2014-2016, the CCN/CSI had the required high availability and reliability. Meanwhile, the number of exchanged messages on the network has been rising : 2,7 billion (2014), 3,2

billion (2015) and 4,5 billion (2016). If we look at only messages exchanges on the Customs systems on the network, the numbers are also indicating a rise : 440 million (2014), 450 million (2015) and 520 million (2016). The Import Control (ICS) and the Export Control (ECS) systems are two of the main systems which contribute to increased interconnectivity among Member States and with economic operators. The high volume of information channelled via CCN/CSI, ICS and ECS shows that the programme is a solid and robust enabler for the paper-less environment and information exchange amongst customs and tax authorities. Furthermore, the data that economic operators provide in ICS is fed into risk management processes.

The 2015 evaluation of the electronic customs¹ implementation in the EU confirms that e-customs systems introduced in recent years have delivered administrative costs reductions and more harmonised exchange of information among both authorities and economic operators. The development of an e-customs environment helped Member States' customs administrations to perform their key tasks more effectively and efficiently. Processes were carried out faster and with less scope for human error. Economic operators interviewed for the evaluation found that recent changes in the e-customs environment delivered cost savings to their businesses through more streamlined customs processes and fewer errors in filling customs declarations and the relative ease of transmitting information.

The correct calculation of tariffs and the fight against fraud are crucial to the protection of EU's financial interests. The IT systems like NCTS allowed to monitoring the movement of goods within the EU territory and identify cases of fraud or non-payment of customs duties. It has created traceable records for each transit transaction reducing the deviation from standard procedures. In 2014 only, more than 10 million movements were recorded via the system. The system maintains high availability rate, which in 2016 stood at 99,23 %.

In 2016, further IT developments and adaptations of the IT environment to the Union Customs Code and implementing acts' provisions have been carried out, bringing the total number of European Information Systems in operations, as per Annex 1 of the Customs 2020 regulation, to 41. These developments were essential for a well-functioning and modern customs union.

In the 2014-2016 period, customs officials exchanged views and best practices in the joint actions organised under the programme. Working practices, administrative procedures and guidelines were developed and shared among the national administrations following the joint actions. These outcomes assist countries to increase the performance, effectiveness and efficiency of the customs administration. Guidelines and recommendations were also produced to support the implementation of Union law in the national administrations. They identify and address outstanding technical issues and constitute background information for Union law preparation and review. Across the programme, over 1000 guidelines and recommendations were issued in the national administrations following participation in programme activities (according to data available in February 2017). In the same period, more than 98% of the responding participants in these joint actions declared that from a professional point of view, the activities were very useful or useful. In the coming years, it is intended to maintain a similar high level of relevance perception.

The Customs 2020 programme finances also the development of eLearning courses on topics of common interest in collaboration with customs administrations and representatives of trade. Such courses support the implementation of EU legislation and ensure the dissemination of good customs practices throughout the European Union. In 2015, TAXUD started to develop the UNION CUSTOMS CODE eLearning programme composed of 1 overview course and 14 domain specific courses. These 15 modules were released early 2016. They support customs professionals from both public and private sector to understand the changes and prepare themselves for the modernisation wave that the UNION CUSTOMS CODE will bring. The course programme has been carefully designed to build on the foundation of the EU Customs Competency Framework and its EU Training Curricula. It further addresses feedback from previous courses such as technical compatibility (the courses run also on IOS and mobile devices), the availability of a print out (a printable course summary has been added), the course length (the programme has been designed to cover courses from 60 to 90 minutes maximum) and timely availability (the course development process has been reengineered to reduce considerably the development period). The number of officials trained by using common training material has risen substantially, from 4 776 in 2014 to 23 685 in 2016. This rise can be attributed to the new releases of training modules and the big interest in UNION CUSTOMS CODE training. In parallel, some of the eLearning courses are also available for download from EUROPA website, where they can be downloaded by economic operators and other interested stakeholders. The number of downloads has risen significantly, from 3 219 (2014) and 3 201 (2015) to 12 920 (2016).

In 2016, the first 3 expert teams under the new programme became operational working on customs laboratories, Binding Tariff Information and on improving operational cooperation of customs at the Eastern and Southeastern land border of the EU. Expert teams represent a new tool from the programme tool-box supporting enhanced operational collaboration

Evaluations/studies conducted

The studies cover mainly technical customs issues, such as enrichment of the database of chemical names, and product analysis (e.g. drugs or pharmaceutical substances). An evaluation is currently underway concerning the European Customs Inventory of Chemical Substances (ECICS), a database identifying chemicals and related international nomenclature.

The objective of ECICS is to assist Commission services, economic operators, customs officers and other administrations dealing with external trade of chemicals. ECICS permits to:

- clearly and easily identify chemicals;
- classify them correctly and easily in the Combined Nomenclature;

¹ http://ec.europa.eu/taxation_customs/resources/documents/customs/policy_issues/electronic_customs/ecust_evaluation_final_en.pdf

- name them in a number of EU languages for regulation purposes.

The purpose of the evaluation is to assess the effectiveness, efficiency, relevance, (achieved) EU added-value and sustainability of the European Customs Inventory of Chemical Substances (ECICS), and its coherence vis-à-vis other existing databases. The planned completion date is end of 2017.

The Customs 2020 programme also financed the Impact assessment review of Regulation (EC) Nr 1889/2005 on controls of cash entering or leaving the Community. This review demonstrated the need to revise this Regulation to take account of the evolution of international norms, the EU anti-money laundering / anti-terrorist financing framework and to take stock of the Commission priorities listed in the 2016 Terrorism Finance Action Plan.

As a result, on 21 December 2016, the Commission adopted a package of measures to strengthen the EU's capacity to fight the financing of terrorism and organised crime, which includes the proposal for a new cash controls regulation that tightens cash controls on people entering or leaving the EU with EUR 10 000 or more in cash. It enables authorities to act on amounts lower than the present declaration threshold of EUR 10 000, where there are suspicions of criminal activity. The regulation extends customs competences to check cash sent in postal parcels or freight shipments and to precious commodities such as gold. A provision in the proposal also makes it possible to consider certain types of prepaid cards as cash, if sufficient indications of abuse are present. Lastly, the proposal sets up a new framework for the exchange of data between competent authorities within and between Member States.

The studies and evaluations financed under the programme Customs 2020 can be found on the TAXUD EUROPA website: https://ec.europa.eu/taxation_customs/calls-tenders-grants-calls-expression-interest_en and on the and on the EU Bookshop on <https://bookshop.europa.eu/en/home/> (author: Directorate-General for Taxation and Customs Union)

Forthcoming implementation (2017/2018)

In the medium-term, the implementation of the following programme's main outcomes will be pursued to achieve the customs policy objectives:

Ensuring business continuity of existing European IT systems and development of new ones. New forms of IT collaboration will be put in place, increasing the number of shared IT activities and reusable components among Member States. This approach should reduce the costs for deploying EU wide customs IT systems, both at EU and national level while responding more agile to European customs union policy needs.

Enhancing the traditional collaboration between customs officials to ensure high standards of administrative capacity. Under the programme, activities will be put in place to strengthen the operational cooperation through the use of expert teams, which will be pooling expertise to perform tasks in specific domains, in particular for the European Information systems.

Reinforcing the capacity of customs administrations and development of new skills of their officials by steering the implementation of the human competency framework for customs administrations.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC	2014 - 2020	522,9

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,7
Operational appropriations	66,3	68,8	71,7	81,9	80,1	78,3	75,2	522,2
Total	66,4	68,9	71,8	82,0	80,2	78,4	75,3	522,9

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	75,527	97,34 %	66,749	96,96 %	84,038	29,26 %	67,026	27,41 %
Authorised appropriation excluding external earmarked revenue	73,894	99,26 %	65,117	99,02 %	82,580	29,78 %	65,568	28,01 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The customs union is an exclusive competence of the Union. By transferring their powers to the Union, Member States ipso facto agreed that actions in the customs area will be better implemented at Union level. However, the Union legal framework in itself does not ensure sufficiently the proper functioning of the customs union. It should be complemented by supporting measures as provided by the Customs programme in order to ensure that EU customs legislation is applied in a convergent and harmonised way.

Many of the activities in the customs area are of a cross-border nature, involving and affecting all 28 Member States, and therefore they cannot be effectively and efficiently delivered by individual Member States. The Customs 2020 programme, implemented by the Commission, offers Member States a Union framework to develop activities through cooperation amongst national customs officials, on the one hand, and IT cooperation, on the other hand. This set-up is more cost efficient than if each Member State would set up its individual cooperation framework on a bilateral or multilateral basis.

From an economic point of view, action at EU level is much more efficient. The backbone of the customs cooperation is a highly secured dedicated communication network. It interconnects national customs administrations in approximately 5 000 connection points. This common IT network ensures that every national administration only needs to connect once to this common infrastructure to be able to exchange any kind of information. If such an infrastructure were not available, Member States would have to link 27 times to the national systems of each of the other Member States.

4. Performance information

General objectives

General Objective 1: to support the functioning and modernisation of the customs union in order to strengthen the internal market by means of cooperation between participating countries, their customs authorities and their officials

Indicator 1: International Logistics Performance Index (LPI)

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
15 MSs within the top 30	15 MSs within the top 30						All Member States within the top 50
9 MSs between the ranks 31-60;	12 MSs between the ranks 31-60;		No Member State below the rank 60		No Member State below the rank 60		
(7 MSs between the ranks 31-50;	1 MSs below the rank 60						
3 MSs between the ranks 51-60)	Actual results						
3 MSs below the rank 60 (dimension of LPI focused on customs and border management clearance) Including Croatia, which is as EU MS since 2013 – to ensure comparison with later periods	15 MSs within the top 30	No data available (the LPI is measured once every 2 years)	15 MSs within the top 30				
	9 MSs between the ranks 31-50;		8 MSs between the ranks 31-50;				
	3 MSs between the ranks 51-60;		4 MSs between the ranks 51-60;				
	1 MSs below the rank 60		1 MSs below the rank 60 ²				

Specific objectives

Specific Objective 1: to support customs authorities in protecting the financial and economic interests of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights, to increase safety and security, to protect citizens and the environment, to improve the administrative capacity of the customs authorities and to strengthen the competitiveness of European businesses

² The composite elements of this indicator are not exclusively related to the performance of the customs administrations. There are equally subjective elements in it, namely the opinions of traders and economic operators. For these reasons, it is difficult to rely solely on this indicator when assessing customs performance.

Indicator 1: the feedback from participants in actions under the Programme and users of the Programme index (Collaboration robustness)

Baseline 2013	Milestones foreseen						Target 2020
	2014*	2015	2016	2017	2018	2019	
Network opportunity (Baseline at the start of the programme is zero)	96 %	80 %	80 %		80 %		80 %
	70 %	90 %	90 %		90 %		
Lasting networking effect (at least one contact after the end of the programme activity)	Actual results						90 %
	96,58 %	95,54 %	96 %				
	71,53 %	73,20 %	70 % ³				
Number of face to face meetings: 380	380	380	380		Grow or stable		380
	increase the annual levels	increase the annual levels	increase the annual levels		Grow		
Number of on-line collaboration groups: 40	Actual results						increase the annual levels
	265 117 (80 for customs and 37 joint groups between customs and taxation)	547 124 (103 for customs and 21 joint groups between customs and taxation)	552 165 (127 for customs and 38 joint groups between customs and taxation)				

*Figures slightly changed and updated in comparison with AAR2014.

Indicator 2: number of guidelines and recommendations issued by MS in their national administrations following activities under the Programme relating to modern and harmonised approaches to customs procedures

Baseline 2013	Milestones foreseen						Target 2020
	2014*	2015	2016	2017	2018	2019	
Baseline at the start of the programme is zero	94	Improve the level of 2014	Grow or stable		Grow or stable		Improve the level of 2014
	Actual results						
	108	151	82 ⁴				

*Figures slightly changed and updated in comparison with AAR2014.

Indicator 3: the Common Communication Network for the European Information Systems

aseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
99,94 % of the time available	99,9 %	99,9 %	99,9 %	99,9 %	99,9 %	99,9 %	99,9 %
	Actual results						
	99,89 %	99,95 %	99,98 %				

Indicator 4: the Union Law and Policy Application and Implementation Index

Baseline 2013	Milestones foreseen						Target 2020
	2014*	2015	2016	2017	2018	2019	
1. Number of actions under the Programme organised in this area	67	Improve the level of 2014	1. Grow or stable		1. Grow or stable		Increase in the average score by the end of the Customs 2020 programme (2020).
		Improve the level of 2014	2. Grow or stable		2. Grow or stable		
2. Number of recommendations issued following those actions: baseline at the start of the programme is zero	Actual results						
	67	65	123				
	312	290	Data not yet available				

*Figures slightly changed and updated in comparison with AAR2014.

³ We can observe stability in the levels of this indicator, which has been fluctuating between 70 and 73 % in the last three years of measurement.

⁴ It is worth clarifying that the recommendations and guidelines are counted here individually, rather than by the number of documents containing them. Fluctuations in this indicator, however, need to be interpreted carefully, as not every recommendation or guideline is equally important and is dependent on its actual business value.

Indicator 5: the European Information System Availability							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Centralised IT customs applications (including tariff systems):	99 %	97 %	97 %	97 %	97 %	97 %	97 %
	95 %	95 %	95 %	95 %	95 %	95 %	
99,11 % of time (business hours); 95 % (otherwise);	Actual results						95 %
	99 %	99 %	98 %				
	99 %	99 %	98 %				

Indicator 6: Best Practices and Guideline Index								
Baseline 2013	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
1. Number of actions under the Programme organised in this area	84	Improve the level of 2014	1. Grow or stable		1. Grow or stable		Increase compared to 2014	
2. Percentage of participants that made use of a working practice/administrative procedure/guideline developed/shared with the support of the Programme	88 %	Improve the level of 2014	2. Grow		2. Grow			
	Actual results							
	85	200 ⁵	191					
Baseline at the start of the programme is zero	50,42 %	81,01 %	68,25 % ⁶					

*Figures slightly changed and updated in comparison with AAR2014.

Indicator 7: Learning Index								
Baseline 2013	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
1. Number of officials trained by using common training material of the Union	4112	Improve the level of 2014	1. Grow		1. Grow		Increase compared to 2014	
2. Number of times Programme eLearning modules were downloaded	3219	Improve the level of 2014	2. Grow		2. Grow			
	Actual results							
	4776	3092	23 685					
Baseline at the start of the programme is zero	3219	3202	12 920					

Indicator 8: Cooperation with third parties Indicator								
Baseline 2013	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
Number of actions under the Programme aiming at authorities other than Member States' customs authorities	23 actions	Improve the level of 2014	Grow or stable		Grow or stable		Increase or stability over the programme lifetime	
	Actual results							
Baseline at the start of the programme is zero	22	26	43					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of IT Contracts	14 02 01	75	67,6
Number of events organised	14 02 01	500	5,5
Number of training projects	14 02 01	2	2,0
Number of expert teams projects	14 02 01	1	1,5
Other	14 02 01		3,5
Total			80,1

⁵ Data has been improved and now shows the number of all actions – both newly launched in that year and those launched in previous years but still ongoing.

⁶ This represents a substantial improvement on the 2014 value. However, the different nature of some of the working practices and guidelines produced should be taken into account when comparing between the years.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of IT Contracts*	F	30	30	60	75	75	75	75
	P	59	62	82				
Number of events organised	F	380	380	500	500	500	500	500
	P	265	547	552				
Number of training contracts	F	2	2	2	2	2	2	2
	P	1	2	2				
Number of expert teams organised	F	0	0	3	1	1	1	1
	P	0	0	3				

*The method to breakdown the contractual expenditure over the various contracts funded by the programme has been refined and estimates have been updated.

Justification of changes to the financial programming and/or to the performance information

We can observe a very positive trend, with large increases in both the number of officials trained by using common training material of the Union and the number of times Programme eLearning modules were downloaded (indicator 7: Learning Index). This rise can be attributed to the new releases of training modules dedicated to the Union Customs Code that took place in 2016. These modules are spread both through the customs administrations as well as through the Commission Europa website.

5. Programme contribution to the Sustainable Development Goals

The Customs Union is a foundation of the European Union and an essential element in the functioning of the single market. The single market can only function properly when there is a common application of common rules at its external borders. To achieve that, the 28 national customs administrations of the EU act as though they were one. These common rules they apply go beyond the Customs Union as such - with its common tariff - and extend to all aspects of trade policy, such as preferential trade, health and environmental controls, the common agricultural and fisheries policies, the protection of our economic interests by non-tariff instruments and external relations policy measures.

For this reason, one can establish a link between the Customs 2020 programme's activities and several Sustainable Development Goals, such as Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all) and Goal 15 (Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss).

III. Performance of the Predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**Action programme for taxation in the European Union (Fiscalis 2020)**

Lead DG: TAXUD

I. Programme update***Implementation status (2014-2016)***

Fiscalis 2020 is a multiannual programme of 7 years. It aims to improve the proper functioning of the taxation systems. The programme focuses on supporting the fight against fraud, tax evasion and aggressive tax planning and enhancing the understanding and implementation of Union law by supporting the exchange of information, administrative cooperation activities and enhancing the administrative capacity of participating countries to reduce the administrative burden for tax administrations and compliance costs for tax payers. The data collected in the performance measurement of the programme in 2014 and in 2015 shows that the Fiscalis 2020 programme progressed towards obtaining its objectives and towards achieving the expected results of the projects planned in the Annual work programmes for this period. Results measured within the programme's performance measurement framework for 2014 and 2015 indicate that the overall implementation of the programmes is on track, without delays. In 2014, a score of 3,13 was achieved on the extent to which programme activities achieved their expected results across the programme, on a scale from 0 to 4 (fully). The same score was 3,29 for 2015 testifying to gradual increase in the achievement of results. The data on the achievement of results for 2016 is still in the process of collection at the time of writing.

The core outcomes of Fiscalis 2020 programme are the European IT systems which allow the electronic exchange of tax-related information between Member States. Ensuring the business and IT systems' continuity is a major responsibility under the programme since disruptions in the operation of the European Tax IT systems would affect national administrations, citizens and businesses across the entire EU and hamper the functioning of the internal market. All the centralised IT systems, as well as the underlying infrastructure (CCN/CSI) – developed, managed and maintained by the Commission - were available in the 2014-2016 period as scheduled, with more than 99 % of the time meeting the expected targets.

Collaboration between tax officials is a key sustainable success factor for implementing tax policy in Europe. This collaboration improves the understanding and the implementation of tax law in the area of fight against tax fraud, tax evasion and aggressive tax planning and administrative cooperation. It ensures the exchange of best practices and knowledge and creates the framework for joining efforts when IT solutions are developed. It also enhances the administrative capacity of participating countries. Indeed, the feed-back from participants in joint actions collected under the performance measurement framework shows that the collaboration robustness between programme stakeholders is progressing in the desired direction. In the 2014-2016 period, more than 95 % of the responding participants declared that the programme provided them with a good opportunity to expand their network of (and contacts with) officials abroad. Additionally, in the same period, the number of respondents who declared that they have been in contact for work purposes with the officials they met during programme activities after the activities ended averaged at around 70%.

Key achievements

Fight against fraud, tax evasion and aggressive tax planning and administrative cooperation.

At EU level, the fight against tax fraud, tax evasion and aggressive tax planning is materialised by setting-up IT systems and other mechanisms of cooperation. The IT systems allow tax administrations to exchange information by electronic means. The information exchange is enabled by a closed and secure Common Communication Network/Common Systems Interface (CCN/CSI) – one of the main outcomes of the programme. In the 2014-2016 period, the CCN/CSI had the required high availability and the number of exchanged messages on the network has been rising: 2,7 billion (2014), 3,2 billion (2015) and 4,5 billion (2016). If we look at only messages exchanged on the taxation systems on the network, the numbers are also indicating a rise: 2,2 billion (2014), 2,8 billion (2015) and 4 billion (2016). The European Information Systems supported by Fiscalis 2020 interconnect tax authorities and thus facilitate the coexistence of 28 taxation systems in the Union. In the observed period, they allowed information to be exchanged rapidly and in a common format that can be recognized by all Member States. At the end of 2016, there were 22 European Information Systems in operation, as per Annex 1 of the Fiscalis 2020 Regulation.

In relation with the administrative cooperation activities, in particular in the area of direct taxation, in 2014 first automatic exchanges of information took place on non-financial items (e.g income for employment) - under the Council Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC1). The second revision of the Directive (DAC2) provides for the automatic exchange of tax information on financial items as of 2016. The programme financed in 2014 and 2015 the definition of the tool. Taking into account the international context around this initiative (namely, the Foreign Account Tax Compliance Act - FATCA and OECD global standard), the developments registered under the programme in this area had a strong international resonance. The third revision of the directive (DAC3) provides for the automatic exchange of information on tax rulings and advance pricing arrangement. The fourth revision (DAC4) provides for country-by-country reporting, while the fifth revision (DAC5) for access to mechanisms, procedures, documents and information as regards beneficial ownership. The implementation of DAC2 and the technical developments was supported under the programme in 2016 by an expert team, a new

tool from the programme tool-box supporting enhanced operational collaboration. In addition, another expert team was launched to catalyse the IT collaboration in the tax area. In the area of excise, there is a gradual increase in the number of messages exchanged via ECMCS (2014: 6,8 million, 2015: 7,3 million). This ensures the real time monitoring of movements of duty suspended goods. The high volume of information channelled via CCN/CSI and the other tax related IT systems (e.g. VIES, EMCS) shows that the programme is a solid and robust enabler for the information exchange amongst customs and tax authorities.

The tax officials exchange views and best practices to fight against tax fraud, tax evasion and aggressive tax planning in the joint actions organised under the programme. Accelerated exchange of information between VAT anti-fraud units was supported via Eurofisc. Approximately 3,26 billion EUR of tax amount due was identified through multilateral controls under Fiscalis 2013. This amount is very significant compared with the programme investment (2,41 million actually spent on MLCs under Fiscalis 2013). 75 multilateral controls actions (MLC) have been registered in 2014 (including the ones continued from 2013), 43 in 2015 and 65 in 2016. Activities under the programme were also organised to secure an effective methodological, financial and organisational set-up for the presences in the administrative offices and participation in administrative enquiries. In 2015, 49 such activities were registered and 40 in 2016. In the coming years, the Commission will take measures to increase the awareness of national officials of the tools for administrative cooperation with a view to increment these numbers.

Enhanced the uniform and effective application of EU tax law:

Through participating in the joint actions organised under the programme, tax officials exchanged views and practices which allowed for them to acquire a better understanding of EU law and also built a durable informal network. In 2014 and 2015, 100 % of the responding participants assessed these activities, in terms of their relevance, as being useful or very useful (data for 2016 is still being gathered). In the coming years, it is intended to maintain a similar high level of relevance perception.

Enhanced administrative capacity:

The use of IT systems, such as the CCN/CSI platform, EMCS, VAT Refund, SEED-on-Europa, VIES-on-the-web and e-forms builds towards the development of an e-administration. They limit the resource-extensive paper-based procedures. For example, tax administrations, during the 2013 final evaluation of Fiscalis 2013, considered that these systems made the detection of irregularities faster, more effective and efficient and deterred the incentives to fraud. In 2014, approximately 740 million consultations took place on VIES-on-the-web and almost 18 million on SEED-on-Europa. For example, due to VIES-on-the-web, economic operators no longer have to use the intermediary national administration, to validate the VAT numbers of their trading partners, directly reducing the lead-time and the administrative burden for the traders and the national administrations. In 2015, 872 million validations took place with the tool, taking generally less than a second each. The final evaluation of Fiscalis 2013 assumed that each of them had to be dealt with by a 5 minutes phone call. Extrapolating this estimate, VIES-on-the-web reduced administrative burden on the side of national administrations by an estimated EUR 888 million and compliance cost for economic operators by a similar amount. Furthermore, the Mini One Stop Shop system has been deployed in 2014 according to legal provisions. This system contributes to reducing the administrative burden on tax administrations and compliance costs for tax payers: for those tax payers active in the telecommunications, broadcasting and electronic services and established within the Union as it allows fulfilling their VAT obligations in a single place of compliance instead of in each country of the economic activity. In 2015, the first operational year of the system, more than 12 000 economic operators registered to the Mini One Stop Shop.

Evaluations/studies conducted

The studies mainly focus on VAT and cross-border issues such as studies on VAT aspects of cross-border e-commerce, the provision of effective tax rates, the measurement of aggressive tax planning. The evaluations and impact assessments concern the evaluation of the Council Directive 92/83/EEC on the harmonisation of the structures of excise duties on alcohol.

The studies and evaluations financed under the programme Fiscalis 2020 can be found on the TAXUD EUROPA website: https://ec.europa.eu/taxation_customs/calls-tenders-grants-calls-expression-interest_en and on the EU Bookshop on <https://bookshop.europa.eu/en/home/> (author: Directorate-General for Taxation and Customs Union).

For example, the evaluation of the directive on excise duties on alcohol is driven by the EU's responsibility given by the Treaty (article 113) in the area of excise duties. In short, the basic principles on excise duties applicable to all products subject to excise duties are laid down in Directive 2008/118/EC, but with specific arrangements for the taxation structure of alcoholic beverages (Directive 92/83/EEC). The directive defines inter alia, excise categories, the scope for reduced rates and exemptions. This retrospective evaluation of the functioning under the current legal framework would enable the Commission to assess the current and future policy for alcohol excise duties and the added value of common rules at EU level.

In addition, one study also focused on VAT aspects of cross-border e-commerce, presenting options for modernisation. In line with the Digital Single Market Strategy objective of boosting e-Commerce growth within the EU as well as build on the recent legislation on telecommunications, broadcasting and electronic services provided to final consumers within the EU which introduced the destination principle accompanied with the implementation of a Mini One Stop Shop (i.e. the MOSS). The European Commission is considering a number of policy Options aimed at simplifying the VAT and Customs system. This study considers the widening of the MOSS to other areas of final consumers of e-Commerce, The elimination of the VAT exemption for the importation of small consignments, and the elimination of current registration thresholds for intra-EU consumers supplies of goods in order to reduce the administrative burden of businesses.

Forthcoming implementation (2017/2018)

In the medium-term, the implementation of the following programme's main outcomes will be pursued to achieve the EU tax policy objectives:

- Ensuring business continuity of existing European IT systems and development of new ones. New forms of IT collaboration will be put in place, increasing the number of shared IT activities and reusable components among Member States. This approach should reduce the costs for deploying EU wide tax IT systems, both at EU and national level while responding more agile to European Union tax policy needs.
- Enhancing the traditional collaboration between tax officials to ensure high standards of administrative capacity. Under the programme, activities will be put in place to strengthen the operational cooperation through the use of expert teams, which will be pooling expertise to perform tasks in specific domains, in particular for the European Information systems.
- Reinforcing the capacity of tax administrations and development of new skills of their officials by steering the roll-out of a competency framework for tax administrations.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1286/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme to improve the operation of taxation systems in the European Union for the period 2014-2020 (Fiscalis 2020) and repealing Decision No 1482/2007/EC	2014 - 2020	223,4

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,7
Operational appropriations	30,8	31,0	31,4	31,8	32,0	32,6	33,0	222,7
Total	30,9	31,1	31,5	31,9	32,1	32,7	33,1	223,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	33,229	97,94 %	32,605	97,63 %	32,670	35,62 %	31,948	20,00 %
Authorised appropriation excluding external earmarked revenue	32,583	98,93 %	31,959	98,40 %	32,334	35,99 %	31,612	20,22 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies**EU added value (ex-ante)**

Without intense cooperation and coordination between Member States, unfair tax competition and tax shopping would increase, while fraudsters would exploit the lack of cooperation between national authorities. The added value of the Fiscalis programme, including to the protection of the financial interests of Member States of the Union and of taxpayers, has been recognised by the tax administrations of the participating countries. The challenges identified for the next decade cannot be tackled if Member States do not look beyond the borders of their administrative territories or cooperate intensively with their counterparts. The Fiscalis programme, implemented by the Commission in cooperation with the participating countries, offers Member States a Union framework to develop activities through cooperation amongst national tax officials, on the one hand, and IT cooperation, on the other hand. This set-up is more cost-effective than if each Member State were to set up individual cooperation frameworks on a bilateral or multilateral basis.

The Fiscalis 2020 programme supports the highly secured dedicated communication network allowing the exchange of information in the framework of fight against fraud, both for direct and indirect taxation. The programme as such interconnects national tax administrations in approximately 5 000¹ connection points. This common IT network ensures that every national administration only needs to connect once to this common infrastructure to be able to exchange any kind of information. If such an infrastructure were not available Member States would have to link 27 times to the national systems of each of the other Member States.

¹ Customs and taxation connection points taken together.

4. Performance information

General objectives

General Objective 1: to improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials

Indicator 1: ease of paying taxes

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10 MS within the top 50 10 MS between the ranks 51-100 2 MS between the ranks 101-120 5 MS below the rank of 120	13 MS 13 MS 1 MS 1 MS	Improve the ranking of individual Member States	No Member State below the rank of 120				All Member States within the top 100, those Member States which are already in the top 100 in 2010 move to the top 50
	Actual results						
	11 MS within top 50; 12 between 51-100; 2 between the ranks 101-120; 2 below 120	14 MS within top 50; 12 between 51-100; 2 below 120	20 MS within top 50; 7 between 51-100; 1 below 120				

Specific objectives

Specific Objective 1: to support the fight against tax fraud, tax evasion and aggressive tax planning and the implementation of Union law in the field of taxation by ensuring exchange of information, by supporting administrative cooperation and, where necessary and appropriate, by enhancing the administrative capacity of participating countries with a view to assisting in reducing the administrative burden on tax authorities and the compliance costs for taxpayers

Indicator 1: the Common Communication Network for the European Information Systems

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
99,94 %	99,9 %	99,9 %	99,9 %	99,9 %	99,9 %	99,9 %	99,9 %
	Actual results						
	99,89 %	99,95 %	99,98 %				

Indicator 2: the feedback from participating countries on the results of actions under the programme (collaboration robustness)

Baseline 2012	Milestones foreseen						Target 2020
	2014*	2015	2016	2017	2018	2019	
Network opportunity (Baseline at the start of the programme is zero)	95 %	80 %	80 %		Grow or stable compared with the baseline		80 %
	Actual results						
	95,15 %	96,66 %	97 %				
Lasting networking effect (at least one contact after the end of the programme activity)	68 %	90 %	90%		Grow or stable compared with the baseline		90 %
	Actual results						
	68 %	72,61 %	69 % ²				
Cooperation: Number of face to face meetings: 295	295	295	500	500	500	500	500
	Actual results						
	247	632	586				
Number of on-line groups: 30	increase the annual levels	increase the annual levels	Increase the annual levels		Grow or stable compared with the baseline		increase the annual levels
	Actual results						
	109 (72 for taxation; 37 joint groups between	126 (105 for taxation; 21 joint groups between	174 (136 for taxation; 38 joint groups between				

² We can observe stability in the levels of this indicator, which has been fluctuating between 68 and 72% in the last three years of measurement. A number of improvements have been introduced under the programme to facilitate online collaboration and sharing between the participants of programme activities

	customs and taxation)	customs and taxation)	customs and taxation)				
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*Figures slightly changed and updated in comparison with AAR2014.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of IT Contracts*	14 03 01	45	22,5
Number of events organised	14 03 01	500	4,5
Number of training contracts	14 03 01	2	1,5
Number of expert teams projects	14 03 01	1	1,5
Other	14 03 01		2,0
Total			32,0

* The method to breakdown the contractual expenditure over the various contracts funded by the programme has been refined and estimates have been updated.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of IT Contracts	F	20	20	40	45	45	45	45
	P	42	41	53				
Number of events organised	F	295	295	500	500	500	500	500
	P	247	632	586				
Number of training projects	F	2	2	2	2	2	2	2
	P	1	2	2				
Number of expert teams projects	F	0	0	2	1	1	1	1
	P	0	0	2				

5. Programme contribution to the Sustainable Development Goals

The Commission's general objective is to ensure that tax policy supports wider EU policy objectives for smart, sustainable and inclusive growth in the EU. Fiscalis 2020 programme through its activities contributes to the achievement of the following Sustainable Development Goals: Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all), Goal 10: Reduce inequality within and among countries), Goal 12 (Ensure sustainable consumption and production patterns (one of the targets includes restructuring of taxation)).

III. Performance of the Predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**Programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III)**

Lead DG: OLAF

I. Programme Update***Implementation Status (2014/2016)***

The Hercule III Programme is implemented on the basis of annual work programmes (Article 11 of Regulation 250/2014). The entry into force of the Programme in March 2014 led to the adoption of the work programmes¹ for the years 2014-2016. The implementation of the annual work programmes did not generate major issues. Even though the shortage of sufficient payment appropriations in 2014 and 2015 led to the postponement of the signature of several grant agreements, this not expected to impact the Programme's implementation or to hinder the achievement of the Programme's objectives. Meanwhile, this issue has been addressed in a satisfactory manner.

The Commission received a substantial higher number of applications for grants under the calls for proposals in particular technical assistance (purchase technical equipment) as the result of the increase of the maximum co-funding percentage from 50% under the previous Programme to 80% (and even 90% in exceptional and duly justified cases). The Commission awarded more than 120 grants to national and regional authorities as well as research institutes and NGO's for the purchase of technical equipment or for the organisation of training events, conferences and seminars. In 2015, the Commission introduced minimum budget thresholds for actions to increase the potential impact of an action and to facilitate the Programme's management.

Key achievements

Due to the late adoption of the Programme and adoption of the first work programme, the first results in the area of technical assistance (purchase of technical equipment) could only be reported by the end of 2016. The mandatory surveys that the beneficiaries of training grants and contract have to administer to the participants in order to assess the relevance of the conference, seminar or training and to measure their satisfaction levels reveal that a very large majority of users (more than 90%) express a satisfactory or very satisfactory opinion on the event. The results of the surveys are transmitted in the final report of the event and show that the networking opportunities are in particular highly valued and that the participants perceive that the training event increased their skills.. For the beneficiaries of technical assistance grants, it is difficult to report on the achievements right after the purchase of the equipment. They are requested to submit a final implementation report one year after the closing date of the grant. This report has to contain information on the results achieved by using the equipment and shall also contain the beneficiary's assessment of the contributions made to the achievement of the Programme's objectives. The first results suggest that the purchased technical equipment, such as scanners or sniffer dogs, helped the grant beneficiaries to seize substantial amounts of smuggled cigarettes, counterfeits and tobacco. In addition, grant beneficiaries reported that investigation support equipment, such as cameras, IT-tools and forensic soft- and hardware, facilitated the lawful gathering of (digital) evidence during operations in support of investigations aimed at protecting the Union's revenues, expenditures and assets.

Evaluations/ Studies conducted

An independent mid-term evaluation is carried out in 2016/2017 in support of a report to be transmitted by the Commission to the European Parliament and to the Council by 31 December 2017.

Forthcoming implementation (2017/2018)

The annual work programme² for 2017 was adopted on 22 February 2017 and provides for the organisation of three calls for proposals for technical support to national and regional authorities tasked with the protection of the Union's financial interests as well as the support or the organisation of training and conferences. In addition, support for the (access to) databases for Member States' law customs and police forces as well as the further enhancement of IT-tools for risk assessment analyses are provided for. From 2017 onwards, beneficiaries of training grants will be requested or organise post-event surveys to collect information from participants around 6 months after the event took place in order to assess the added value of the event in the mid- and long term.

II. Programme key facts and performance framework

¹ Financing Decision 2014 – FD2014, C(2014)3391 final of 26 May 2014; FD2015, C(2015)2234 final of 8 April 2015 and FD2016, C(2016)868 final of 17 February 2016.

² Financing Decision 2017, C(2017)1120 final of 22 February 2017.

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC	2014 - 2020	104,9

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	13,7	14,1	14,5	15,0	15,3	15,9	16,4	104,9
Total	13,7	14,1	14,5	15,0	15,3	15,9	16,4	104,9

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	14,542	99,96 %	19,308	75,03 %	14,950	73,96 %	12,385	17,63 %
Authorised appropriation excluding external earmarked revenue	14,542	99,96 %	19,308	75,03 %	14,950	73,96 %	12,385	17,63 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Programme shall contribute to:

- developing the activities at Union level and the Member States' level to counter fraud, corruption and any other illegal activities affecting the financial interests of the Union, including the fight against cigarette smuggling and counterfeiting;
- an increased transnational cooperation and coordination at Union level, between Member States' authorities, the Commission and the European Anti-Fraud Office (OLAF), and in particular to the effectiveness and efficiency of the cross-border operations;
- an effective prevention of fraud, corruption and any other illegal activities affecting the financial interests of the Union, by offering joint specialised training for staff of national and regional administrations, and to other stakeholders.

The programme creates in particular savings deriving from the collective procurement of specialised equipment and databases to be used by the stakeholders and those derived from the specialised training.

4. Performance information

General objectives

General Objective 1: To protect the financial interest of the Union thus enhancing the competitiveness of the Union's economy and ensuring the protection of the taxpayers' money

Specific objectives

Specific Objective 1: To prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interest

Indicator 1: The added value and effective use of co-financed technical equipment, expressed by the users of the equipment in their final technical report and final implementation report of the action (percentage of users that considered the use of Hercule funded equipment added value to their activities)

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
				70%	75%	75%	75%
	Actual results						
	*	*	*				

* The information for this indicator will only become available once the grant beneficiaries will start submitting their final implementation report, one year after the closing date of the action for which the grant was awarded. As the first grants awarded under the Hercule III programme have only ended by the beginning of 2016, this information will only start becoming available by the beginning of 2017, but a sufficient amount of data for this indicator to reflect in a reliable way the opinions of the beneficiaries is only expected to become available by the beginning of 2018.

Indicator 2: The number and type of trainings activities funded under the Hercule III programme, including the amount of specialised training, and the satisfaction rate as expressed by the participants

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
25 (including 2 specialised trainings)	25 (including 2 specialised trainings)	25 (including 1 specialised training)	25 (including 2 specialised trainings)	25 (including 2 specialised trainings)	25 (including 2 specialised trainings)	25 (including 2 specialised trainings)	25 (including 2 specialised trainings) 75% satisfaction rate
60% Satisfaction rate	65% satisfaction rate	67% satisfaction rate	69% satisfaction rate	70% satisfaction rate	72% satisfaction rate	74% satisfaction rate	
Actual results							
	>90%	>90%	>90%				

This indicator has been elaborated for OLAF's Annual Management Plan 2014 in the light of the operational objectives in the Hercule III Regulation.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Technical Assistance (incl. IT support, at least 70% of the budget)	24 02 01	20	11
2. Training and Conferences (incl. studies, maximum 25 of the budget)	24 02 01	30	4.3
3. Other actions (maximum 5% of the budget) ³	24 02 01	0	p.m.
Total		50	15.3

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Technical Assistance (incl. IT support)	F	20	20	20	20	20	20	20
	P	21	18	23				
2. Training and Conferences (incl. studies)	F	15	15	30 ⁴	30	30	30	30
	P	29	30 ⁵	22 ⁶				
3. Other actions ⁷	F		0	0				
	P		1	0				

The Hercule III Regulation provides for three types of action: Technical Assistance (at least 70 % of the budget), Training (max: 25 % of the budget) and Other Actions (max: 5 % of the budget).

III. Performance of the predecessor programme

Implementation (2007-2013)

The previous Hercule II Programme (2007-2013) had a budget of almost EUR 100 million and enabled support to more than 500 different actions in three sectors of activities (technical assistance, training & conferences and IT-support) during this period. The support was provided to the beneficiaries identified in the Hercule II Decision⁸: national and regional authorities tasked with the protection of the Union's financial interests as well as NGO's or Universities. It provided grants to beneficiaries in the Member States for the purchase of technical equipment, such as x-rays scanners, Automated Number Plate Recognition Systems (ANPRS) or investigation support hardware and software. Moreover, financial support was given for conferences and seminars aimed at exchanging information on best practices in relation to the protection of the Union's financial interests and the fight against fraud. In addition, the Commission concluded 10 contracts for an amount of EUR 4 million for the organisation of digital forensic training sessions in order to strengthen the operational and investigative capacity of law enforcement staff in the Member States and in third

³ Regulation 250/2014 on the Hercule III Programme identifies the three types of actions listed above. The third type of actions ("other") contains activities that are not foreseen under the previous ones, but that might nevertheless be considered necessary to achieve the Programme's objectives. In 2015, this category was used to cover the costs of a survey amongst EU citizens on their attitudes towards illicit cigarettes.

⁴ The number of foreseen outputs has been increased from 15 to 30 and now includes all contracts and grants concluded for conferences, training and studies.

⁵ See footnote 7, supra.

⁶ In 2016, the number of procured Conferences organised by OLAF for the benefit of Member States had to be postponed to 2017 or could not take place. In addition, fewer applications were awarded a grant for the organisation of conferences. The remaining budget was transferred and used for technical assistance actions.

⁷ Only one action was funded under other actions. If not used, the budget is used at the end of the year to award technical assistance grants.

⁸ Decision 804/2004/EC, as amended by Decision 878/2007/EC establishing a Community action plan to promote activities in the field of the protection of the Community's financial interests (Hercule II programme), OJ L 193 of 25 July 2007.

countries to retrieve evidence in a secured and lawful manner from computers or smartphones. More than 1 100 persons participated in these training sessions. The feed-back obtained from the participants in the surveys confirmed that the acquired skills and competences were useful and necessary for carrying out operations in support of investigations in relation to the protection of the Union's financial interests

Contribution to policy achievements:

The evaluation⁹ of the Hercule II Programme showed that it achieved its objectives and that the Programme had the intended impact at national level: the Programme's support led to better transnational and multidisciplinary cooperation between authorities in their activities to protect the Union's financial interests. The Programme also contributed to strengthening the operational and investigative capacity of its main beneficiaries, such as police forces and customs. The evaluation concluded that these actions could not have been fully achieved without the financial support of the EU. Moreover, the activities funded by the Programme enabled the creation of networks that allow the exchange of best practices between experts, such as prosecutors, academics or technical experts.

EU added value

The Programme's support enabled the purchase of equipment by its beneficiaries, such as x-rays scanners which enabled customs to detect smuggled and counterfeited goods, in particular cigarettes and tobacco. The seizures represented substantial amounts of evaded custom duties, excises and VAT and eventually led to considerable savings to the Union's and to national budgets. Financial support was also provided for the purchase and training of sniffer dogs or equipment to monitor communications and movements of persons suspected of involvement in activities detrimental to the Union's financial interests. This support not only led to more and better evidence collected within the framework of investigations, but also contributed to the prevention of irregularities and frauds perpetrated against the Union's financial interests. A quantification of the amounts of detected and prevented losses is however difficult to provide, as its systematic reporting would represent a substantial additional burden for the beneficiaries.

⁹ COM (2015) 221 final of 27 May 2015.

HEADING 1A: Competitiveness for growth and jobs**Exchange, assistance and training programme for the protection of the euro against counterfeiting (Pericles 2020)**

Lead DG: ECFIN

I. Programme Update**Implementation Status (2014/2016)**

The annual budget for the implementation of the 'Pericles 2020' programme for the year 2014, Financing Decision C(2014) 3427 final of 28 May 2014, was set at EUR 924 200 and a total of EUR 873 313.93 was committed in 2014. As such, 94,5% of the budget was committed. In 2014, the programme funded 10 projects; of these, 6 originated from competent authorities and 4 were Commission initiatives. Among the funded applications 3 were for conferences, 3 for trainings, 2 staff exchanges and 2 studies. An estimated number of 662 experts participated in Pericles actions for which commitments were made in 2014. The implementation of the programme in 2014 resulted in the full realisation of its objectives.

The annual budget for the implementation of the 'Pericles 2020' Programme 2015 - Call for Proposals reference 2015 ECFIN 007/R6 was set at EUR 1.024.800. Under the call for proposals 2015, two deadlines for applications were set. 94.4%, a total of EUR 967 739.33 of the overall budget was committed in 2015. In 2015, the programme funded 12 projects; 9 originated from the competent authorities of euro area Member States, while 3 were initiatives of the Commission. Of the applications approved, eight are for seminar/conferences and four are staff exchanges. 2 actions were implemented in 2015, while 7 actions will be implemented in 2016. A total of 480 participants are foreseen to participate.

The annual budget for the implementation of the 'Pericles 2020' Programme 2016 - Call for Proposals reference 2016 ECFIN 001/R6 was set at EUR 1.038.500. Under the call for proposals 2016, two deadlines for applications were set. 99.2%, a total of EUR 1 029 353.87 of the overall budget was committed in 2016. In 2016, the programme funded 13 projects; 9 originated from the competent authorities of euro area Member States, while 4 were initiatives of the Commission. Of the applications approved, eight are seminar/conferences/workshops, 3 staff exchanges, 1 study and 1 purchase of equipment. 4 actions were implemented in 2016, while 9 actions will be implemented in 2016. An estimated total of 550 participants are foreseen to participate.

Key achievements

The latest data for the defined programme indicators (further details are provided in the 'Performance information' section) is as follows: 913.435 counterfeit euro banknotes and 207.795 counterfeit euro coins detected (2016), 32 illegal workshops (mints and print shops) dismantled (2015), and 8879 individuals arrested (2015). Further details are provided in the programme indicators Annex. However, these indicators, while linked to the protection of the euro are not directly linked to the programme implementation.

An estimated number of 618 experts participate in Pericles actions for which commitments were made in 2015. In terms of origin, participants come from 59 countries. The majority of trainees (65%) are European participants: 41% come from the Member States, while non-EU countries in Europe represents the second-largest group at 24%; 14% of trainees are from Latin America (mainly Colombia and Peru), and 7% come from the Middle East and North Africa. Of special note is the increase in participants from Asia, representing 4% with all participants coming from China.

With respect to the professional background of participants, members from police forces represent 53% of the total. That prominent presence is due to the fact that police authorities represent the front line in the fight against euro counterfeiting, and police staff includes both investigators and technicians. Nevertheless, a continuing trend of differentiation among the various other categories of participants (47%) should be highlighted. There was high participation from Central Banks (19%), and a growing participation of judicial staff (10%) and customs (4%). As a result, Pericles implementation meets the transnational and multidisciplinary dimensions of the programme required under Regulation (EU) No 331/2014.

Evaluations / Studies conducted

The Report to the EP and the Council concerning the implementation and the results of the Pericles programme for the protection of the euro against counterfeiting in 2015 (COM (2016) 419 final) included the following assessment: The Programme shows a high degree of consistency and complementarity with other relevant programmes and actions at Union level because it is dedicated exclusively to and focuses on preventing and fighting a specific form of organised crime, namely euro counterfeiting. It is therefore complementary and consistent with OLAF's Hercule III Programme¹ which protects the financial interests of the Union, and it

¹ Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC. OJ L 84, 20.3.2014.

shows a high degree of complementarity with, inter alia, DG HOME's International Security Fund², which covers the prevention of crime in general.

The "Pericles 2020" programme implementation in 2015 demonstrates a continuing positive trend towards an increasing differentiation of the professional backgrounds of participants. In particular, the growing involvement of the judiciary in five actions as well as the growing participation of customs is noteworthy. The programme has succeeded in maintaining and further strengthening strong regional and international cooperation in 2015, with several actions taking place in Latin America, the Mediterranean area and the Balkans region, as well as three actions that involve representatives from China. Furthermore, the 2015 Pericles commitments reflect a further diversification of Member States' competent national authorities applying for the programme; the 'Polizeipräsident in Berlin (Landeskriminalamt)' is a first-time applicant for Pericles funds.

Forthcoming implementation (2017/2018)

2017 will feature the implementation of 6 projects originating from the competent authorities of euro area Member States and 4 Commission actions, financed under the 2016 budget and, in one case, the 2015 budget. The programme highlights the Member State endeavours to reach and educate officials not only in the EU but also in Latin America, China, North Africa, the Balkan Area, Turkey and Eastern Europe. The 2016 Pericles commitments reflect a full diversification of the type of actions, distributed between studies, seminars, staff exchanges, technical trainings, and for the first time a "purchase of equipment". Establishing and maintaining contact to discuss issues of euro protection with law enforcement, bank representatives and judiciary officials will contribute to the overall stability of the currency, to further closures of workshops, illegal print shops and mints and to additional arrests of criminals as well as to important seizures of counterfeit euros before entering into circulation.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) and repealing Council Decisions 2001/923/EC, 2001/924/EC, 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC	2014 - 2020	7,3

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	0,9	1,0	1,0	1,0	1,1	1,1	1,2	7,3
Total	0,9	1,0	1,0	1,0	1,1	1,1	1,2	7,3

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	1,038	99,12 %	0,750	95,40 %	1,048	6,49 %	1,000	2,32 %
Authorised appropriation excluding external earmarked revenue	1,038	99,12 %	0,750	95,40 %	1,048	6,49 %	1,000	2,32 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Programme shall actively encourage and entail an increase in transnational cooperation for the protection of the euro inside and outside the Union and with the Union's trading partners, and with attention also being paid to those Member States or third countries that have the highest rates of euro counterfeiting, as shown by the relevant reports issued by the competent authorities; this cooperation shall contribute to the greater effectiveness of these operations through the sharing of best practice, common standards and joint specialised training.

Contribution to Europe 2020 Strategy

Its objective is to prevent and combat counterfeiting and related fraud thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances.

² Regulation (EU) No 513/2014 of the European Parliament and of the Council of 16 April 2014 establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management and repealing Council Decision 2007/125/JHA. OJ L 150, 20.5.2014.

4. Performance information

General objectives

General Objective 1: To prevent and combat counterfeiting and related fraud thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances

Specific objectives

Specific Objective 1: To protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the measures undertaken by the Member States and assisting the competent national and Union authorities in their efforts to develop between themselves and with the European Commission a close and regular cooperation and an exchange of best practices, also where appropriate, including third countries and international organisations

Indicator 1: Number of counterfeits detected

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
606.000 notes 157.000 coins				+/- 5% compared to 2011			Keep counterfeits under control in an average +/- 5% compared to 2011
	Actual results						
	838.000 banknotes 192.195 coins	899.000 banknotes 146.889 coins	684.000 Banknotes 150.258 coins				

Indicator 2: Number of illegal workshops dismantled

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
45				3% increase compared to 2011			5% Increase compared to 2011
	Actual results						
	37	32	Data unavailable				

Indicator 3: Number of individuals arrested

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
6 858 arrests/charged				3% increase compared to 2011			5% increase compared to 2011
	Actual results						
	7882 arrests/charges	8879 arrests/charges	Data unavailable				

Indicator 4: Number of penalties imposed

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Data unavailable due to lack of reporting mechanisms in MS				3% increase compared to2011			5% increase compared to 2011
	Actual results						
	Data unavailable due to lack of reporting mechanisms in MS	Data unavailable due to lack of reporting mechanisms in MS	Data unavailable due to lack of reporting mechanisms in MS				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Pericles grant programme: Seminars	01 02 04	5	0,525 000
2. Pericles grant programme: Staff Exchanges	01 02 04	3	0,150 000
3. Pericles grant programme: Studies	01 02 04		0
4. Pericles grant programme: Purchase of equipment	01 02 04	1	0,025 000
5. Procurement: Seminars	01 02 04	3	0,355 100
6. Procurement: Staff Exchanges	01 02 04		0
7. Procurement: Studies	01 02 04		0
Total		12	1,055 100

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Pericles grant programme: Seminars	F	3	4	5	5	5	6	6
	P	2	6	4				
2. Pericles grant programme: Staff Exchanges	F	3	5	2	3	3	6	5
	P	2	3	3				
3. Pericles grant programme: Studies	F	1		1				1
	P	2		1				
4. Pericles grant programme: Purchase of equipment	F	0	1	1	1	1		
	P	0		1				
5. Procurement: Seminars	F	4	4	3	3	3	3	3
	P	4	2	4				
6. Procurement: Staff Exchanges	F							
	P		1					
7. Procurement: Studies	F						1	1
	P							

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**Anti-Fraud Information System (AFIS)****Lead DG: OLAF****I. Programme Update*****Implementation Status (2014/2016)***

The work programmes for the implementation of Anti-Fraud Information System (AFIS) for 2014 and 2015 and 2016 have been mostly executed as foreseen but some delays have been encountered:

The development of an interface between DG TAXUD's COPIS (anti-Counterfeit and Piracy System) and AFIS, which was foreseen for 2014, has been delayed due to the late go-live of COPIS and the need for a following stabilisation phase for this system.

The late adoption of the amendments to Council Regulation (EC) No 515/97, which was expected for the beginning of 2015, led to a delay in the implementation of the changes arising from these modifications, notably the changes to the Customs Information System (CIS, an AFIS application), the extension of the A-TIS (Anti-Fraud Transit Information System, an AFIS application) and the development of an import, export and transit directory as well as a Container Status Message (CSM) directory.

These delays encountered in the implementation of the work programmes affect specific objective 1 of the programme, to support Mutual Assistance in Customs Matters through the provision of secure information exchange tools for Joint Customs Operations (JCOs) and specific Customs anti-fraud information exchange modules and databases such as the CIS, namely the efficiency of the CIS and the availability of new databases.

The new version of the Irregularities Management System (IMS), IMS5, which replaced IMS4, went live in April 2016.

The extension of A-TIS and a first version of the import, export and transit (IET) directory as well as the Container Status Message (CSM) directory went live on 1 September 2016, the application date of the amended Council Regulation.

Key achievements

The performance indicators of the programme for 2015 have been achieved or even overachieved and have been mostly achieved for 2016:

For indicator 1, the number of active customs fraud cases for which information is available in the Mutual Assistance databases, the milestone of 12 000 cases has been achieved.

As seven JCOs have been supported in 2015 and eleven in 2016, the milestone for performance indicator 2 has been overachieved.

Regulation (EU) 2015/1525 amending Council Regulation (EC) No 515/97 entered into force on 8 October 2015. Hence, the milestone of performance indicator 3 has been met.

However the aforementioned delays encountered in the implementation of the work programmes for 2014 and 2015 affect the future milestones of performance indicator 1, the milestone for 2016 of performance indicator 3 and the target for performance indicator 1:

The delays in the development of an interface to COPIS, caused by to the late go-live of COPIS and the need for a following stabilisation phase, and in the implementation of the changes to the CIS, caused by the late adoption of the amendments to the Regulation, will lead to a delay in achieving the milestones and targets for performance indicator 1, the number of active customs fraud cases for which information is available in the Mutual Assistance database. The milestone planned for 2017 of 20 000 cases will be only achieved with more than one year delay in 2019 and the milestone for 2017 had to be reduced to 17 000 cases. The target for 2020 had to be reduced to 24 000 cases.

The delay in the extension of A-TIS, caused by the late adoption of the amendments to the Regulation, will led to a delay in achieving the milestone planned for 2016 for performance indicator 3, the coverage of A-TIS. The milestone of 100% of the transit declarations covered by A-TIS will be only achieved with one year delay in 2017. However, since the application of the new legal base for transit declarations on 1 September 2016, A-TIS covered 78.32% of the transit declarations which represents nearly all transit declarations for which this legal base applies. Not covered are transit declarations for common transit countries which did not consent to their usage (11.28%), declarations for transit within a Member State which did not consent (4.02%), technically malformed declarations which could not be processed (3.84%) and declarations for common transit countries which gave their consent only after 1 September 2016 (2.54%).

Forthcoming implementation (2017-2018)

OLAF and TAXUD have defined the requirements and architecture and started the development of an interface between DG TAXUD's COPIS (anti-Counterfeit and Piracy System) and AFIS. It is expected that it will go live by the end of 2017.

The Implementing Acts for the CIS and the CSM directory have been adopted in March 2016. The implementation of the changes to the CIS, arising from the modifications to Council Regulation (EC) No 515/97, have been started and will be finalised in 2017.

The development of a second release of the CSM directory, providing additional features, is expected to go live in 2017.

The development of a second release of IET, covering additional data, is expected to go live in 2017.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (EC) No 515/97 amended by Council Regulation (EC) No 766/2008, Regulation on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes	2014 - 2020	51,3

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	6,4	6,9	6,6	7,2	7,7	7,2	7,5	49,4
Total	6,4	6,9	6,6	7,2	7,7	7,2	7,5	49,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	6,629	99,16 %	6,500	92,88 %	7,151	11,24 %	6,802	24,30 %
Authorised appropriation excluding external earmarked revenue	6,629	99,16 %	6,500	92,88 %	7,151	11,24 %	6,802	24,30 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The need for EU involvement in the context of mutual administrative assistance and customs co-operation was already recognised by the European legislator with the adoption of Regulation 515/97. By the very nature of customs fraud, occurring by definition among at least two countries there is a continuing necessity for centralised action at the EU level. Effective sharing of information and wide-scale fight against breach of customs legislation cannot be conducted only by national customs authorities at a reasonable cost. Systemic collection of the data required to analyse customs risks which pose a threat to the EU and its Member States would constitute a disproportionate effort for 28 individual Member States and can be achieved more effectively and efficiently by action at the EU level.

The need for enhancement of the functioning of customs risk management, particularly in relation to safety and security risks, is recognised in Commission Communication on Customs Risk Management and Supply Chain Security (COM(2012)793).

Therefore, action at EU level would enable a significant improvement in risk management and the fight against customs-related fraud, by increasing the available evidence, improving the possibilities for risk mitigation and detection and repression of fraud and rendering the action more efficient and effective.

On the other hand, for the protection of its financial interests, EU legislation lays down reporting requirements for Member States as regards financial support in the area of shared management. Member States shall send regular reports to the Commission on detected fraudulent irregularities and other irregularities, the amount concerned and the progress of related administrative and legal proceedings so as to ensure that all EU taxpayers' money reaches projects that can stimulate the creation of jobs and growth. The information reported by the MS is included in the Commission report under Article 325 TFEU.

The Anti-Fraud Information System (AFIS) is an umbrella term for a set of anti-fraud applications operated by OLAF under a common technical infrastructure aiming at the timely and secure exchange of fraud-related information between the competent national and EU' administrations, as well as storage and analysis of relevant data. The AFIS Project encompasses two major areas, Mutual Assistance in Customs Matters and Irregularities Management.

AFIS supports Mutual Assistance in Customs Matters with collaboration tools such as V-OCU (Virtual Operations Coordination Unit) used for Joint Customs Operations; secure web mail (MAB-Mail), specific information exchange modules and databases like MAB (Mutual Assistance Broker), CIS (Customs Information System) and FIDE (Customs Investigation Files Identification

Database), analysis tools like A-TIS (Anti-Fraud Transit Information System) and electronic workflow applications like ToSMA (Tobacco Seizures Management Application).

AFIS also provides the IMS (Irregularities Management System), a secure electronic tool which facilitates the Member States' obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds, the Asylum, Migration and Integration Fund (AMIF), the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (ISF) and the Fund for European Aid to the Most Deprived (FEAD) as well as pre-accession aid, and which supports the management and analysis of irregularities.

The AFIS Portal is a single and common infrastructure for the delivery of the above-mentioned services to more than 8 700 registered end-users in more than 1 800 competent services from Member States, partner third countries, international organizations, Commission services and other EU bodies. AFIS is increasingly being used by partner third countries, including China.

The AFIS Portal enables substantial economies of scale and synergies in the development, maintenance and operations of such a wide and diverse set of IT services and tools.

4. Performance information

General objectives

General Objective 1: To protect the financial interest of the Union thus enhancing the competitiveness of the European economy and ensuring the protection of the taxpayers' money

Specific objectives

Specific Objective 1: To support Mutual Assistance in Customs Matters through the provision of secure information exchange tools for Joint Operations and specific Customs anti-fraud information exchange modules and databases such as the Customs Information System

Indicator 1: Number of active customs fraud cases for which information is available in the Mutual Assistance databases							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
8 000		12 000		17 000 ¹		21 500 ²	24 000 ³
	Actual results						
	10 000	12 000	13 800				

Indicator 2: Number of Joint Customs Operations (JCOs) (including EU wide and regional operations) supported/year							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
3 JCOs	4 JCOs			5 JCOs			5 JCOs
	Actual results						
	6 JCO's	7 JCO's	11 JCOs ⁴				

Indicator 3: Coverage of A-TIS (Anti-fraud transit information system)							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
At the end of 2013, A-TIS holds 16.5 million transit declarations (600 000/month) covering 70% of the transit regime.	*	Entry into force of the reform of Regulation 515/97	A-TIS to cover 100% of transit declarations. New repository of export declarations developed	New repository of import declarations developed	New repository of Container Status Messages (CSMs) developed	Statistical analysis tools for operational covering all repositories	A-TIS to cover 100% of transit declarations
	Actual results						
		Regulation 2015/1525 amending Council Regulation 515/97 entered into force on 8 October 2015	Repository of export declarations available since 1 September 2016 A-TIS covers 78.32% of the transit declarations ⁵				

¹ Milestone reduced from 20 000 to 17 000 (for details please refer to the programme performance update section)

² New Milestone

³ Target reduced to 24 000 (cfr. the programme performance update section)

⁴ In 2016, 4 JCOs were co-organised by OLAF and a Member State and in total 12 JCOs were supported by OLAF. The Virtual Operations Coordination Unit (VOCU) module of AFIS was used in 11 of these JCOs. One JCO was organised by the World Customs Organisation with intelligence support of OLAF, but without VOCU usage.

*At the end of 2014, A-TIS holds 23.1 million transit declarations.

Specific Objective 2: To facilitate secure electronic communication tools for the Member States to fulfil their obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds as well as pre-accession aid.

Indicator 1: Availability of new irregularities reporting modules for the new programming period 2014-2020

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Development of new single harmonised module on-going.	**	Operational launch of new IMS version ready for reporting regulations for the MFF 2014-2020.	Online reporting and analysis system extended	Online analysis system to be extended ⁶			IMS system fully operational in all Member States and candidate countries with reporting and analysis tools.
	Actual results						
		IMS 5 is scheduled to go in production on 1 April 2016 ⁷	IMS5 went in production on 1 April 2016 ⁸				

** The new single harmonised module was put in production on 1 October 2014, introducing a single format for all existing modules (7) to be used by all countries (Member States and (potential) candidate countries), covering all programming periods and all regulations. IMS4 is an intermediate system and will be replaced by IMS5 which will be based on new software. IMS4 is still based on software that dates back to 2005

Indicator 2: Number of Member States complying with obligations for reporting of fraudulent irregularities

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Some Member States / Candidate Countries do not yet fully comply with their reporting obligations	IMS refreshment training provided to MS		MS have been trained and set up to use IMS ⁹	MS and candidate countries use actively IMS reporting and analysis tools ¹⁰	MS and candidate countries perform proactive quality control on the data provided ¹¹		The Commission can guarantee that the Member States have at their disposal all means and tools to comply with the reporting obligations ¹² .
	Actual results						
		IMS5 training was provided to all Member States ¹³ .	IMS manual revised and updated ¹⁴				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. AFIS Registered Users	24 04 01		
2. JCOs organised	24 04 01		
3. MA Cases	24 04 01		
4. IMS Communication	24 04 01		
Total			7,7

⁵ The percentage refers to the period since the application of the new legal base for transit declarations. Not covered are transit declarations for common transit countries which did not consent to their usage (11.28%), declarations for transit within a Member State which did not consent (4.02%), technically malformed declarations which could not be processed (3.84%) and declarations for common transit countries which gave their consent only after 1 September 2016 (2.54%).

⁶ Milestone has been rescheduled from 2016 to 2017.

⁷ IMS5 will replace IMS4, the current operational system. IMS4 can be used to fulfil the reporting obligations of MFF2014-2020. The alpha-release of IMS5 was made accessible to all IMS-users in February 2016.

⁸ The extended online reporting system IMS5 facilitates the reporting of irregularities for the following competences: agriculture, cohesion, fisheries, pre-accession, asylum and most deprived.

⁹ From IMS4 onwards, there is only one module (single format). Candidate countries have been added to milestone in 2016.

¹⁰ Candidate countries added to milestone in 2016.

¹¹ Candidate countries added to milestone in 2016.

¹² Target revised in 2016.

¹³ 179 IMS-users of 28 countries attended the training. IMS5-training for the candidate countries is foreseen for 2016.

¹⁴ A training session for potential candidate countries took place in October 2016. A hands-on session for Serbian IMS liaison officers took place in December 2016.

The aforementioned outputs, especially AFIS Registered Users, MA Cases and IMS Communications, cannot directly be related to expenditures. The AFIS financing decision¹⁵ allocates the budget according to the following categories:

1. IT studies, development and maintenance
2. Production services
3. Technical assistance, training coordination and quality control services
4. Use and maintenance of the Common Communication Network (CCN)
5. Acquisition, maintenance and updating of various types of software, hardware and related IT services

In line with the requirements¹⁶, the IT expenditures within these budget sub lines can be allocated to the following (IT) cost categories: Development (43500), IS Maintenance (43800), IS Support (43850), Training (12500), ICT Infrastructure (43400), IS Licenses (43900) and non-IT expenditure (NO/IT).

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. AFIS Registered Users	F	12 100	13 300	8 100	8 200	8 300	8 350	8 400
	P	8 100	8 050	8 750				
2. JCO's organised	F	4	4	4	5	5	5	5
	P	4	3	4				
3. MA Cases	F	10 000	13 000	14 500	17 000	19 000	21 500	24 000
	P	10 000	12 000	13 800				
4. IMS Communication	F	21 000	22 500	24 000	25 500	27 000	28 500	30 000
	P	23 700	23 400	43 600				

5. Programme contribution to the Sustainable Development Goals

AFIS facilitates the reporting of irregularities detected in EU funding instruments such as agricultural, structural, cohesion and fisheries funds, the Asylum, Migration and Integration Fund (AMIF), the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (ISF) and the Fund for European Aid to the Most Deprived (FEAD) as well as pre-accession aid. Hereby AFIS contributes to the economic usage of these EU funding instruments, which are key European actions¹⁷ supporting the 2030 agenda and Sustainable Development Goals

¹⁵ E.g. the Commission Decision on the adoption of the work programme for 2015 and the financing for the implementation of the Anti-Fraud Information System, C(2015)684 of 13 February 2015

¹⁶ Note on tracking IT expenditures of DG BUDG, Ares(2015)5555824

¹⁷ cfr. Commission Communication on "Next steps for a sustainable European future" (COM(2016) 739 adopted on 22 November 2016), which maps out both the internal and external aspects of EU policies contributing to the implementation of the Sustainable Development Goals (SDGs), and the accompanying staff working document (SWD(2016) 390) which gives an overview of key European actions and policies in relation to the 17 SDGs.

HEADING 1A: Competitiveness for growth and jobs**Connecting Europe Facility (CEF)****Lead DG: MOVE**

Associated DGs: ENER, CNECT

I. Programme Update

The Connecting Europe Facility (Regulation EU 1316/2013) is a funding framework for projects of common interest supporting infrastructure networks in the areas of Transport (Trans-European Transport Networks), Energy (TEN-E Networks) and Telecommunications (Digital Service Infrastructures and Broadband). The eligible projects are identified in the respective Guidelines for Transport, Energy and Telecommunications.

The methods of implementation are:

- Funding of projects (works or studies) by means of grants and procurement: The Commission Work Programmes, either on annual, or multi-annual basis, define the priorities and the criteria, based on which the calls for proposals are launched and the applications are evaluated and recommended for funding. The list of projects (actions) selected for grants is scrutinised (examination procedure) by the relevant CEF Committee.
- Funding of projects by Programme Support Actions, as accompanying measures to deliver projects of common interest.
- Funding of projects by cross sectorial Financial Instruments Work Programmes. The Financial Instruments aim at providing private capital finance and enhancing the risk sharing. The instruments are in the form of debt or may be also in equity financing.

Implementation status (2014-2016)**TRANSPORT**

The grant funding to the TEN-T projects has helped to kick off major infrastructure investments in Europe on the core and comprehensive networks and thus contributed to the overall CEF goals, such as bridging missing links and removing bottlenecks.

Through two calls for proposals launched in 2014 and 2015, CET-transport has granted support to 452 projects, i.e. 263 projects from the first call amounting to EUR 12.8 billion, and 189 projects from the second call amounting to EUR 6.6 billion, for a total of EUR 19.4 billion in investments across Europe, out of which EUR 10.1 billion for the Cohesion Envelope.

On 7 October 2016 the Commission adopted CEF – Transport Annual (AP) and Multi-Annual (MAP) Work Programmes (respectively C(2016) 6380 and C(2016) 6388) in view of providing EU grant support to projects of common interest and to Programme Support Actions in the Trans-European Transport Networks aimed at implementing key transport infrastructure links, removing bottlenecks and promoting sustainable transport modes.

On the basis of these Work Programmes, the Commission launched a third CEF – Transport call for proposals on 13 October 2016 (deadline for submission of proposals: 7 February 2017) with an overall envelope of EUR 1.94 billion: EUR 1.5 billion under the MAP and EUR 440 million under the AP. The evaluation and selection of projects will take place between February and May, with a view to a Commission selection decision in June / July 2017.

In view of supporting the synergies between the Transport and Energy sectors, an Annual Work programme for synergies has been approved C(2016)1778 with an allocation of EUR 40 million, seeking to enhance areas where transport and energy can deliver innovative solutions.

On 22 December 2016, the Commission adopted the Multi-Annual Work programme C(2017)164 providing for a EUR 1 billion call for proposals to be launched in early 2017, with the aim of blending CEF – Transport grants with financial instruments from the European Fund for Strategic Investments, National Promotional Banks or private sector finance. The objective of this blending call is to support economically viable projects using private finance by providing an EU grant to bridge the funding gap, as appropriate.

ENERGY

The multi-annual work programmes for grants under CEF energy of 2014/2016 [C(2014) 2080 final of 31.3.2014, C(2015) 1363 final of 3.3.2015 and C(2016) 1587 final of 17.3.2016] have been executed with a total of EUR 1.18 billion allocated to 75 actions. The financing decision under the second CEF call for proposals 2016 was adopted on 14 March 2017 (18 proposals: 7 for electricity, 10 for gas and 1 for smart grid, for a total amount of EUR 444.2 million.)

TELECOM

In 2014 the Commission adopted the first CEF Telecom Annual Work Programme and launched the first activities in support of European Digital Service Infrastructures (hereby referred to as "DSIs"). An overview of all DSIs currently financed is available [here](#). DSIs are developed according to two main parallel investments: the "Core Service Platforms (CSP)", developed and owned, at

least in during the current Multiannual Financial Framework, by the European Commission via procurement contracts; and "Generic Services" implemented via grants. The CSP are the central hubs that provide, for each digital service, trans-European connectivity, access and interoperability. Generic Services, instead, are the links between the national systems and the core service platforms.

The first CEF Annual Work Programme, adopted in March 2014 and amended in December 2014 (C(2014) 9588) kick-started the deployment and operation of the Core Service Platforms supporting the entire digital infrastructure ecosystem, with a focus in the so called "building blocks" DSIs (hereby referred to as "DSIs"). These specific type of DSIs offer basic capabilities that can be re-used in any digital project (i.e. they are not domain specific) to facilitate the delivery of digital public services across borders.

In this first year of implementation, support was also given to the core service platforms of Europeana, Safer Internet for Children, eID, eSignature, eDelivery, eInvoicing, Open Data, Automated Translation and Cyber Security. The generic services associated with Safer Internet and eID were also called for.

The second CEF Telecom Annual Work Programme, adopted in December 2014 (C(2014)9490) and amended in October 2015 (C(2015) 7381), covered the deployment and operation of the digital infrastructure for the eHealth, Online Dispute Resolution, and eProcurement, on top of the continuation of the activities started in 2014. EUR 36.7 million have been allocated for the procurement of Core Service Platforms. Two calls for proposals for generic services were launched, with a total budget of EUR 45.6 million: the first call allocated EUR 27.05 million to 41 proposals in the areas of eDelivery, eInvoicing, Public Open Data, Safer Internet; the second call allocated EUR 19.2 million to 32 proposals in the areas of eHealth, eProcurement, eID, Online Dispute Resolution.

On the basis of the third CEF Telecom Annual Work Programme (C(2016) 1225), in 2016 investments supported in the previous years continued, with a stronger focus on Generic Services, with EUR 70 million allocated to core service platforms and EUR 29 million allocated to Generic Services. Four calls for proposals have been launched. The first has allocated EUR 26.2 million to 40 proposals. The second and fourth awarding more than EUR 11 million to projects in the areas of: eDelivery, eIdentification and eSignature, European e-Justice Portal, Public Open Data and Safer Internet. The remaining call is currently being evaluated.

CROSS-CUTTING (Financial Instruments)

Regarding CEF Financial Instruments, on 4 July 2016 the Commission adopted Annual Work Programme C(2016)1950, amended on 6 December 2016 by Decision C(2016) 7828, which provides for the financing of projects of common interest under the CEF Debt Instrument by means of delegation to the European Investment Bank as entrusted entity. In 2016 the budget allocation to the CEF Debt Instrument in the transport sector was EUR 66.35 million, whereas the total 2014 – 2016 allocation in the transport sector accounts for EUR 206,35 million.

In transport, the Commission, in cooperation with the European Investment Bank, established a risk mechanism, the Green Shipping Guarantee programme, to support the greening of the EU shipping fleet and the Motorways of the Sea. The first transaction was signed in 2016. The programme will be rolled out under the European Fund for Strategic Investments for a total amount of EUR 750 million, which is expected to mobilise EUR 3 billion of investments.

In December 2016 the Commission and the European Investment Bank (EIB) announced the plans to launch the Connected Europe Broadband Fund, incorporated in Luxembourg, as part of the first phase establishing the fully fledged equity instrument. The European Commission will invest EUR 100 million into the Fund from the Connecting Europe Facility (CEF), and will also contribute via the European Fund for Strategic Investments (EFSI). The Connecting Europe Broadband Fund is expected to become operational mid-2017, leveraging contributions from the European Investment Bank, three National Promotional Banks – KfW Bankengruppe from Germany, Cassa Depositi e Prestiti from Italy and Caisse des Depots et Consignations from France – as well as the private sector.

In the energy sector, no project has been financed so far under the CEF Debt Instrument and there was no contribution in 2016 to the Financial Instruments Work Programme.

Key achievements

TRANSPORT

The grant funding to the Trans-European Transport Network (TEN-T) projects has helped to kick off major infrastructure investments in Europe on the TEN-T Core and Comprehensive networks, thus contributing to achieve the overall CEF goals such as improving cross-border transport links and bridging the missing links. Support to the main projects included:

- **Financing of the major missing links, cross-border projects** such as Seine – Escaut (FR/BE/NL), Fehmarn Belt (DK/DE) and the Brenner Base Tunnel (IT/AT), Lyon – Torino (FR/IT), as well as the Rail Baltic (FI/EE/LV/LT/PL). Below are some examples:
 - *CEF contribution to Brenner Base tunnel:* With a length of 64 km, the Brenner Base Tunnel's section between Innsbruck in Austria and Fortezza in Italy will be the longest high capacity rail tunnel in the world. The tunnel will become operational in 2026. To date, 60 out of the 230 km long tunnel system have been excavated. Since 2016 all the construction lots in Italy have been tendered. In 2016 works on Eisack river underpass (EUR 303 million) and Mules (EUR 993 million) started. In Austria, the biggest construction lot Pfons-Brenner (EUR 1300 million) was tendered on 7

December 2016. By the end of 2016, EUR 1100 million had been invested, EUR 1500 million contracted and works worth EUR 1500 million tendered.

- *CEF Contribution to Rail priority project:* TEN-T and CEF is not only about mega-projects. The first CEF rail project, which was completed in July 2016, was the Improvement of safety on the Central Railway Line in Poland, which was realised under the Safe and Secure Infrastructure priority. It consisted of elimination of two level crossings with local roads located on the railway line being part of the Baltic-Adriatic Core Network Corridor in Central Poland. Implementation of the Action has contributed to improving safety and eliminating bottlenecks and allowed for the speed increase to 200 km/h on the given sections of the line. This project is a perfect example of how a relatively small action (total value: EUR 4.1million, CEF grant EUR 3.5 million) can contribute to the achievement of the TEN-T objectives.
- Support to the deployment of the European Rail Traffic Management Systems for the enhanced rail interoperability:
- **Support to the new generation of technologies and procedures for the Air Traffic Management (ATM) under the SESAR Deployment programme** enhancing the safety, reliability and performance of the overall ATM Network. As part of the Single European Sky initiative to harmonise and enhance the performance of the Union's air traffic management (ATM), the SESAR project aims to modernise the Union's ATM infrastructure. SESAR aims to define, develop, validate and deploy innovative ATM technological and operational solutions (SESAR solutions) towards the 2030 horizon. As such, SESAR contributes to the objectives of the Union's Aviation Strategy. Some first essential SESAR solutions have been delivered by the SESAR Joint Undertaking and are ready to be deployed. Some examples of SESAR Solutions include the following:
 - Time-Based separation (to improve airport capacity as a result of increased aircraft landing rates in strong headwind conditions)
 - Extended arrival management (AMAN) horizon (to reduce holding time by sharing airport's arrival management information for aircrafts distant up to 200 NM from the airport)
 - Approach procedures with vertical guidance (to improve access to airport in all weather conditions without the need to install ground equipment – satellite based technology)
 - Free route through the use of direct routing (to allow the airlines to select the most efficient route – as they prefer-reducing fuel burn and increasing airspace capacity)
 - Initial SWIM: a new approach to sharing information between all providers and users of Air Traffic Management data and services
 - Remote tower for two low density aerodromes (controlling remotely 'virtually' a distant airport from another location)
 - All SESAR solutions are described in the SESAR Solution Catalogue (Edition 1.0 from last year available online – revision expected in July this year): <http://www.sesarju.eu/newsroom/brochures-publications/sesar-solutions-catalogue>

To ensure that these solutions bring the maximum benefits to the ATM system, it is essential that they are deployed in a synchronised and coordinated manner. To achieve this objective, the Commission has established a dedicated and comprehensive framework for SESAR deployment. This framework, defined in Regulation (EU)409/2013, establishes a number of mechanisms such as: Common projects, Deployment programme, Deployment Manager, implementation projects. Since 2013 the Commission has set up and activated these mechanisms. The CEF programme is the primary source of Union funding and an essential incentive and enabler for SESAR deployment. CEF plays a fundamental role in stimulating industrial stakeholders' buy-in and contributes to leveraging significant private investments to deploy SESAR solutions. The Deployment Manager, who is responsible for developing and implementing the deployment programme and coordinating implementation projects, is funded by CEF funds through annual specific grant agreements as Programme support actions. Total amount of EU support from the 2014 and 2015 CEF calls was EUR 364.4 million and EUR 694 million, respectively. This led to the financing of four "Common Projects" Actions coordinated by the SESAR Deployment Manager and 38 "Other projects" Actions related to SESAR, involving the majority of EU Member States.

- **Support directly to the Member States and to relevant stakeholders via the Programme Support Actions in preparing and implementing the TEN-T priorities:**

Through the Programme Support Actions defined in Article 5(2) (a) of the CEF Regulation, the Commission has supported directly the administrations of the Member States or bodies under their responsibility such as the Railway Infrastructure Managers in charge of preparing the projects pipelines and enhancing their administrative capacity in terms of human and technical capital to prepare, manage and implement CEF projects. The Commission has also established **dedicated knowledge exchange fora for each of 9 Corridors** supporting the work of the European Coordinators and feeding into the establishment and review of the Corridor Work Plans defined in TEN-T guidelines (Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network).

- Ensuring pan European coordination on the TEN-T network through the European Corridor Coordinators:

The European Coordinators presented their second Work Plans which provide a more detailed analysis of progress made, investment needs and the critical issues to complete the corridors. They also transmitted their second Common Progress Report to the Commission, the European Parliament and the Council.

ENERGY

The following actions financed under the first call for proposals in 2016 (CEF-Energy-2016-1) are considered illustrative examples of addressing CEF key policy priorities and cross-border issues.

- Construction of the first gas interconnector between Finland and Estonia to end the energy isolation (Balticconnector)

Currently, Finland is largely dependent on gas flows from a single supplier. And until recently, the three Baltic States also had to rely on gas imports from a single gas source. When completed, the Balticconnector and the gas pipeline between Poland and Lithuania will allow Finland and the Baltic States to diversify their gas sources and routes, safeguarding them against possible supply disruptions in the future.

The Balticconnector pipeline will consist of three sections: 22 km Finnish onshore, 80 km offshore and 50 km Estonian onshore. It enables the transport of 7.2 million cubic metres of gas per day with flows running in both directions. Alongside the Gas Interconnector Poland–Lithuania (GIPL), it will contribute to increasing energy security and solidarity in the region.

The project is expected to be completed in 2020. The EU contribution covers 75% of the construction costs, investing a total of EUR187 million grants into this key infrastructure.

- 'Black Sea Corridor'-140 km electricity line in Bulgaria

EUR 29.9 million has been allocated to the construction of a new 140 km electricity transmission line between Dobrudja and Burgas in Bulgaria. By transmitting wind and photovoltaic energy, the power line will integrate renewables in the electricity market. The European support will also enhance the capacity of the Bulgarian electricity grid and strengthen its resilience. This project belongs to the so-called 'Black Sea Corridor' project cluster: three electricity lines which will reinforce the electricity transmission corridor along the Romanian and Bulgarian coast, as well as between the rest of Europe and Turkey.

The EU support in Bulgaria will contribute to reinforce security of electricity supply, integrate renewable energy in the electricity market, and to increase future power exchanges, in view of the expected wind power from Greece and photovoltaic energy from South Bulgaria.

The EU support to the new Bulgarian electricity line corresponds to 50% of the construction costs. The new electricity transmission is expected to be operational by 2022.

TELECOM

The Connecting Europe Facility supports the deployment and promotion of Digital Service Infrastructures (DSIs) across the EU and broadband across the EU.

- Digital Service Infrastructures (DSIs)

DSIs are based on mature technical and organisational solutions to support exchanges and collaboration between citizens, businesses and public authorities. The vision is to create a European ecosystem of digital services that will allow all citizens, businesses and administrations across the EU to fully benefit from living in a Digital Single Market. For example, when travelling abroad a citizen will be able to enjoy the continuity of care by using cross border services to access his or her clinical information or receive ePrescriptions. Another example is the Online Dispute Resolution service, which allows both consumers and traders to be more confident in trading online and across borders, as they know that their disputes – if any- can be solved out of court in a simple, fast and low-cost way.

DSIs are developed according to two main parallel investments: the Core Service Platforms (CSP), developed and owned, at least in during the current MFF, by the European Commission via procurement contracts; and Generic Services implemented via grants. The CSP are the central hubs that provide, for each digital service, trans-European connectivity, access and interoperability. Generic Services, instead, are the links between the national systems and the core service platforms.

2015 was marked by a steady progression towards this vision by complementing the deployment of the Core Service Platforms at EU level, launched in 2014, with the Generic Services linking it to the Member States. Moreover, in accordance with the project pipeline outlined in the CEF Telecom Guidelines, new services have been added to the digital services portfolio, such as eHealth, Online Dispute Resolution and eProcurement. In 2016 investments supported in the previous years continued with a stronger focus on the links to the national infrastructures. Examples of achievements up to date are reported below, although, as most of the Generic Services projects have barely started, they are to be seen as work-in-progress towards achievements to come.

➤ Public open data portal:

Ongoing activities supporting the transposition of the revised Public Sector Information directive, including the deployment on an Open Data infrastructure under the Connecting Europe Facility programme, are put in place to improve the overall scoring. The interface of the Open Data infrastructure is a portal that has been launched in November 2015. It is a gateway offering access to data published by administrations in countries across Europe, from the EU and beyond. Since its launch, the portal, initially available in 3 languages, is now available in all 24 EU languages. It now contains references to more than 640,000 datasets collected from 76 catalogues in 34 countries, 174 use cases, over 350 articles, dozens of Open Data related events. . In the CEF Telecom Annual Work Programme 2017¹ specific actions are foreseen to couple the potentialities of the portal with those of high-performance computing technologies. Specifically, Generic Services will provide funds to the development of services making use of data available through the portal and needing high-performance computing to process these data.

The portal is found here: <http://www.europeandataportal.eu/>

➤ eHealth Digital Service Infrastructure:

The eHealth Digital Service Infrastructure facilitates continuity of care and patient safety of citizens seeking cross-border healthcare, allowing health data to be exchanged across national borders. The first eHealth call, launched in 2015, was largely oversubscribed by Member States. 16 Member States out of the 21 applying have received co-financing, meaning that in the course of the next three years participating Member States will work towards enabling exchange Patient Summaries and ePrescriptions in a secure and interoperable way. This will make life easier for EU citizen seeking care abroad: The electronic exchange of Patient Summaries, i.e. digital summaries of patients' medical status, will make care abroad better and more efficient, and will be especially helpful in an emergency situation. The ePrescription, will allow patients to pick up medication in any of the participating pharmacies abroad. More information about the running projects is available here.

➤ eIdentification Digital Service Infrastructure

The eID building block allows cross-border authentication, in a secure, reliable and trusted way, by making national electronic identification systems interoperable. Once this building block is deployed in a Member State, the mutual recognition of national eIDs becomes possible between participating Member States, in line with the eIDAS Regulation (see eIDAS Regulation (EU) 910/2014). It will then be possible for public administrations and private online service providers to easily extend the use of their online services to citizens from other EU Member States. For example, an EU citizen will be able to access a public service of another Member State using his or her own national means of identification. In this context CEF is financing an ambitious project that is laying the groundwork for the actual use of eID in the Netherlands. The project connects 69 municipalities and 300 services to the NL eIDAS node, extending the use of these online services to citizens from other EU Member States and EEA countries, which will be able to access these services by using his or her own national means of identification. In addition, the project prepares the software and infrastructure required to connect additional municipalities and services in the upcoming years.

- Broadband

The Broadband Investment Fund established under CEF Equity Instrument has been the main deliverable in the area of broadband in 2016. The Fund is expected to become operational mid-2017, leveraging contributions from the EIB, three national promotional banks, as well as from private investors.

The European Commission and the European Investment Bank (EIB) announced its launch in December 2016. This fund will lead to an investment platform combining private and public commitments to invest in broadband network infrastructure across underserved areas of Europe. The launch of the investment platform was planned in the Commission's strategy "Connectivity for a Competitive Digital Single Market – Towards a Gigabit Society" and it is an important step towards the deployment of the very high-capacity networks that Europe needs for its digital economy and society.

Evaluations/studies conducted

An interim evaluation of the CEF programme is ongoing with a view to presenting a report to the European Parliament and the Council before the end of 2017².

Specific studies:

- **Evaluation of the impact of PCIs implementation study** has been completed in November 2016. The aim of this study was to collect and interpret the information related to the implementation of PCIs, as well as their impact, in view of the 2017 Commission's evaluation report on the implementation of the TEN-E Guideline (Reg. 347/2013). The study analysed:

¹ To be adopted in February 2017

² Open public consultation: <https://ec.europa.eu/transport/themes/infrastructure/consultations/mid-term-evaluation-connecting-europe-facility-cef>

- ✓ information on planning and development of projects, difficulties encountered in the PCI implementation and Union funds engaged;
- ✓ the effectiveness of the permitting procedures and with regards to regulatory treatment, the evaluation identified projects having received a cross border cost allocation decision and/or specific regulatory incentives;
- ✓ the impact of PCIs only on the Member States that have not met the targets set for the energy policy objectives of electricity interconnectivity and diversification of gas supply.

Despite the discrepancy between the initially planned and actual commissioning dates of PCIs in both sectors, the study concluded that PCIs are expected to eliminate or significantly decrease dependence to import prices for some Member States and increase resilience to import prices for others. In the gas sector, Bulgaria, Estonia and Finland are good examples of Member States that, through the implementation of PCIs, could increase their liquidity, have a strong impact on covering supply gaps, ending market isolation, and enhancing flexibility for most other markets as early as 2020. With reference to the electricity sector, with the impact of PCIs, Portugal, Ireland, Germany, France and (marginally) the United Kingdom will have reached the 10% electricity interconnectivity target by 2020.

- **Field Study on Cost-Effective Financing Structures for Mature PCIs in Energy** has been completed in November 2016. The study explored whether EU instruments, in particular those under CEF and EFSI, are sufficient to ensure the timely realization of financially challenged PCIs and derive recommendations for improvement. The effectiveness of EU financial instruments was analysed based on a field study with four electricity and gas transmission system operators (TSOs). For this study, four electricity and gas TSOs were selected to receive support in mastering their PCI-related financing challenges. The study offers valuable insights for all PCI promoters who can identify with any of the three selection categories analysed in the study. In conclusion, EU instruments such as CEF are effective at leveraging private investment, but PCI promoters often don't utilise these instruments' full potential. Additional measures are being studied that would support or strengthen the EU's existing PCI programme in alleviating financing delays and ensure the timely realisation of PCIs, notably: equity instruments, financial engineering support (what can be covered by CEF studies), capacity building as an add-on element to financial engineering
- The **CEF Digital Service Infrastructure Maturity Study** assessed the maturity of the digital service infrastructures supported by the Connecting Europe Facility programme. The study gives an overview on the technical maturity of specific infrastructures to be deployed as of 2015. It concluded that many of the digital service infrastructures considered for deployment have an intermediate or advanced level of technical maturity.
In this context, technical maturity means that no further testing or piloting activities are necessary and that the related DSI can be finally developed and deployed for operational use by the targeted users communities, being them public administration, business organisation or citizens. The study concluded that many of the digital service infrastructures considered for deployment at the time had an intermediate or advanced level of technical maturity. In particular, it served as basis to time the enlargement of the Digital Services portfolio and the prioritisation of the activities.
More under: <https://ec.europa.eu/digital-agenda/en/news/study-maturity-digital-service-infrastructures-supported-connecting-europe-facility>
- The **CEF Digital Service Infrastructure sustainability study** is analysing the different scenarios for ensuring the long-term sustainability of the DSIs beyond 2020. This study covers 15 different DSIs that have been awarded CEF funding through annual CEF work programmes from 2014 up to 2016, and will provide indications on possible models for operations and maintenance of the deployed DSI after the end of the current Multi-Annual Financial Framework. The study is expected to be finalised in 2017.

Forthcoming implementation (2017-2018)

TRANSPORT

The following activities will take place over the coming two years:

- with regard to grants:

With regard to the Multi Annual Work Programme C(2017)164 concerning blending of CEF transport grants with financial instruments from the European Fund for Strategic Investments, National Promotional Banks or private sector finance, the projects will be submitted by promoters until July 2017, with a second submission date possibly in Q4 2017. The first evaluation phase will take place in September 2017.

With regard to the third call for proposals of the Multi Annual Work Programme C(2016) 6388 and of the Annual Work Programme C(2016)6380, the evaluations of the proposals are taking place in February till May 2017 with the signing of individual grant agreements foreseen in September 2017.

- with regard to the Programme Support Actions:

The Multi Annual Work Programme includes a number of the Programme Support Action (PSA) to be implemented in 2016-2020 to directly support Member States in participating, exchanging knowledge, best practices in preparing projects and

implementing the Core Network Corridors, including specifically on the cross border projects. The PSAs also include the support to the Commission in implementing the horizontal priorities such as SESAR/single European Sky and the Intelligent Transport Systems. In particular in 2017 a new PSA to support infrastructure managers and national authorities in the establishment of the Rail Freight Corridors will be implemented.

Finally, the Commission will conclude the mid-term evaluation of the CEF Programme, providing recommendations for the improvement for the delivery of the CEF Programme in three sectors. It will present its report to the Parliament and the Council.

Further calls for 2018 are being considered, notably to absorb the €50 million top-up of the CEF budget agreed in the context of the MFF mid-term review.

ENERGY

The multi-annual work programme 2017-2020 for grants under CEF energy was adopted on 31 March 2017. It foresees one call for proposals with a total value of EUR 800 million. In 2018 a similar work programme for grants implementation will be adopted following the budgetary implementation rules.

The annual work programme 2017 for financial instruments will be adopted without any contribution from CEF energy, as the 2017 commitment appropriations of EUR 77 291 975 are set to be transferred to an instrument for energy efficiency in line with the review of the Multi-Annual Financial Framework 2014-2020. For 2018, the situation will be similar, as the commitment appropriations of (estimated) EUR 91 847 000 are set to be transferred to the EFSI, the energy efficiency instrument and to CEF grants.

CEF TELECOM

The Work Programme 2017 was been adopted on 8 February, through the Commission Implementing Decision C(2017) 696. In 2017 deployment and operation activities of the DSIs supported in the previous years will continue.

In the meanwhile, the preparation of the Work Programme 2018 is on-going. The document outlining the orientations of the Work Programme will be discussed for the first time with the Member States in June. After that, the actual Work Programme will be drafted and discussed. It is scheduled for adoption in the first months of 2018. It is currently foreseen that the support to previous activities will continue, while the introduction of new Digital Services will be assessed in accordance with the Regulation (EU) 283/2014 on the guidelines for trans-European networks in the area of telecommunications infrastructures. It is also foreseen that the CSP will slowly decrease passing from a design and basic development phase to a maintenance, upgrade and functionalities expansion phase. Generic Services are expected to grow in importance as they are vital to complete the deployment of the pan-European cross-border interoperable infrastructure.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1).	2014 - 2020	30 442,3

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	5,8	5,3	5,0	4,6	5,0	5,2	5,3	36,2
Operational appropriations	1 958,8	1 416,4	2 116,6	2 527,6	2 748,9	3 825,7	3 940,8	18 534,8
Executive Agency	11,6	13,4	12,9	14,8	14,3	14,5	14,9	96,4
Total	1 976,2	1 435,0	2 134,5	2 547,0	2 768,2	3 845,5	3 961,0	18 667,4
<i>Contribution from Cohesion Fund</i>	<i>983,0</i>	<i>1 217,0</i>	<i>2 376,5</i>	<i>1 593,3</i>	<i>1 655,1</i>	<i>1 700,4</i>	<i>1 780,6</i>	<i>11 305,9</i>
Total with contribution from Cohesion Fund	2 959,2	2 652,0	4 511,0	4 140,3	4 423,3	5 545,9	5 741,6	29 973,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 209,605	98,63 %	858,528	99,09 %	2 576,372	93,21 %	858,429	6,19 %
Authorised appropriation excluding external earmarked revenue	2 205,726	98,63 %	855,849	98,74 %	2 576,361	93,12 %	858,265	6,07 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

In accordance with the principle of subsidiarity and proportionality set out in Article 5 of the Treaty on European Union, the objectives of the programme cannot be sufficiently achieved by the Member States and can therefore be addressed by the EU. Due to disparities in Member States' capacity to act and in order to ensure a coherent approach to EU project financing across the three sectors, action at EU level can better achieve the objectives pursued, by reasons of its scale and effects. More specifically, the EU level will provide economies of scale in the use of innovative financial instruments by catalysing private investments in the TEN and acceleration of the implementation of strategic projects and networks with high European added value by removing critical bottlenecks.

An integrated EU infrastructure funding framework will allow exploiting cross-sectoral synergies at project development and implementation level, enabling cost savings and/or more efficient exploitation and higher returns.

Specifically for Telecommunications, allowing exchanges and collaboration between citizens, businesses and public authorities within and across European borders, there is a clear case for EU added value through coordinating and connecting Member State activities, thereby ensuring interoperability and EU-wide usability. Indeed, due to non-territoriality of digital service infrastructures, and often their inherently cross-border character such as for example in case of seamless cross-border eGovernment services, relevant objectives of Europe 2020 and the Digital Single Market can only be achieved by a pan-European coordinated infrastructure approach. The vision is to create a European ecosystem of digital services that will allow all citizens, businesses and administrations across the EU to fully and seamlessly benefit from living in a Digital Single Market.

An integrated approach is also necessary to provide efficient investment vehicles for the deployment of state-of-the-art broadband networks. The intervention at EU level will attract new categories of broadband investors and project promoters, and encourage the replicability of innovative broadband projects and business models.

Contribution to Europe 2020 headline targets

3% of the EU's GDP should be invested in R&D
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The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	104,0	119,7
Sustainable Growth (competitiveness, climate, energy and mobility)	3 992,4	4 229,0
Total	4 096,4	4 348,7

Smart growth: 100 % Telecommunication part (lines 09 03 01; 09 03 02; 09 03 03).

Sustainable growth: 100 % Transport part (article 06 02 01) and Energy part (article 32 02 01).

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Contributing to sustainable and low carbon TEN-T networks	1,329,846,280	1,412,439,672
Contributing to sustainable and low carbon TEN-E networks	248,183,922	270,647,627
Total	1,578,030,202	1,683,087,299

The total amount corresponds to around 40% of CEF allocation to transport and energy sectors (all budget lines) including the contribution from the Cohesion Fund and to the financial instrument lines. The telecommunication sector does not contribute directly to the mainstreaming of climate action.

Details on transport sector budget's contribution to the mainstream of climate action:

The estimates are based on the methodology agreed between MOVE and REGIO:	
Railway projects:	40%
Inland Waterway projects:	40%
Multimodal platform:	40%
Motorways of the sea/sea ports	40%
Horizontal projects (Traffic Management Systems):	40%
Road projects	0%
Reduce rail freight noise by retrofitting of existing rolling stock	0%
Freight transport services	40%
Secure parking on road core network	0%
New technologies and innovation for all modes of transport	100%

Explanation on energy

In analogy with the transport sector, 40% of the CEF allocations to the energy sector are assumed to contribute to mainstreaming of the climate action (cf. programme statements for DB 2015-DB 2017). The climate spending for CEF Energy has been estimated at 40% for the whole programme for 2014-2020.

This percentage has been assumed as an average at programme level independently of the type of action supported, size or component of a project or infrastructure category. In general, among energy infrastructure categories it is assumed that electricity (high-voltage grids, smart grids as well as storage) contributes more to climate action than gas (pipelines, underground storage and LNG facilities), as in view of the 2020 targets newly built power grids will carry electricity from renewable sources.

In the second half of the multiannual financial framework (MFF), the number of projects of common interest in the electricity sector which will mature is likely to increase, and the share of funding to the electricity sector is therefore expected to increase, too. Pending the completion of the mid-term evaluation of the CEF programme, which will look to what extent CEF funding has contributed to the EU policy to devote at least 20% of the EU funding to climate action objectives, it is proposed to keep the same percentage at programme level as for the 2014-2017 period.

CEF Sector	2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
	2014	2015	2016	2017	2018	2019	2020	
Transport	982 096,841	890 739,322	1 537 773,435	1 329 846,279	1 412 439,672	1 726 617,304	1 779 992,567	9 659 505,420
Energy	147 383,571	139 145,594	198 712,627	248 183,922	270 647,628	396 762,495	478 570,195	1 879 406,032
Total								11 538 911,452

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by sector in EUR million).

4. Performance information

General objectives

General Objective 1: Developing modern and high-performing trans-European networks and creating an environment more conducive to private, public or public-private investment

Indicator 1: Volume of private, public or public-private partnership investment in projects of common interest								
Situation 2013	Milestones foreseen							Target* (in EUR million)
	2014	2015	2016	2017	2018	2019	2020	
0				Transport: 7,400	Transport: 8,700	Transport: 9,200	Transport: 4,6000	Transport: 500,000 of investments realised on the entire TEN-T network, of which 250,000 on the core network* Energy: 200,000
				Energy: 520,8	Energy: 627,1	Energy: 550,4	Energy: 108,5	
	Actual results							
	Transport: 909,6 Energy: 27,6 Total = 937,2	Transport: 1.600 Energy: 149,5 Telecom: 29,7 Total=1,800	Transport: 5,200 Energy: 214,7 Telecom: 75,7 Total=5,500					

Source: INEA - Costs correspond to the latest available information (grant agreements and Action Status Reports) for CEF Transport/Energy actions. Costs are attributed to the year in which they have been, or are expected to be, incurred. For CEF Telecom no yearly split is available, costs have been assigned to the year of signature of the grant agreement. For CEF Telecom lump sum actions, the EU contribution was considered as costs.

The data measure total investment (i.e. eligible costs) for all signed CEF grant agreements (i.e. data don't measure overall investments in the entire TEN-T network, to which various other actors - including Member States, structural funds and private sector – contribute).

*The target is for the overall investments in the network (incl. projects not co-financed by CEF). According to INEA, this target should be replaced by a target of overall investment through CEF actions. For example, at the moment the estimated investment is approx. 2 times the CEF T funding, so by the end of the programme it will be around 47 billion (of which 38 billion is on actions already ongoing). This means, a more realistic target could be €50 billion of investment through CEF Transport co-financed actions.

Indicator 2: Volume of private investments in projects of common interest achieved through the financial instruments under the CEF Regulation

Situation 2013	Milestones foreseen						Target 2022 (in EUR million)
	2014	2015	2016	2017	2018	2019	
0				Transport: 8000 of private investment in projects of common interest Energy ³⁴ Telecom: 100 -205private investor contribution to the Connected Europe Broadband Fund			Transport: 23 000 of private investment in projects of common interest Energy: 30000-60000 Telecom: 1 000-1 700
	Actual results						
	0	0	37,5payment* is expected to leverage 600 in private investment in the Green Shipping Guarantee Programme				

* The payment to the European Investment Bank covers the contribution to a guarantee to French Bank Société Générale under the pilot scheme for the Green Shipping Guarantee Programme, established under the CEF Debt Instrument. The leverage of CEF resources is estimated at 16X, i.e. EUR 600 million. The full Green Shipping Guarantee Programme, which will be rolled out under the European Fund for Strategic Investments, is expected to finance EUR 3 billion of investments.

The take-up of the Financial Instruments under CEF is slower than expected due to implementation of the European Fund for Strategic Investments and some Public Private Partnership projects being financed from appropriations under the 2007-2013 period.

Indicator 3: Volume of private investment in fast and ultra-fast broadband internet

Baseline	Milestones foreseen						Target 2020 (in EUR million)
	2014	2015	2016	2017	2018	2019	
N/A			N/A				Projection of private investment between 2011 and 2020: up to 50 000 (Investment need until 2020: 270 000) Telecom: At least a third of the expected 1 000-1 700
	Actual results						
	0	0	Data not available				

Indicator 4: Volume of public and private investment in projects of common interest for fast and ultra-fast broadband internet funded by CEF

Baseline 2013	Milestones foreseen						Target 2020 (in EUR million)
	2014	2015	2016	2017	2018	2019	
0	189	0	0	Expected 100 CEF contribution next to 290 other public funds to create an Equity Fund			189 private investments raised by Axione project, financed under the project bond pilot and now incorporated in the CEF portfolio. 390 public funds (EU, EIB, NPBI) plus expected 1 000-1 700 plus private investment
	Actual results						
	0	0	0				

No CEF funds committed to fast and ultra-fast broadband in 2015-2016, as preparations for the equity fund were ongoing.

³ Idem above.

⁴ Idem above.

General Objective 2: To enable the Union to achieve its sustainable development targets of a minimum 20% reduction of greenhouse gas emissions compared to 1990 levels, a 20% increase in energy efficiency and raising the share of renewable energy to 20% by 2020

Indicator 1: Reduction of greenhouse gas emissions

Former situation	Milestones foreseen						Long term target
846 Mt CO ₂ eq. (1990) 1101 Mt CO ₂ eq. (2008) (EU28) Energy: 19 % (2013)	Transport: 881 Mt of CO ₂ eq (level in 2030) (20% reduction by 2030 compared to 2008) Energy: Greenhouse gas emissions in 2014 decreased by 23% relative to emissions in 1990 and are expected to be at 22% in 2020 (slight increase due to a warm winter in 2014) and 26% in 2030 respectively on the basis of current measures						Transport: 338 Mt of CO ₂ eq (level in 2050) (60% reduction by 2050 compared to 1990) Energy: 20% (Europe 2020 target)
	Actual results						
	Transport: 1020 Mt CO ₂ eq. in 2014 *PM2.5: 182 kt in 2014						

Source: European Environment Agency

(*) PM2.5 - the latest available data measurements for transport (excluding aviation cruise and international shipping) are - 2008-2014: - 31%

(**) The latest data available on greenhouse gas emissions statistics for transport, including international aviation, published by the European Environmental Agency based on the data sent by countries to the UNFCCC and the EU Greenhouse Gas Monitoring Mechanism (EU Member States) is for 2014. Data for 2015 is not yet available. Data excludes maritime international bunkers but includes international aviation.

Indicator 2: Increase in energy efficiency

Former situation	Milestones foreseen						Target 2020
Transport: (*) Energy: In 2014 the EU was already 2.2% below the final energy consumption target of 1086 Mtoe for 2020, but still 1.6% above the 2020 target for primary energy consumption of 1483 Mtoe	Transport: (*) Energy: The Impact Assessment accompanying the proposal for amending Directive 2012/27/EU (COM(2016) 405 final) was published in November 2015. Commission's Report on Member States' progress towards their indicative targets for 2020 (COM(2017) 56 final) published in February 2017.						Transport: (*) Energy: 20% saving of energy by 2020 (Europe 2020 target)
	Actual results						
		In 2015 the EU was 0.4% below the final energy consumption target of 1086 Mtoe for 2020, but still 3.1% above the 2020 target for primary energy consumption of 1483 Mtoe 1530 Mtoe primary energy consumption in 2015					

Source: Eurostat, Commission studies.

(*)This indicator is defined according to the Energy Efficiency Directive 2012/27/EU, applicable to the EU overall economy. Transport contributes without a specific sectoral target, as mentioned in the Connecting Europe Facility Regulation (EU) No 1316/2013. Baseline is PRIMES 2007 in 2020, which includes policies to be implemented up to 2006 with an oil price of EUR 56.83 per barrel and reference year 2005. Calculated as Gross Inland Consumption minus Final Non-Energy Use Consumption.

NOTE: The CEF will be contributing to this target but CEF is not the key driver. Main drivers for attaining our energy efficiency targets are our legislation in the energy efficiency field, namely the Energy Efficiency Directive (EED), the Energy Performance of Building Directive (EPBD), Labelling and Ecodesign and national policies/programmes.

Indicator 3: Share of renewable energy							
Baseline	Milestones foreseen						Target 2020
Transport: 4.8 % (2010, EU27) Energy: Share of RES in final energy consumption at 16% (2014)	Transport: (*) Energy: RES in final energy consumption Trajectory with interim targets contained in Annex 1b of Dir. 2009/28/EC: 2011/2012: 10,8%; 2013/2014: 12%; 2015/2016: 13,7%; 2017/2018: 16% June 2015: Commission's Renewable energy progress report (COM (2015) 293 final)						Transport: 10%** Energy: Share of RES in final energy consumption at 20% (Europe 2020 target) (*)
	Actual results						
	Transport 5,9% preliminary data(2014)	Transport 6 % share of renewable energy in 2015*** Share of RES in final energy consumption estimated at 16,4% in 2015***					

Source: Eurostat

(*)The CEF will contribute to this target but it is not the key driver.

(**) the share of renewables in energy use in transport is derived according to the definition set in the Renewable Energy Directive 2009/28/EC

(***) Commission's Renewable Energy Progress Report (COM (2017) 57 final) adopted on 1/2/2017

Specific objectives**CEF TRANSPORT**

Specific Objective 1: Removing bottlenecks, enhancing rail interoperability, bridging missing links, and improving cross-border sections

Indicator 1: The number of removed bottlenecks on new or improved cross-border connections								
Baseline 2013	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Number of bottlenecks on cross-border connections (new or improved) which are expected to be removed by the actions for which CEF grants were awarded. The bottleneck is considered to have been removed in the year during which the action was/will be completed. Baseline = 0	Actual results and projections							56*
	0*	0*	0*	2*	8*	17*	29	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator (expressed in EUR million)	240,9	284	1500	2300	3800	4900	2400	Total estimated investment: 15 500

Source INEA: The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, the estimated CEF Funding corresponds to 47% of the total estimated investment (i.e. EUR 7.3 billion).

Indicator 2: Km of lines in service equipped with the European Railway Traffic Management System (ERTMS), linked to TEN-T								
Baseline 2013	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Km of track-side to be equipped with ERTMS through actions funded by CEF grants (double-track equivalent)). The entry into service is attributed to the year in which the CEF funded action is expected to be fully completed. Nearly 5000 km of lines are in operation*	Actual results and projections							3717km
	0	0	0	0	643km	263km	2811km	
Estimated total private, public or public-private partnership	44,4	94,1	501	818,6	1100	1300	863	Total estimated investment:4700

investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)								
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Source INEA:

The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 70% of the total estimated investment (i.e. EUR 3.3 billion).

According to data prepared by the ERTMS deployment manager (contractors: Ernst & Young and Ineco), by 2016 about 4129km on the TEN-T core network corridors were deployed with ERTMS.)

*According to the Commission Staff working document on the state of play of the implementation of the ERTMS Deployment Plan (published 14/2/2014)

Indicator 3: The number of removed bottlenecks which have received funding from the CEF								
Baseline 2013	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Number of bottlenecks removed/to be removed by CEF grants. The bottleneck is considered to have been removed in the year during which the action was/is expected to be completed.	Actual results and projections							189
	0	0	3	11	26	54	95	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)	677,5	1100	3600	5300	7000	8200	4200	Total of the currently estimated costs: 30 200

Source INEA: The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 51% of the total estimated investment (i.e. EUR 15.5 billion).

Indicator 4: The length of the inland waterway network by class in the Union								
Baseline 2013	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Km by Inland Waterway (IWW) class to be upgraded by CEF grants. The upgrade is attributed to the year in which the CEF funded action is expected to be completed.	Actual results and projections							Whole TEN-T inland waterways reaching class IV standards or higher by 2030, except where allowed by Regulation Total number of km: 2628
	95.2% of inland waterways reaching already class IV standards			1430 km	102.7km	75.2 km	1020 km	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)	9,9	60,7	275	310,7	741,9	1200	0,06	Total of the currently estimated costs: 2600

Source INEA:

The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 38% of the total estimated investment (i.e. EUR 1 billion).

Indicator 5: The length of the railway network in the EU-28 upgraded following the requirements set out in Article 39(2) of Regulation (EU) No 1315/2013

Baseline 2013	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
km upgraded by CEF grants. The upgrade is attributed to the year in which the CEF funded action has been completed. Core Network railways lengths: -Freight only: 18.073km -Passenger only: 14.674km -Mixed lines: 34.484km	Actual results and projections							Total gauge: 1371 Total electrification: 1382 Total Freight: 2216
	0	0	32km of railway of fully electrified line tracks and, as far as necessary for electric train operations, sidings	24 km of railway line adapted to the European nominal gauge standard 9 km of freight lines	132 km of railway line adapted to the European nominal gauge standard 167 km of railway of fully electrified line tracks and, as far as necessary for electric train operations, sidings 167km of freight lines	558 km of railway line adapted to the European nominal gauge standard 359 km of railway of fully electrified line tracks and, as far as necessary for electric train operations, sidings 646 km of freight lines	657 km of railway line adapted to the European nominal gauge standard 824 km of railway of fully electrified line tracks and, as far as necessary for electric train operations, sidings 1394 km of freight lines	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)	356,5	490,1	1100	1,8	2400	3000	2600	Total of the currently estimated costs: 11 900

Source INEA:

The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 62% of the total estimated investment (i.e. EUR 7.3 billion).

Indicator 6: Setting up of the core network corridors structures with designation of Coordinators, creation of Corridor Forums and approval of work plans

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
No corridor existing				3rd Work Plans (Compliance & Mapping & decarbonisation and climate change adaptations)			9 core network corridors
	Actual results						
		1st Work Plans agreed (May 2015)	2nd Work Plans adopted and approved by all Member States				

Specific Objective 2: Ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows, as well as enabling the decarbonisation of all modes of transport through transition to innovative low-carbon and energy-efficient transport technologies, while optimising safety

Indicator 1: The number of supply points for alternative fuels for vehicles using the TEN-T core network for road transport in the EU-28

Baseline 2014	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Number of supply points for alternative fuels to be set-up by CEF grants*			Member States shall notify their national policy frameworks to the Commission by 18 November 2016 (Directive 2014/94/EU)					CNG: 3136 EU-wide LNG road transport: 221 Hydrogen: 178 Total: 1271
Baseline (2012) data Electric public recharging points: 29.800 CNG refuelling stations: 2.800 LNG road refuelling stations: 23 Hydrogen refuelling stations: 90	Actual results and projections							
			9	361	272	475	154	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)	0,7	10,1	101	138	78,3	14,1	8.7	350.9

Source INEA: The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 55% of the total estimated investment (i.e. EUR 192.1 million).

*Each supply point is assumed to be operational in the year in which the CEF funded action has been completed. A CEF-funded action can include several supply points. The number of supply points is attributed to the year when the full action defined in the grant agreement has been completed (e.g. if a grant stipulates the creation of 100 supply points, the action is only considered as completed in the year when all 100 supply points have been set up. All 100 supply points are then attributed to that year, even if most of them had already been set up in previous years).

Indicator 2: The number of inland and maritime ports of the TEN-T core network equipped with supply points for alternative fuels in the EU-28

Baseline 2014	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Inland and maritime ports to be equipped with alternative fuel supply points by CEF grants. The ports are considered to be equipped with supply points in the year in which the CEF funded action is expected to be completed.								All 85 maritime ports in core network and the 54 inland ports in core network to be equipped by LNG refuelling points by 2020 (maritime ports) and 2025 (inland ports)
Baseline (2012) Maritime LNG supply points: 1 Inland Waterway LNG supply points: 1	Actual results and projections							
	0	0	0	Maritime:2	Inland:4	Maritime: 4 Inland: 1	Maritime: 1 port	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)	Maritime ports: 0,7	Maritime ports: 4	Inland ports: 8 Maritime ports: 25	Inland ports: 15,7 Maritime ports: 21,5	Inland ports: 12,8 Maritime ports: 13,8	Inland ports: 0,4 Maritime ports: 4,7	Maritime ports: 0,2	Total Inland: 37 Total Maritime: 70

Source INEA:

The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 57% of the total estimated investment for inland ports and 43% of the total estimated investment for maritime ports (i.e. EUR 21 million and 30.5 million respectively).

The targets also refer to the entire TEN-T network and not just to CEF funded actions.

Indicator 3: Number of fatalities in road transport accidents							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
31 500 (EU 28)				Ca. 19.000			Max 15 750 (EU 28)
	Actual results						
	26000	26100	25 600* (* preliminary report)				

Source: CARE

CEF is not directly contributing to this target.

Specific Objective 3: Optimising the integration and interconnection of transport modes and enhancing interoperability of transport services, while ensuring the accessibility of transport infrastructures

Indicator 1: The number of multimodal logistic platforms, including inland and maritime ports and airports, connected to the railway network

Baseline	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Airports, inland ports and maritime ports to be connected to the rail network (new or improved) by CEF grants. The connections are considered to have been realised in the year in which the CEF funded action is expected to be completed. Baseline 2012: 27 maritime ports connected and 12 airports connected								For entire TEN-T network: 54 (improved) connections of maritime ports by 2020 24 (improved) connections of airports by 2020 All core maritime ports connected by 2030 38 core airports connected by 2050 Financed by CEF grants by 2020: 14 multimodal logistic platforms (5 inland and 9 maritime port connections)
	Actual results and projections							
	0	0	0	2 (1 inland port and 1 maritime port)	3 (2inland port and 1 maritime port)	6 (1 inland port and 5 maritime port)	3 (1 inland port and 2 maritime ports)	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator. (in EUR million)	4,4	2,2	34,1	47,9	36,5	22,5	13,3	Total of the currently estimated costs: 160,9

Source INEA: The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 33% of the total estimated investment (i.e. EUR 53,3 million).

Indicator 2: The number of new and improved rail-road terminals

Baseline	Milestones							Target end of Programme
	2014	2015	2016	2017	2018	2019	2020	
Rail road terminals to be connected to the rail network (new or improved) by CEF grants. The terminals are considered to have been realised in the year in which the CEF funded action is expected to be completed.								By 2020, CEF grants are expected to have financed 6 improved rail-road terminals and one new rail-road terminal
	Actual results and projections							
	0	0	0	0	1	3	3	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding	0,3	0,3	26,4	39,1	27,5	25	7,1	Total of the currently estimated costs: 125,7

in a given year for actions achieving this this indicator. (in EUR million)								
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Source INEA: The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 30% of the total estimated investment (i.e. EUR 37,3 million).

Indicator 3: Number of improved or new connections between ports through motorways of the sea								
Baseline	Milestones foreseen							Target 2020
	2014	2015	2016	2017	2018	2019	2020	
Number of connections to be improved or newly created by CEF grants. The connections are considered to be realised in the year in which the CEF funded action is due to be completed.	Actual results and projections							By 2020, CEF grants are expected to have financed 21 improved or new connections between ports and MOS
	0	0	4	9	3	3	2	
Estimated total private, public or public-private partnership investment (i.e. eligible costs) triggered by CEF funding in a given year for actions achieving this indicator (expressed in EUR million).	51,8	101,9	121	153,7	87,3	27,9	6	Total of the currently estimated costs: 549,6

Source INEA: The data on estimated investment (i.e. eligible costs) triggered by CEF funding only cover the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute. For this indicator, CEF Funding corresponds to 29% of the total estimated investment (i.e. 157,1 million).

Indicator 4: The number of kilometres of inland waterways fitted with RIS								
Baseline	Milestones foreseen							Target 2020
	2014	2015	2016	2017	2018	2019	2020	
8900 km of class Va+ waterways equipped with ENC's (Electronic navigation charts); 4300 km of class Va+ waterways equipped with shore based inland Automatic Identification System (AIS) infrastructure; 11500 vessels equipped with AIS Transponders; Electronic Reporting operational on the Rhine; in other regions still in the starting phase	Actual results and projections							Full coverage with ENC for Class Va+ waterways (10500km) 2020: full coverage of class Va+ waterways equipped with shore based inland AIS infrastructure (10500km); All commercial vessels equipped with inland AIS (app. 12000vessels) Electronic reporting fully operational for BtA and AtA communication 847km expected to have been financed by CEF grants by 2020
		2015 full coverage with IENC for most Class Va+ and some Class IV waterways (10000km) 2015: nearly all commercial vessels equipped with inland AIS (app. 11.750 vessels) Electronic reporting fully operational in 2015 for BtA communication, AtA in some regions only (e.g. Rhine basin)	192km financed by CEF grants	378km financed by CEF grants	187km financed by CEF grants	90km financed by CEF grants		

Sources: Reporting to the European Commission from a PLATINA 7RFP research project (for 2015 data), and INEA for km financed by CEF grants (for 2016 to 2020 data). The upgrade is attributed to the year in which the CEF funded action is expected to be completed.

INEA data only covers the actions funded by CEF grants and not the entire TEN-T network, to the financing of which various other actors (including Member States, structural funds and private sector) contribute.

NOTE: DG MOVE is working on the completion of Inland Waterways data on the TEN-tec database. A contractor is in charge of pre-loading relevant data. The process of validation will require verification and approval of the Member States administrations in charge. TENtec data is expected to be available for the purposes of extracting relevant KPIs in the first half of 2017.

Class Va allows the passage of a vessel or a pushed train of craft 110 m long and 11,40 m wide.

Indicator 5: Synchronisation of the deployment process of SESAR related technology

Baseline	Milestones foreseen						Target 2025
	2014	2015	2016	2017	2018	2019	
<p>The SESAR development phase is delivering essential ATM solutions that require a synchronised deployment in the European ATM network. A SESAR deployment framework was established in 2013 (Reg. (EU)409/2013) to ensure the timely and synchronised deployment of SESAR Solutions. The framework and its instruments shall be set up and activated throughout the 2014-2020 timeframe</p>	<ul style="list-style-type: none"> - Adoption of the first common project - appointment of the SESAR Deployment Manager by the Commission - First CEF call for proposals for SESAR implementation projects 	<ul style="list-style-type: none"> - Awarding of grants to first batch SESAR implementation projects - CEF call for proposals (General & cohesion envelops) for SESAR implementation projects - Specific grant agreement with the Deployment Manager 	<ul style="list-style-type: none"> - Awarding of grants to second batch of SESAR implementation projects - Approval of revised Deploy. programme - Specific grant agreement with the Deployment Manager 	<ul style="list-style-type: none"> - Approval of revised Deploy. programme - Awarding of grants to SESAR implementation projects 	<ul style="list-style-type: none"> - Approval of revised Deployment programme - Awarding of grants to of SESAR implementation projects 	<ul style="list-style-type: none"> - Approval of revised Deployment programme - Awarding of grants to SESAR implementation projects 	<p>Deployment of SESAR ATM solutions included in the Pilot Common Project</p>
	Actual results						
	<ul style="list-style-type: none"> - Pilot common project adopted (Reg. (EU)716/2014) - Deployment Manager appointed on 5/12/2014 - CEF Call launched 9/2014 	<ul style="list-style-type: none"> - Deployment Manager coordinates proposals under 2014 CEF call - EUR 318 million awarded from CEF to SESAR implementation projects - SGA signed with the Deployment Manager - CEF Call for proposals launched on 11/9/2015 	<ul style="list-style-type: none"> - Deployment Manager coordinates proposals under 2015 CEF call - additional EUR 525 million awarded from CEF to SESAR implementation projects - Approval of the 2015 Edition of the Deployment Programme on 11/04/2016 - 2nd and 3rd Specific Grant Agreement signed with the Deployment Manager 				

Indicator number 5 as foreseen by article 4.2 (c) (iv) of the CEF Regulation has been divided in three table to facilitate reading by sector.

Work is undertaken to complement by 2017 this indicator with a numerical indicator corresponding to the percentage of "SESAR ATM solutions (included in the Pilot Common Project) deployed", based on the reported progress by the implementing stakeholders of the SESAR Deployment Programme.

Indicator 6: Kilometres of roads covered by (real-time) Traffic Information Services or equipped for (dynamic) Traffic Management, including speed related ITS services (Variable Message Signs or equivalent means) – proposed to be discontinued or replaced by other KPIs for ITS

Justification: DG MOVE has been working with Member States over the past two year to identify new KPIs for ITS. An external study was conducted to identify the most promising KPIs, followed by consultations with Member States' experts and discussion in the ITS Committee in 2016, to finalise a list of deployment and benefit KPIs, as well as financial indicators. A list of KPIs has been drawn up, which Member States will be asked to use in their reporting exercise under the ITS Directive. Next reporting by Member States is due by the end of August 2017.

NOTE: many Member States are already making wide use of ITS solutions to support increased road safety, more efficient road traffic management and more sustainable travel behaviours. Most Member States have started the preparatory work to implement the delegated acts under the ITS directive. The deadlines to report on the implementation of the already adopted delegated regulations were 24 December 2015 for

eCall and October 2015 for safe & secure truck parking and road safety related applications. However, few Member States have respected these reporting obligations. The issue was addressed at the ITS Committee in March 2016 in order to follow up with Member States on their performance.

Indicator 7: The level of deployment of VTMS – proposed to be discontinued							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
AIS (Automatic Identification System) positions recorded per month: about 100 000 000 ⁵		2015: nearly all commercial vessels equipped with inland AIS (app. 11.750 vessels)		VTMS Increase by 10%			VTMS: Increase by 20%
	Actual results						

Source :PLATINA 7RFP research project.

Justification: Indicator number 7 as foreseen by article 4.2 (c) (iv) of the CEF Regulation has been divided in three table to facilitate reading by sector. **This indicator is no longer relevant.** It confuses AIS and VTMS. AIS is stipulated in the VTMS Directive in two main ways – Carrier requirement (implementing the IMO requirements) and receiver requirements. The latter has been fulfilled for years as all MS with a coast have set up receivers and hence coverage along the EU coasts. The carrier requirements of AIS is based on the level of new vessels entering the market and sailing on EU ports. This in turn depends on overall economic factors and the world economy (imports/exports). For the moment there is a stagnation in new vessels entering the market due to the economic downturn. VTMS use, meaning the use of the Integrated Maritime Services and the 2 new reporting messages into the system, Security and Waste, apart from the already required Port plus message, has brought about an increase in the use of the reporting going into the system, probably exceeding 10%.

In the future, the indicator could be changed into the use of the National Single Windows in MS.

Expenditure related outputs

In order to align the reporting on the expenditure-related outputs between Transport, Energy and Telecommunications, the outputs have been defined as "grants awarded" or "expected to be awarded" per budget line. Reporting for the forthcoming year on a specific priority/ project is approximate, as the grant agreements are allocated based on the competitive selection and award procedure.

The amounts are already allocated on the multi-annual basis to the specific projects, they are reported in this table as "grants awarded".

The number related to the annual work programme (AWP) for financial instruments corresponds to the expected number of operations that the appropriations available under the AWP could support.

Outputs	Budget line	Draft Budget 2018	
		Number (foreseen)	EUR
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Transport)	06 02 01 01	Grants awarded:81	1 291701,405
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Transport)	06 02 01 02	Grants awarded: 15	21 477,214
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Transport)	06 02 01 03	Grants awarded 21	73 613,718
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Transport)	06 02 01 04	Grants awarded 38	514 031,404
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Transport)	06 02 01 01	9	34 208,428
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Transport)	06 02 01 02	14	23,520,100
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Transport)	06 02 01 03	72	139 229,746
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Transport)	06 02 01 04	91	943 013,004

⁵ The number of positions recorded thanks to VTMS is not only dependent on the level of deployment of VTMS, but also on the level of maritime traffic, which is deeply linked to the economic conditions.

Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport)	06 02 01 01	Expected (30 submitted proposals)	14 000,000
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport)	06 02 01 02	Expected (65 submitted proposals)	11 920,479
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport)	06 02 01 03	Expected (109 submitted proposals)	158 000,000
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport)	06 02 01 04	Expected (116 submitted proposals)	192 342,224
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport C(2017)164)	06 02 01 01	Expected (4th call):	53 258,021
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport C(2017)164))	06 02 01 02	Expected (4th call):	11 626,719
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Transport C(2017)164))	06 02 01 03	Expected (4th call):	11 626,719
Allocation to the Financial Instruments projects	06 02 01 05*		0
Programme Support Actions 2018 (all lines) Art 5(2)(a) in the Multi annual Work Programme			37 530,000
Total			3 531 099,181

In 2018, the amounts for Transport Financial Instruments have been transferred, within the same budget Article to grant lines 060201 to support the Blending Work programme C(2017)164 of 20 January 2017

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
First call for proposals (2014) under Multi Annual and Annual Work Programmes for Transport C(2014) 1919 and C(2014) 1921: number of grant agreements signed	F							
	P		263 grants agreements signed for multi annual financing					
Second call for proposals (2015) under the Multi Annual Work Programme C(2014) 1921 as amended: number of grant agreements signed	F							
	P			189 grant agreements signed				
Third call for proposals under the Annual and Multi Annual Work Programmes C(2016) 6380 and C(2014) 1921 as amended: expected number of grant agreements	F				130			
	P							
Annual call 2016 under the Annual Work Programme C(2016) 1778: transport- energy synergy call	F				8			
	P							
Annual Call 2016 Transport Freight Services	F			25				
	P							
Annual Call 2016 Rail Noise	F			20				
	P							
Annual instalment to the Financial Instruments Work Programme 2014	F							
	P			1**				
Annual instalment to the Financial Instruments Work Programme 2015	F							
	P		0					
Annual instalment to the Financial Instruments Work Programme 2016	F				2			
	P							

*An output is a call for proposals under a multi-annual work programme (MAWP) for grants or an annual work programme for financial instruments. "Number" corresponds to the foreseen number of grants (for studies and for works) to be attributed following evaluation of a call for proposals.

* The total number of grants for the Synergy Call cannot be split between transport and energy. The total is therefore reported under both sectors.

** for Financial Instruments, the first Green Shipping Guarantee was signed in 2016. The payment to the EIB of 37.5 million euros was made based from 2014 open committed amount. EIB has presented a provisional pipeline for additional transactions to be signed in 2017.

Financial Programming for Transport:

The Commission has adopted the Multi Annual Work Programme in the field of Transport C(2017)164 of 20 January 2017. On a multi-annual basis, EUR 1 billion of funds is transferred from the Financial Instruments of the CEF to grants. The objective is to

support economically viable projects with financing from the European Fund for Strategic Investments and other private finance and to enhance the financial viability of projects.

The implementation of the CEF Financial Instruments through the CEF Debt Delegation Agreement with the European Investment Bank is slower than was foreseen at the outset of the Programme, due to the fact that some of the revenue-generating projects have been signed under the framework of the EFSI funds.

Changes to performance measurement:

In last year's programme statement, data provided for some of the performance indicators (e.g. indicator 3 under specific objective 1: bottlenecks removed by CEF grants) measured the number of signed CEF grant agreements with an impact on these indicators. Instead, this year's the information provided measures the actual performance (e.g. bottleneck removed) that has been achieved, or projections of what is expected to be achieved, through CEF grants, attributing it to the year during which the CEF-funded action was completed.

CEF ENERGY

General remark on indicators related to the specific objective 4 to 6

For specific objective 4 to 6, it is to be noted that the initial list of 248 energy infrastructure projects that are of common interest (Projects of Common Interest (PCIs)) is updated every two years and the selection of PCIs is an on-going process in order to cater for emerging projects geared to fulfil future needs. It is therefore of prime importance to indicate to which edition of the list indicator values refer to. The second list of PCIs has been adopted in November 2015 (Delegated Regulation 89/2016 of 18.11.2015) and it comprises now 195 PCIs, of which 108 in the electricity sector and 77 in gas. Out of the second list, 4 have been already commissioned in 2016 and 8 are commissioned in 2017. It is expected that 22 of these PCIs will be commissioned by the end of 2018. The adoption of the third list of PCIs is foreseen by the end of 2017. PCIs are subject to yearly monitoring by national competent authorities and ACER pursuant to Art. 5 of the Guidelines for trans-European energy infrastructure (the "TEN-E Regulation"). This allows the Commission to monitor the PCIs progress to implementation. The cost-benefit analysis of the PCIs is subject to the methodology whose principles are set out in Annex V of the TEN-E Regulation. The combined approach creating the link between each element of that analysis and the specific criteria is established in the methodology for an energy system wide cost-benefit analysis (CBA) for gas and electricity of the ENTSOs. The CBA was approved by the Commission on 4 February 2015 (Commission Decision C(2015) 533) and was applied in the selection of projects for the updated list of PCIs. The indicators related to the specific objectives for CEF Energy as set out in the CEF Regulation partly are based on the Annex V of the TEN-E Regulation. However, in addition to the data of the CBAs for each PCI, external data are needed to determine the indicators for the CEF Programme Statements as they are currently defined.

As explained below in more detail, it is suggested to discontinue the following indicators: 4 and 5 under specific objective (SO) 4 and 6 under SO 5. Indicator 2 under SO 5 should be made more specific and indicator 3 under SO 6 should be modified.

Specific Objective 4: Increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders

Indicator 1: The number of projects effectively interconnecting Member States' networks and removing internal constraints

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
In 2015: 108 PCIs in electricity and 77 in gas					25		91
	Actual results						
				12*			

* due to be commissioned by the end of 2017

Indicator 2: The reduction or elimination of Member States' energy isolation

The indicator refers to the number of PCIs contributing to the objective still to be commissioned Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
9					9	8	6 (Cyprus, Malta still isolated)
	Actual results						
				9			

NOTE: Indicators 1 and 2 are based on the number of PCIs effectively contributing to the specific objectives. These can be monitored during the Programme implementation on the basis of formal monitoring requirements for PCIs set out in the TEN-E Regulation (Art. 5, monitoring and implementation). Although their evolution is only partly related to the CEF budget, these two indicators can be kept until the end of the Programme and also be used ex-post.

Indicator 3: The percentage of electricity cross-border transmission power in relation to installed electricity generation capacity in the relevant Member States

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
16	16				17		22 (Cyprus, Spain, Italy, Poland, Romania and Bulgaria remain below target)
	Actual results*						
	17			17			

*By 2020, with the impact of PCIs, Portugal, Ireland, Germany, France and the United Kingdom will have reached the 10% electricity interconnectivity target. (Reference: ENTSO-E final Winter-Outlook_2016-17 for 2018 data; target 2020 "Evaluation of the impact of PCIs" study.

NOTE: Indicator 3 lists the Member States which are below the 10% interconnectivity target as mentioned in Recital 2 of the TEN-E Regulation. Although its evolution is only partly related to the CEF budget, this indicator can be kept and monitored during the programme implementation. It measures the ratio of the cross-border transmission capacity and the installed generation capacity in a Member State. It can also be used ex-post.

Indicator 4: Price convergence in the gas and/or electricity markets of the Member States concerned – **proposed to be discontinued**

Justification: In the indicator screening exercise carried out in 2017, this indicator has been ranked low by DG ENER in terms of relevance to the budget, relevance to the programme, results and data accessibility. For example, price convergence in the electricity or gas sector is not only determined by the level of cross-border capacity changes but also by market design issues for electricity whereas for gas it depends on diversification and access to liquid markets as well as on third-party access to major pipelines. Moreover the contribution of each specific project cannot be singled out without in-depth network modelling analysis. It is therefore proposed to discontinue this indicator.

Indicator 5: The percentage of the highest peak demand of the two Member States concerned covered by reversible flow interconnections for gas – **proposed to be discontinued**

Justification: In the indicator screening exercise carried out in 2017, DG ENER has expressed that this indicator relates more to security of supply and in addition is extremely difficult to measure. Notably the indicator in its current definition is not smart enough, as it lacks precision, is severely affected by seasonal changes in gas demand and would need to be applied to more than one pair of Member States, thereby resulting in many different values. It is therefore proposed to discontinue this indicator.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number (foreseen)	EUR
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01 01	Grants awarded: 3	23 182,011
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01 02	Grants awarded: 3	23 182,011
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01 03	Grants awarded: 3	23 182,011
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 01	Grants awarded: 3	9 040,918
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 02	Grants awarded: 3	9 040,918
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 03	Grants awarded: 3	9 040,918
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 01	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 02	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 03	Expected (4 th and 5 th call): 8	42 995,067

Allocation to the grants from the 2017 call for proposals (2017 under MAWP Energy)	32 02 01 01	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Transport)	32 02 01 02	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Energy)	32 02 01 03	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 01	Expected (7 th call): 25	124 582,352
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 02	Expected (7 th call): 25	124 732,352
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 03	Expected (7 th call): 25	124 731,420
Allocation to the Financial Instruments projects	32 02 01 04	Projects pipeline to be updated	
Programme Support Actions 2018 (all lines) Art 5(2)(a)			
Total			676 469,068

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Call for proposals under MAWP CEF-Energy 2014-2020	F		50					
	P		34					
First call for proposals under MAWP CEF-Energy 2015-2020	F		15					
	P		20					
Second call for proposals under MAWP CEF-Energy 2015-2020	F			30				
	P			15				
First call for proposals under MAWP CEF-Energy 2016-2020	F			20				
	P			9				
Second call for proposals under MAWP CEF-Energy 2016-2020	F				18			
	P				pm			
Call for proposals under MAWP CEF-Energy 2017-2020	F				25			
	P				pm			
Annual work programmes for financial instruments 2014, 2015, 2016	F			5				
	P			pm				
Call for proposals under the AWP 2016 for synergy in energy and transport	F				8			
	P				pm			
Annual work programme for financial instruments 2017	F				4			
	P				pm			

(*)An output is a call for proposals under a multi-annual work programme (MAWP) for grants or an annual work programme for financial instruments. "Number" corresponds to the foreseen number of grants (for studies and for works) to be attributed following evaluation of a call for proposals.

(**) The total number of grants for the Synergy Call cannot be split between transport and energy. The total is therefore reported under both sectors.

Specific Objective 5: Enhancing Union security of energy supply

Indicator 1: The number of projects allowing diversification of supply sources, supplying counterparts and routes

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
3 major supply sources of gas ⁶ for the EU in addition to liquefied natural gas (LNG)				40 (*)			11
	Actual results						
				40			

(*) 16 Member States still have fewer than 3 major gas supply sources. 40 PCIs are currently supporting the achievement of the objectives.

NOTE: By 2020 most Member States will cover the policy objective of diversification, having at least three sources of supply including LNG. The Danish and Swedish markets, that appear to have two sources in 2020, are well interconnected with the rest of the European grid and could secure supplies from additional sources. In the case of the Finnish, Cypriot and Maltese markets, PCIs would end their isolation and provide sufficient security supply, but not allow the policy objective to be fully met (reference: "Evaluation of the impact of PCIs" study commissioned by DG ENER, 2016). Indicator 1 refers to the number of PCIs still to be commissioned supporting the objectives. The indicator can be monitored during the Programme implementation; it can be kept until the end of the Programme and it can also be used ex- post.

⁶ Major supply sources: Norway, Russian Federation and Algeria.

Indicator 2: The number of projects increasing storage capacity for natural gas							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
7 PCIs			6	6		4	4**
	Actual results						
				6*			

(*)6 PCIs in gas underground storage: actual reference 2017 is the 2nd PCI list. (PCIs to be commissioned)

(**) only 4 projects expected to be commissioned, as among the 3 projects in Romania only 1 will keep PCI status

NOTE: Indicator 2 refers to natural gas storage only. Although its evolution is only partly related to the CEF budget, the indicator can be monitored during the programme implementation on the basis of the formal monitoring requirements for PCIs set out in the TEN-E Regulation (Art. 5, monitoring and implementation). The indicator can be also used ex-post.

Indicator 3: System resilience, taking into account the number of supply disruptions and their duration							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Gas: 3 MS do not meet the N-1 formula (as defined in Regulation (EU) No 994/2010) – Bulgaria, Greece and Portugal		21			Gas: N-1 is met by EU-20		Gas: N-1 is met by 23 MS (all except Cyprus, Malta as long as they do not have gas system and Luxemburg, Slovenia, Sweden which have a derogation)
	Actual results						
				20			

NOTE: The indicator is based on monitoring requirements set out in Regulation 994/2010 on the security of supply for gas, under which Member States have to report every two years to the Commission (last report: 2016) The progress of the indicator is based on PCIs which are implemented. Although its evolution is only partly related to the CEF budget, it can be monitored during the Programme implementation and can be kept until the end of the Programme. It can also be used ex-post.

Indicator 4: The amount of avoided curtailment of renewable energy – proposed to be discontinued

Justification: Indicator to contribute to the specific objective 6 only, not relevant for specific objective 5. The indicator should be discontinued under the specific objective 5, but kept under the specific objective 6.

Indicator 5: The connection of isolated markets to more diversified supply sources							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
19(*)				22			26
	Actual results						
				23			

(*) The indicator measures the number of Member States having access to at least two sources of gas is based on the interconnectivity level estimation by ENTSO-G.

NOTE: The progress of the indicator is related to the number of PCIs actually being implemented i which allow diversification of supply sources. Although its evolution is only partly related to the CEF budget, the indicator can be monitored during the Programme implementation and it can be kept until the end of the Programme.. It can also be used ex-post.

Indicator 6: The optimal use of energy infrastructure assets - proposed to be discontinued

Justification: Indicator 6 is a “meta-level” indicator and it is not smartly defined to refer to the policy objectives of the TEN-E Regulation, as it is being affected also by market design issues. Additionally, there is no definition of what is “optimal use”, which anyway will be seen differently for electricity and gas infrastructure. It is therefore proposed to be discontinued.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number (foreseen)	EUR
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01	Grants awarded: 3	23 182,011
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01	Grants awarded: 3	23 182,011
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01	Grants awarded: 3	23 182,011

Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 01	Grants awarded: 3	9 040,918
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 02	Grants awarded: 3	9 040,918
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 03	Grants awarded: 3	9 040,918
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 01	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 02	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 03	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Energy)	32 02 01 01	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Transport)	32 02 01 02	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Energy)	32 02 01 03	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 01	Expected (7 th call): 25	124 582,352
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 02	Expected (7 th call): 25	124 732,352
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 03	Expected (7 th call): 25	124 731,420
Allocation to the Financial Instruments projects	32 02 01 04	Projects pipeline to be updated	
Programme Support Actions 2018 (all lines) Art 5(2)(a)			
Total			676 469,068

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Call for proposals under MAWP CEF-Energy 2014-2020	F		50					
	P		34					
First call for proposals under MAWP CEF-Energy 2015-2020	F		15					
	P		20					
Second call for proposals under MAWP CEF-Energy 2015-2020	F			30				
	P			15				
First call for proposals under MAWP CEF-Energy 2016-2020	F			20				
	P			9				
Second call for proposals under MAWP CEF-Energy 2016-2020	F				18			
	P				pm			
Call for proposals under MAWP CEF-Energy 2017-2020	F				25			
	P				pm			
Annual work programmes for financial instruments 2014, 2015, 2016	F			5				
	P			pm				
Call for proposals under the AWP 2016 for synergy in energy and transport	F				8			
	P				pm			
Annual work programme for financial instruments 2017	F				4			
	P				pm			

(*)An output is a call for proposals under a multi-annual work programme (MAWP) for grants or an annual work programme for financial instruments. "Number" corresponds to the foreseen number of grants (for studies and for works) to be attributed following evaluation of a call for proposals.

(**) The total number of grants for the Synergy Call cannot be split between transport and energy. The total is therefore reported under both sectors.

Specific Objective 6: Contributing to sustainable development and protection of the environment, by the integration of energy from renewable sources into the transmission network and by the development of smart energy networks and carbon dioxide networks

Indicator 1: The amount of renewable electricity transmitted from generation to major consumption centres and storage sites							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
(*)				(*)			Approx. 90GWh(*)
	Actual results						
				N/A			

(*)Data have been extracted on the basis of modelling results available in the European Network of Transmission System Operators for Electricity (ENTSOe) in the context of the Ten-Year Network Development Plan (TYNDP) 2016 (indicator B3 of the ENTSO-E cost benefit analysis). This indicator provides a standalone value associated with additional RES available for the system. It measures together the reduction of renewable generation curtailment in MWh (avoided spillage) and the additional amount of RES generation that is connected by the project. The value represents an estimation of contribution to the indicator by the PCIs financed under CEF in the electricity sector, which will be commissioned until 2020 (14 PCIs).

NOTE: Indicator 1 can be kept as for the Programme implementation but it is based on network modelling analysis rather than on actual progress of PCIs for which no intermediate data over the years are available (only 2020). It can only be measured ex-post.

Indicator 2: The amount of avoided curtailment of renewable energy							
Baseline	Milestones foreseen						Target 2020(MWhof curtailed RES electricity)
	2014	2015	2016	2017	2018	2019	
(*)				(*)			Approx.70GWh (33 PCIs contributing to the target)
	Actual results						
				N/A			

*Data made available by ENTSOe in the context of TYNDP 2016 modelling exercise. Projections relate to 2020 scenarios. Countries affected by curtailment are the following: IE, DE, ES, IT, PT, RO. It can be expected that around 33 Electricity PCIs which will enter into operation by 2020 in these countries will contribute to the target.

NOTE: Indicator 2 can be kept as for the Programme implementation but it has a number of limitations, as it is based on network modelling analysis rather than on actual progress of PCIs for which no intermediate data over the years are available. It can only be measured ex-post.

Indicator 3: The number of deployed smart grid projects which benefited from the CEF -							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2013: 2 smart grids projects to be commissioned					3	2	1 project to be commissioned
	Actual results						
	1 (grant not signed)			1			

(*) There are 3 projects on the second Union list of PCIs. One action related to one PCI (SINCRO.GRID PCI) has received funding under the CEF 2nd call for proposals 2016.

NOTE: Indicator 3 must be changed. The demand response enabled by smart grid projects can be measured only ex- post and should not be mixed up with the number of PCIs supported by CEF. This part of the indicator should therefore be discontinued. The number of smart grid projects supported by CEF, and that will be commissioned by 2020 can be monitored during the Programme implementation and can be kept until the end of the Programme. It can also be used ex-post

Indicator 4: The amount of CO2 emissions prevented by the projects which benefited from the CEF							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
(*)				(*)			Approx 5000 kT/year (*)
	Actual results						
				N/A			

*The indicator reflects the characterisation of the evolution of CO2 emissions in the power system, as a consequence of the renewable energy which is integrated by means of the PCIs. The values have been calculated on the basis of the ENTSO-E TYNDP 2016 (indicator B5 of ENTSO-E cost benefit analysis, scenario 2020). The data represent the contribution to the indicator by the PCIs financed under CEF in the electricity sector which will be commissioned until 2020 (14 PCIs). 5000 kT/year represents 47.17% of expected CO2 emissions prevented by all electricity PCIs commissioned until 2020. The indicator does not take into account other sectors, like gas.

NOTE: Indicator 4 can be kept as for the Programme implementation but it is based on network modelling analysis rather than on actual progress of PCIs for which no intermediate data over the years are available (only 2020). It can only be measured ex-post.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number (foreseen)	EUR
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01 01	Grants awarded: 3	23 182,011
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01 02	Grants awarded: 3	23 182,011
Allocation to the grants from the 2014 call for proposals (2014 under MAWP Energy)	32 02 01 03	Grants awarded: 3	23 182,011
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 01	Grants awarded: 3	9 040,918
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 02	Grants awarded: 3	9 040,918
Allocation to the grants from the 2015 call for proposals (2015 under MAWP Energy)	32 02 01 03	Grants awarded: 3	9 040,918
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 01	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 02	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2016 call for proposals (2016 under MAWP Energy)	32 02 01 03	Expected (4 th and 5 th call): 8	42 995,067
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Energy)	32 02 01 01	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Transport)	32 02 01 02	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2017 call for proposals (2017 under MAWP Energy)	32 02 01 03	Expected (6 th call): 10	25 589,652
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 01	Expected (7 th call): 25	124 582,352
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 02	Expected (7 th call): 25	124 732,352
Allocation to the grants from the 2018 call for proposals (2018 under MAWP Energy)	32 02 01 03	Expected (7 th call): 25	124 731,420
Allocation to the Financial Instruments projects	32 02 01 04	Projects pipeline to be updated	
Programme Support Actions 2018 (all lines) Art 5(2)(a)			
Total			676 469,068

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Call for proposals under MAWP CEF-Energy 2014-2020	F		50					
	P		34					
First call for proposals under MAWP CEF-Energy 2015-2020	F		15					
	P		20					
Second call for proposals under MAWP CEF-Energy 2015-2020	F			30				
	P			15				
First call for proposals under MAWP CEF-Energy 2016-2020	F			20				
	P			9				
Second call for proposals under MAWP CEF-Energy 2016-2020	F				18			
	P				pm			
Call for proposals under MAWP CEF-Energy 2017-2020	F				25			
	P				pm			
Annual work programmes for financial instruments 2014, 2015, 2016	F			5				
	P			pm				
Call for proposals under the AWP 2016 for synergy in energy and transport	F				8			
	P				pm			
Annual work programme for financial instruments 2017	F				4			
	P				pm			

(*)An output is a call for proposals under a multi-annual work programme (MAWP) for grants or an annual work programme for financial instruments. "Number" corresponds to the foreseen number of grants (for studies and for works) to be attributed following evaluation of a call for proposals.

(**) The total number of grants for the Synergy Call cannot be split between transport and energy. The total is therefore reported under both sectors.

CEF TELECOM

Specific Objective 7: To contribute to the interoperability, connectivity, sustainable deployment, operation and upgrading of trans-European digital service infrastructures and coordination at European level

Indicator 1: Facilitating digital interaction between public administration and citizens/ businesses

Indicator 2: Availability of cross-border services

The indicators for Specific Objective 7 are being redefined on the basis of the eGovernment action plan 2016-2020⁷. The revision will ensure adequate indicators and an adequate monitoring system.

Justification: The first indicator for Specific Objective 7 was based on the European eGovernment Action Plan 2011-2015. With the adoption of the new Action Plan for 2016-2020⁸ related indicators and targets have been revised. Most importantly an adequate monitoring system has been devised. In particular it is worth noticing that the monitoring of the current indicator has been also discontinued in this context. Accordingly, the indicator for Specific Objective 7 should be changed. At the time of writing Member States are being officially consulted on the indicators⁹. Subsequently the European Commission will propose the targets. Pending the outcome of the consultation, indicator 1 should be replaced by the following one. Data availability will be ensured by the eGovernment Benchmark Report which provides a trusted reference value for the variables we intend to monitor. Concerning indicator 2 ("Availability of cross-border public services"), as already pointed out in the context of the Programme Statement of 2017 ("Indicators screening"), it does not convey information as to the results of the Programme, but rather outputs. It should be therefore discontinued. On the basis of the new eGovernment Action plan, no new indicator is deemed fit to replace it.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR
Digital service infrastructures developed and deployed across Europe	09 03 03	14	97 603 297
Total			97 603 297

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1 Digital service infrastructures developed and deployed across Europe with the support of CEF	F							
	P							
Core Service Platforms (number of core service platforms financed)	F		11	14	7	9		
	P	8	11	7				
Generic Services (number of grant agreements)	F			102 ¹⁰	140	140		
	P	48	72					

The outputs refer to the financed actions in support of the Digital Service Infrastructures. Support can take the form of procurement, when it concerns the core service platforms (first output row), or of grants when it concerns generic services.

Specific Objective 8: To contribute to the efficient flow of private and public investments to stimulate the deployment and modernisation of broadband networks

Indicator 1: Level of fast broadband coverage (e30 Mbs)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
62% of households	66%	70%	75%	80%	85%	90%	100%
	Actual results						
	62%	71%	76%				

⁷ Communication from the Commission on the eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government

⁸ COM(2016) 179 - Communication from the Commission on the eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government

⁹ The deadline of the consultation is 31 March.

¹⁰ Of these 120 Grant Agreements, 40 have already been signed, 23 are under preparation (Commission implementing decision 28/2/17, Time To Grant 16/6), 38 actions are under evaluation, 1 is under preparation (Commission implementing decision 28/2/2017, Time To Grant 20/7).

Source: DESI Connectivity index

Indicator 2: Level of subscription to broadband connections above 100 Mbs							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
3%	7%	11%	15%	20%	30%	40%	50%
	Actual results						
	7%	11%	15,5%				

Source: DESI Connectivity index

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR
Broadband roll-out projects launched via the use of Financial Instruments	09 03 02	7	p.m.
Total			p.m.

(*) No appropriations foreseen. Projects will be launched in 2018 via the use of Financial Instruments committed in 2016.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Actions financed under the CEF Work programme 2014 C(2014)9588	F	2						
	P	0						
Actions financed under the Annual work programme for Financial Instruments 2016	F			5	5	7	7	6
	P			0	p.m.	p.m.	p.m.	p.m.

Specific Objective 9: Encourage and support entities with a public mission, such as local public authorities, to offer free Wi-Fi connectivity in the centres of community life (e.g. in and around public buildings, health centres, parks or town squares).

Indicator 1: The number of operational free Wi-Fi access points supported by CEF

Baseline 2017	Milestones foreseen						Target 2020
	2014	2015	2016	2017 ¹¹	2018	2019	
0	n/a	n/a	n/a	-	8.000	16.000	20.000 ¹²
	Actual results*						

(*) Given the timeline for the adoption of the legal base (not earlier than September 2017), it is expected that launch of the first call for projects will be end of 2017 or beginning of 2018. Therefore no results are currently available

Indicator 2: The number of daily connections generated on free Wi-Fi access points supported by CEF in a given year.

Baseline 2017	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	n/a	n/a	n/a	-	10 million	30 million	40 to 50 million
	Actual results						
	n/a	n/a	n/a	-			

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR
Number of vouchers issued	09 03 04	2500 ¹³	50 000 000 ¹⁴
Total			50 000 000

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of vouchers issued	F	n/a	n/a	n/a	-	2500	5000	5000

¹¹ Given the expected timeline of the European Parliament for a plenary vote in September 2017, it is expected that launch of the first call for projects will be end of 2017 or beginning of 2018.

¹² Estimated average number of operational access points, the number depends on the amount of access points installed per voucher and the total amount of vouchers issued.

¹³ Estimated average number of vouchers, the number depends on both the value of individual vouchers (to be decided based on study) and the budget (to be confirmed based on outcomes of negotiations).

¹⁴ Note that the Regulation is currently under negotiation, the budget therefore needs to be confirmed based on the outcome of negotiations.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

TRANSPORT

On 4 July 2016 the Commission adopted Annual Work Programme C(2016)1950, amended on 6 December 2016 by Decision C(2016) 7828, which provides for the financing of projects of common interest under the *CEF Debt Instrument* by means of delegation to the European Investment Bank as entrusted entity. In 2016 the budget allocation to the CEF Debt Instrument in the transport sector was EUR 66,35 million, whereas the total 2014 – 2016 allocation in the transport sector accounts for EUR 206,35 million.

In transport, the Commission and the European Investment Bank established a risk mechanism, *the Green Shipping Guarantee programme*, to support the greening of the EU shipping fleet and the Motorways of the Sea. The first transaction was signed in 2016. The programme will be rolled out under the European Fund for Strategic Investments for a total amount of EUR 750 million, which is expected to mobilise EUR 3 billion of investments.

ENERGY

In the energy sector, no project has been financed so far under the *CEF Debt Instrument* and there was no contribution in 2016 to the Financial Instruments Work Programme.

TELECOM

In 2016 the Commission and the European Investment Bank committed EUR 10 million each to the *Connected Europe Broadband Fund*, incorporated in Luxembourg, as part of the first phase establishing the fully fledged equity instrument. Connecting Europe Broadband Fund is expected to become operational mid-2017, leveraging contributions from the European Investment Bank, three National Promotional Banks – KfW Bankengruppe from Germany, Cassa Depositi e Prestiti from Italy and Caisse des Depots et Consignations from France) as well as the private sector. The Fund should raise at least EUR 500 million at first closing, and aims to invest in equity and quasi-equity, including mezzanine and subordinated debt, in some 7 to 12 broadband projects each year from 2017 to 2021. The Fund investments will be of a size between EUR 1 million and EUR 30 million, for projects total costs of EUR 150 million or less. Overall, the Fund is expected to unlock additional investments of between EUR 1 billion and EUR 1.7 billion.

The *CEF Debt Instrument* is also available for broadband projects but since eligible telecom projects fall under the remit of *CEF Debt and EFSI*, in view of limited amounts in CEF broadband to underwrite risk, the broadband projects to date were financed under EFSI.

III. Performance of the Predecessor programme

Please refer to the 2017draft budget Programme Statement.

HEADING 1A: Competitiveness for growth and jobs**Interoperability Solutions and common frameworks for European public administrations, businesses and citizens (ISA2)**

Lead DG: DIGIT

I. Programme update**Implementation status (2014-2016)**

The programme has been so far implemented efficiently with 97,92% of the actions in good situation as per 09/02/2017 update of the programme's dashboard (<https://ec.europa.eu/isa/dashboard/programme/efficiency>). The 2016 work programme, the first of ISA², has been performed as foreseen without delays or unwanted events impacting the objectives stated in the legal decision of the programme.

Evaluations/studies conducted

The results of the interim evaluation of the programme will be available by 30 September 2019 as per article 13 of the legal basis.

Forthcoming implementation (2017-2018)

The European interoperability framework is adopted in February 2017. It comes along with an interoperability action plan that includes focus areas and related actions to maximise interoperability impact at national and Union levels. The upcoming ISA² programmes will be in support of the implementation of the action plan. In the period 2017-2018, special emphasis will be given to designing and putting in place an integrated mechanism to monitor and evaluate the programme's actions and the new European interoperability framework; elaboration in the area of organisational interoperability; identify means to engage interoperability stakeholders including capturing their needs; extending the catalogue of interoperable solutions on Joinup.eu; continue work on data management and their semantics; support the implementation of the ISPIRE Directive through actions targeting interoperability of location data; take up actions on e-Procurement/e-Invoicing; support initiatives related to making better legislation.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
Decision (EU) of the European Parliament and of the Council No 2015/2240 of 25 November 2015 establishing a programme on interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA ² programme) as a means for modernising the public sector	2016 - 2020	130,9

	Financial Programming (EUR million)					Total Programme
	2016	2017	DB2018	2019	2020	
Administrative support	0,4	0,4	0,4	0,4	0,4	2,0
Operational appropriations	24,4	25,1	25,8	26,5	27,1	128,9
Total	24,8	25,5	26,2	26,9	27,5	130,9

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	30,458	90,79 %	9,248	54,93 %	28,315	2,13 %	22,534	12,68 %
Authorised appropriation excluding external earmarked revenue	29,738	90,70 %	8,614	48,19 %	28,274	2,13 %	22,493	12,70 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The ISA successor programme, ISA2 (spelled “ISA square”), is aimed at further facilitating efficient and effective electronic interactions, cross-border or cross-sector, between European public administrations and between them and citizens and businesses, in order to enable the delivery of electronic public services and support the implementation of EU policies and activities. The Programme shall develop interoperability solutions autonomously or complement and support other Union initiatives.

ISA2 continues and capitalises on the results of the current ISA programme, broadening its scope to the interactions between public administrations, citizens and businesses.

Important contributions of the ISA2 programme are to:

the Public Sector Modernisation: Interoperability is a necessary condition for the modernisation of public administrations, in particular for “one-stop-shop”, “once only principle” or “end-to-end services”.

the Digital Single Market (DSM):

There is a high risk that new electronic barriers may emerge from the transformation of national public administrations due to the implementation of disparate and incompatible national solutions leading to lack of (cross-border) interoperability at European level and becoming an obstacle to the implementation of the Digital Single Market. Actions identified as fundamental to the DSM initiative, such as the revised European Interoperability Framework and the European Catalogue, will be supported by the future ISA2 programme.

Other EU policies: Almost all EU policies depend for their implementation on the availability of ICT systems that support the interconnection between Member States administrations. This means that interoperability between national systems themselves and with EU systems must exist. The ISA2 programme will support the implementation of such interoperable systems either by funding or by providing tools to help the interconnection and implementation of these systems.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	18,8	19,0
Total	18,8	19,0

Based on the allocation of actions from the Work Programme 2017 and estimation for 2018

4. Performance information

Specific objectives

Specific Objective 1: to facilitate efficient and effective electronic cross-border or cross-sector interaction between European public administrations and between them and citizens and businesses, in order to enable the delivery of electronic public services supporting the implementation of Union policies and activities

Indicator 1: the number of key interoperability enablers

Baseline	Milestones foreseen				Target 2020
	2016	2017	2018	2019	
3*	9	9	9	10	10
	Actual results				
	9				

Indicator 2: the number of supporting instruments for public administrations delivered to and used by European public administrations

Baseline	Milestones foreseen				Target 2020
	2016	2017	2018	2019	
4*	9	9	11	13	13
	Actual results				
	9				

* The number mentioned in the baseline for both indicators corresponds to the major actions that will be carried over to the new programme ISA 2 and should not be confused with the amount of outputs created by the ISA programme.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Key interoperability enablers	26 03 01	9	7,4
Support the effective implementation of EU legislation	26 03 01	13	12,0
Supporting instruments for European public administrations	26 03 01	9	3,8
Accompanying measures	26 03 01	4	1,9
Monitoring activities	26 03 01	3	0,7
Total		38	25,8

Outputs		Number of outputs foreseen (F) and produced (P)				
		2016	2017	2018	2019	2020
Key interoperability enablers	F	9	8	9	10	10
	P	9				
Support the effective implementation of EU legislation	F	13	13	13	13	13
	P	13				
Supporting instruments for European public administrations	F	9	8	9	11	12
	P	9				
Accompanying measures	F	4	4	4	4	4
	P	4				
Monitoring activities	F	4	3	3	4	4
	P	4				

III. Performance of the Predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

HEADING 1A: Competitiveness for growth and jobs**European statistical programme (ESP)**

Lead DG: ESTAT

I. Programme Update**Implementation status (2015-2016)**

The European Statistical Programme (ESP), started in 2013, is in its fourth year of implementation.

The intermediate evaluation showed that 17 of the 23 detailed objectives of the ESP were well on track for completion; limited difficulties were experienced in relation to the other six, related to economic governance, people's Europe, geospatial, environmental, agricultural and other sectoral statistics, priority setting and simplification, and the enhancement of the European Statistical System (ESS) governance framework. However, in the meantime corrective actions have already been taken¹. The problems encountered are being addressed in the work plans for the last two years of implementation of the ESP. Moreover, an execution of nearly 100% in commitment appropriation was registered in the final budget of the ESP both in 2015 and 2016.

Key achievements

The EU added- value of the European Statistical Programme and success stories:

- In view of the implementation of new methods of production, Eurostat and 18 National Statistical Institutes of the EU have partnered into a collaborative network which launched a number of concrete big data pilots. Among the deliverables in 2016 for ESDEN (European Statistical Data Exchange Network), new Member States have been connected to the secure network for data exchange and the work has started on the modernisation of the EDAMIS (Electronic Data files Administration and Management Information System) infrastructure. For SERV (sharing services on the ESS), work has continued on defining the framework for sharing the services, creating a catalogue of statistical services and on the delivery of the first services to be shared among the Member States. These services are based on the common statistical production architecture framework sponsored by the High Level Group for the modernisation of statistical production and services. In the area of statistical production, Eurostat continues with the gradual migration to corporate systems focusing on automation of tasks and rationalisation of IT systems in line with the IT strategy, and major progress has been achieved in different areas of social statistics, national accounts statistics and business statistics. In the area of standardisation, Eurostat has actively engaged with OECD (Organisation for Economic Co-operation and Development) the shared development of SDMX (Statistical Data and Metadata Exchange) software to reduce the cost of adoption and implementation of SDMX in the organisations and also run a pilot for the data sharing with the International Monetary Fund (IMF) to reduce the burden when sharing figures between international organisations in the domain of national accounts.
- In the area of social statistics, the adoption of the proposal for a regulation on statistics on persons and households by the Commission in August 2016 constitutes a major achievement. The regulation aims at increasing relevance, flexibility, timeliness and efficiency of social statistics collected from sample. Methods for flash estimates of the income distributions were developed, and the methods and their current results were presented and discussed with the users and producers. The new Commission Regulation concerning statistics on healthcare expenditure and financing was implemented in 2016. These statistics are now available for all EU Member States as a support for the health policies within the European Semester and the new initiative "State of Health in the EU". They complement EU statistics on education and social protection expenditure and constitute one of the EU largest social spending. An approach for better linking distributions of micro data on income, consumption and wealth at micro level and with the national accounts framework was developed, and the Vienna Memorandum that fixes the European Statistical System (ESS) orientations in the field was adopted in the reporting year by the European Statistical System Committee (ESSC). Seasonally-adjusted main indicators on employment and unemployment were issued for the first time.
- Regarding sectoral or regional statistics, in December 2016, the Commission adopted the proposal for a Regulation on new, integrated ways to collect and use statistics on farms so as to better support policy making in general and agricultural policy in particular. An ad hoc statistical publication on sustainable development in the European Union — A statistical glance from the viewpoint of the UN Sustainable Development Goals (SDGs) has been released together with the Commission Communication on "Next Steps for a sustainable European future – European action for sustainability", along with two videos and a citizen guide. Regulation (EU) 2016/1952 on European statistics on electricity and natural gas price statistics entered into force, enabling starting from 2017 a complete, comprehensive energy price system with the main objectives to ensure and adapt data collected to new policy needs of the Resilient Energy Union and to enforce the Third Energy Package.

¹ For example, the amended Reg. 223/2009 (Regulation (EU) 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics (OJ L 123, 19.5.2015, p. 90) and improvement actions resulting from the Peer Reviews 2015 address issues of governance of the ESS.

- The LUCAS (Land use/Land cover) 2015 Survey has been closed. After intensive quality- related reviews, the majority of the results of the 2015 Survey have been published. As a preparation of the planned 2018 LUCAS Survey, agreements have been reached with the policy DGs on the focus as well as the sharing of resources for its financing as a condition for the intensive preparation prior to the survey itself. The objective of the 2018 LUCAS Survey will be to further increase the utility of LUCAS data for EU agro-environmental policy purposes.
- In order to make statistics more attractive and provide EU citizens with the statistical background to help understand the challenges faced by the Commission's Priorities, Eurostat released in 2016 its first digital publication: "Shedding light on energy in the EU". This new type of publication, which includes short texts, dynamic infographics, maps, videos, animations, graphs and photos, has received very positive feedback from users.
- Eurostat – in collaboration with the European Statistical System (ESS) - has released for the first time public use files for the Labour Force Survey and the EU-Statistics on Income and Living Conditions.

Evaluation / studies conducted

The mid-term evaluation² of the ESP covered the implementation of the programme in the years 2013 and 2014 plus relevant progress accomplished in 2015. The evaluation also considered the results of the final evaluation³ of the linked "Programme for the Modernisation of European Enterprise and Trade Statistics" (MEETS), which finished at the end of 2013.

As already stated, the mid-term evaluation concludes that 17 out of the 23 detailed objectives are well on track for completion. Such quantitative evaluation is accompanied in the same document by a qualitative evaluation which indicates that all projects classified as critical on the basis of their strategic importance, the number of staff involved or the financial resources invested, were successfully concluded or are on track. Good progress has also been made on projects related to modernisation of the production system. The mid-term evaluation also indicates that the projects involving collaboration between the members of the ESS showed good results, with the European Statistical System collaboration networks and the European Statistical System 2020 Vision implementation projects making particularly good progress.

The evaluation also recommends taking care of some critical issues. It suggests to give special attention to the objectives where problems have been encountered, to try to secure sufficient resources to maintain the necessary level of investment for the modernisation of the production of European statistics and to identify and implement projects at EU level which could maximise EU added value.

Forthcoming implementation (2017/2018)

The main outputs expected to be achieved in 2017

- Eurostat catalogue of statistical products for 2017, which contains the list of statistics to support the monitoring of the Europe 2020 strategy, the enhanced Stability and Growth Pact and Macroeconomic Imbalances Procedure, in particular for the European Semester.
- New requirements for statistics arising from the general objectives of the Commission. For example, emphasis will be put on improving social indicators and statistics on asylum and managed migration, producing data on labour market flows, as well as developing more detailed indicators to support the Energy Union and to monitor progress on the circular economy.
- Further efficiency gains and quality improvements in the production of European statistics as well as enhance the flexibility and productivity across the European Statistical System. Under the ESS Vision 2020 portfolio, in 2017 projects will focus on the use of new data sources (Big Data and administrative data), modern production processes (extension of the secure network for micro-data exchange), a service oriented architecture and the further advancement on the Euro Groups Register and profiling of multinational enterprises. In the area of dissemination and communication, the DIGICOM project will contribute to improved open data access, and the development work of the renovation of the Eurostat dissemination chain will be continued.

Main goals of the proposed ESP extension 2018-2020

The proposal takes into account the growing demands for high quality and timely statistics to support the design and evaluation of European policies. It will ensure the effective contribution of European statistics to the achievement of the Commission's political priorities and at the same time strengthen the capacity of Eurostat and the European Statistical System to react faster to new demands through embracing the potential of big data, geo-spatial data and digital technologies, while limiting the burden on respondents.

² <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0309&rid=1>

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014DC0444&rid=1>

In the proposal of ESP extension 2018-2020 it is foreseen that Eurostat will produce a final evaluation report on the implementation of the programme that the Commission will submit to the European Parliament and the Council by 31 December 2021, after consulting the ESS Committee and the European Statistical Advisory Committee.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 99/2013 of the European Parliament and of the Council on the European statistical programme 2013-17, by extending it to 2018-2020 (COM(2016) 557 final);	2018-2020	218,1*
Regulation (EU) No 1383/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17	2013-2017	234,8

* Subject to the adoption of the Regulation extending the European statistical programme to 2018-2020.

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	2,9	2,9	3,0	3,1	3,2	3,3	3,4	21,8
Operational appropriations	53,4	54,9	56,4	58,0	59,5	73,2	75,5	430,9
Total	56,3	57,8	59,4	61,1	62,7	76,6	78,9	452,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	69,011	90,43 %	60,397	79,60 %	67,428	10,39 %	57,336	35,18 %
Authorised appropriation excluding external earmarked revenue	59,482	99,45 %	45,806	98,08 %	61,153	11,36 %	45,622	43,52 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Political decision-makers and actors in the market constantly need statistics in order to make their decisions and monitor and evaluate their implementation. Statistics provide an essential infrastructure for democracies and modern economies to function soundly and efficiently. The European Union needs a high-quality statistical information service in order to fulfil its mission. European statistics must be reliable, timely and independent of political influence and provided in a convenient form for users.

Together with the national statistical authorities and other national authorities responsible in each Member State for the development, production and dissemination of European statistics, Eurostat has created a partnership collectively called the European Statistical System (ESS). This partnership also includes the EEA countries. Member States collect data and compile statistics for national and EU purposes.

The ESS facilitates the sharing of knowledge and 'best practices' across Member States and the development of new technologies, common tools and collaborative networks with a view to taking advantage of possible synergies and avoiding duplication of effort, thus paving the way for a modern production system equipped to meet future challenges.

Efforts to harmonise, streamline and regulate can best be initiated at the European Union level, where such projects can be carried out with optimal efficiency.

Contribution to Europe 2020 Strategy

The EU's strategic objectives like Europe 2020 rely on the European statistical data in order to provide evidence basis for EU policy definition, implementation, monitoring and evaluation. European statistical programme (ESP) is designed to provide quality statistical information in a timely manner while keeping a balance between economic, social and environmental fields and serve the needs of the wide range of users of European statistics, including other decision-makers, researchers, businesses and European citizens in general, in a cost-effective manner without unnecessary duplication of effort.

4. Performance information

General objectives

General Objective 1: The European Statistical System to be the leading provider of high-quality statistics on Europe.

Indicator 1: Percentage of users that rate as "Very good" or "Good" the overall quality of the data and services provided by Eurostat

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
70,6%	71,5%	72,4%	73,2%	74,1%	75%	*	*	Positive trend
	Actual results							
	69,7%	70,3%	72,4%	70,6%				

* Milestones for 2018 and 2019-see target 2020.

Specific objectives

Specific Objective 1: To provide statistical information, in a timely manner, to support the development, monitoring and evaluation of the policies of the Union properly reflecting priorities, while keeping a balance between economic, social and environmental fields and serving the needs of the wide range of users of European statistics, including other decision-makers, researchers, businesses and European citizens in general, in a cost-effective manner without unnecessary duplication of effort.

Indicator 1: Percentage of users that rate as "Very good" or "Good" the overall quality of European statistics

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
62,9%	64,3%	65,7%	67,2%	68,6%	70%	(*)	(*)	positive trend
	Actual results							
	62,6%	64,4%	61,2%	63,2%				

(*) Milestones for 2018 and 2019 -see target for 2020.

Indicator 2: Number of data extractions made by external users from Eurostat reference databases (EuroBase and Comext) via the Eurostat website (using the Data Explorer or Easy Comext) – Millions

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
7,87	7,88	8,1	8,3	8,5	8,7	(*)	(*)	positive trend
	Actual results							
	7,98	7,79	8,30	11,34				

(*) Milestones: see target for 2020.

Source: Monitoring reports on Eurostat electronic dissemination.

Indicator 3: Degree of achievement of the Specific Objective measured as percentage of the achievement of the Outputs related to it

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
N/A*	100%	100%	100%	100%	100%	100%	100%	100%
Actual results								
*indicator created in 2013	87,1%	92,3%	93,8%	92,86%				

Twice a year, DG ESTAT's units give a mark to each of the outputs under their responsibility. The marks are the following: "Achieved", "On target", "Difficulties", "Revised", "Cancelled". The percentages given in the table include "Achieved" and "On target". The "ideal" target is 100% every year.

Sources: ESTAT.

Expenditure related outputs

Outputs*	Budget line	Draft Budget 2018	
		Number	EUR million
Statistical activities-total	29 02 01		
Of which:			
Europe 2020		1	0,2
Economic governance		20	1,8
Economic globalisation		3	0,4

Economic and social performance		30	8,0
Environmental sustainability		6	1,0
Business statistics		32	4,3
People's Europe		34	5,4
Geospatial, environmental, agriculture and other sectoral statistics		51	8,5
Training, innovation and research		3	3,9
Dissemination and communication		23	0,9
Total		203	34,4

(*) In this context "outputs" are understood as activities to be listed in the annexe to the 2018 Annual Work Programme.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Outputs related to the Statistical activities	F	126	126	224	201	203	249	252
	P	110	121	208				

It was decided to consider 2016 "outputs" as activities annexed to the 2016 Annual Work Programme to align them with 2016 Annual Activity Report.

Justification of changes to the financial programming and/or to the performance information

In the period 2014-2015 the "outputs" corresponded to the foreseen Implementing Measures of the Financing Decisions of those years. In the period 2016-2020 the "outputs" corresponds to the foreseen activities (processes and projects) listed in the ad hoc annex of the Annual Working Programs (AWP) of those years. The reasons of this change are that (1) the AWP's activities correspond better to the definition of programme's outputs and (2) the granularity of the Financing Decisions is going to change.

Specific Objective 2: To implement new methods of production of European statistics aiming at efficiency gains and quality improvements.

Indicator 1: Percentage of users that rate as "Very good" or "Good" the timeliness of European statistics for their purposes

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
56,3%	56,5%	57,8%	58,5%	59,3%	60%	(*)	(*)	positive trend
	Actual results							
	55,1%	58,4%	56,2%	57,3%				

(*) Milestones: see target for 2020.

Source: Eurostat annual User Satisfaction Survey. The full reports are available on demand.

Indicator 2: Timeliness of statistics: average number of days in advance (positive) or delay (negative), in comparison to the legal target: 1) Principle European Economic Indicators (PEEIs): Euro Area – monthly series 2) Principle European Economic Indicators (PEEIs): Euro Area – quarterly series 3) Foreign trade with countries outside the EU: Comext-Extra: data sent by MS to Eurostat

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
1) -0.10 2) -10.2 3) +3	≥ 0	≥ 0	≥ 0	≥ 0	≥ 0	≥ 0	≥ 0	≥ 0
	Actual results							
	1) -0.6 2) -10.1 3) +2	1) -1.2 2) -10.5 3) +2	1) -1.8 2) -10.3 3) +3	1) -0.7 2) -10.3 3) +2				

Source for PEEIS: annual Status report on information requirements in EMU to the Economic and Financial Committee.

The list of PEEIs is defined in the Communication of the Commission to the European Parliament and the council on Eurozone statistics COM/2002/661.

Source for Comext-Extra: Eurostat internal report on Comext database. More detailed information is available on demand.

Indicator 3: Degree of achievement of the Specific Objective measured as percentage of the achievement of the Outputs related to it

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
N/A*	100%	100%	100%	100%	100%	100%	100%	100%
*Indicator created in 2013	Actual results							
	86,1%	86,4%	88,7%	91,23%				

Twice a year, Eurostat units give a mark to each of the outputs under their responsibility. The marks are the following: "Achieved", "Not achieved", "Output revised" (which are counted as "Not achieved"). The "ideal" target is 100% every year.

Sources: ESTAT

Expenditure related outputs

Outputs*	Budget line	Draft Budget 2018	
		Number	EUR million
Statistical activities	29 02 01		
Of which:			
European Statistical System (ESS) quality management		5	0,4
Multipurpose statistics and efficiency gains in production		57	23,1
Total		62	23,5

(*) In this context "outputs" are understood as activities to be listed in the annexe to the 2018 Annual Work Programme.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Outputs related to the Statistical Activities	F	39	39	57	51	NA	NA	NA
	P	34	38	52				

It was decided to consider 2016 "outputs" as activities annexed to the 2016 Annual Work Programme to align them with the 2016 Annual Activity Report.

Specific Objective 3: To strengthen the partnership within the European Statistical System and beyond in order to further enhance its productivity and its leading role in official statistics worldwide

Indicator 1: Percentage of users that rate as "Very good" or "Good" the comparability of European statistics among regions and countries

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
56,2%	56,4%	57,8%	58,5%	59,3%	60%	(*)	(*)	positive trend
	Actual results							
	58,0%	58,6%	58%	58,6%				

(*)Milestones: see target for 2020.

Source: Eurostat annual User Satisfaction Survey. The full reports are available on demand.

Indicator 2: Degree of achievement of the Specific Objective measured as percentage of the achievement of the Outputs related to it

Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
NA –indicator created in 2013	100%	100%	100%	100%	100%	100%	100%	100%
	Actual results							
	92,8%	93%	94,3%	92,86%				

Twice a year, Eurostat units give a mark to each of the outputs under their responsibility. The marks are the following: "Achieved", "On target", "Difficulties", "Revised", "Cancelled". The percentage given in the table includes "Achieved" and "On target". The "ideal" target is 100% every year.

Sources: ESTAT

Expenditure related outputs

Outputs*	Budget line	Draft Budget 2018	
		Number	EUR million
Statistical activities	29 02 01		
Of which:			
Partnership with the European Statistical System (ESS) and beyond		27	1,6

(*) In this context 'outputs' are understood as activities to be listed in the annexe to the 2018 Annual Work Programme.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Outputs related to the Statistical activities	F	17	17	28	14	NA	NA	NA
	P	16	14	26				

It was decided to consider 2016 "outputs" as activities annexed to the 2016 Annual Work Programme to align them with the 2016 Annual Activity Report.

Specific Objective 4: To ensure that delivery of statistics is kept consistent throughout the whole duration of the programme, provided that this does not interfere with the priority-setting mechanisms of the ESS.

Indicator 1: Length of the time series of a sample of statistics: Euro Indicators (active series)								
Baseline 2012	Milestones foreseen							Target 2020
	2013	2014	2015	2016	2017	2018	2019	
≥15 years: 41,7%	>40%	48,8%	52,5%	56,3%	n.a.	n.a.	n.a.	
	Actual results							
	40,7%	44,5%	Not available **	n.a.*				
≥10 years: 94,4%	≥ 90%	≥ 90%	≥ 90%	≥ 90%				
	Actual results							
	94,8%	95%	Not available **	n.a.*				

* The indicator refers to the duration (in years) of a sample of statistics. Accordingly, there two different indicators (1a and 1b) measured.

Source: analysis of the series of the datasets included in EuroInddomain available on Eurostat website http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database

**Indicator 1 of the Specific Objective 4 is abandoned due to serious technical problems in the calculation IT software . DG ESTAT is working on the relevant replacement of the indicator in the context of the extension of the ESP 2013-2017 to 2018-2020 which is expected to be adopted in autumn 2017.

Expenditure related outputs

There is no specific action (budget) allocated to the objective N°4.

All the actions related to it are fulfilling the specific objective N°1.

Programme related additional information

The European Statistical Programme (ESP) started in 2013 and ends in 2017. The extension to 2020⁴ is expected to be approved in autumn 2017. It will entail a new set of indicators.

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

⁴ http://eur-lex.europa.eu/resource.html?uri=cellar:f5a0e573-75c8-11e6-b076-01aa75ed71a1.0017.02/DOC_1&format=PDF.

HEADING 1A: Competitiveness for growth and jobs**Specific activities in the field of financial reporting and auditing**

Lead DG: FISMA

I. Programme update***Implementation status (2014-2016)***

The programme involves co-financing of activities of three organisations operating in the field of financial reporting and auditing, namely the International Financial Reporting Standards Foundation (IFRS Foundation), the European Financial Reporting Advisory Group (EFRAG) and the Public Interest Oversight Board (PIOB). The IFRS Foundation develops international accounting standards via its International Accounting Standards Board (IASB), while EFRAG ensures that the EU is speaking with one voice and the interests of the Union are adequately taken into consideration in that process. In addition, EFRAG provides the European Commission with endorsement advice on new or modified standards. The PIOB is responsible for monitoring the due process of the international standard setting process in the areas of audit and assurance, education, and ethics. So far (between 2014 and 2016) the programme has been implemented satisfactorily as the beneficiaries carried out activities that were planned for this period.

Key achievements

The key achievements of the programme include: implementation of the governance reform of EFRAG, publishing by IASB two new major standards that are of fundamental importance for users of financial statements, namely IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Following the endorsement advice of EFRAG, both standards were endorsed in the EU in 2016. In January 2016, the IASB issued another major standard on leases (IFRS 16 Leases).

The reform of EFRAG involved establishing a new Board, its new decision-making body, with balanced representation of public and private interests. As a result, EFRAG is now well equipped to strengthen the legitimacy of its positions and significantly contribute to the objective of Europe speaking with one voice.

The new IFRS 9 and IFRS 15, which will come into force on 1 January 2018, are expected to considerably enhance the quality of financial reporting and will result in increased understandability and comparability of financial statements. Consequently, the users of financial statements, including investors, will be in a position to take more informed decisions.

Evaluations/studies conducted

The relevant findings of the implementation of the programme, which include the achievements mentioned above, are submitted in the form of annual reports to the European Parliament and the Council, as required by Regulation (EU) No 258/2014. In this respect, the most recent report of 2016 on the activities of the IFRS Foundation, EFRAG and PIOB in 2015¹ includes the following findings:

As regards the IFRS Foundation:

In 2015, the IASB finalised another major standard, IFRS 16 Leases (published in January 2016). In this respect, the Commission welcomes the comprehensive effects analysis, which accompanied the new standard on leases and invites the IASB to continue to develop their analysis of impact of new or amended standards. In addition, the IASB continued to work on a number of other major projects, in particular Insurance Contracts, the Disclosure Initiative and the Conceptual Framework.

As regards EFRAG:

EFRAG took account in its endorsement assessments of whether IFRS were meeting all technical criteria of Regulation (EC) No 1606/2002². Following the implementation of its governance reform in 2014, EFRAG has been well equipped to strengthen the legitimacy of its positions and significantly contribute to the objective of Europe speaking with one voice.

EFRAG continued to take account in its endorsement assessments of whether IFRS were meeting all technical criteria of the IAS Regulation and strengthened its scope of assessment of whether new or proposed financial reporting requirements are conducive to the public good. This was demonstrated in its endorsement advice on two major standards IFRS 9 Financial Instruments and IFRS15 Revenue from Contracts with Customers, which EFRAG submitted to the Commission in 2015.

The Commission welcomes EFRAG's efforts to further develop its capacities with respect to the analysis of the effects of standards including macro-economic effects such as effects on financial stability or economic development in the EU. In 2016, the Commission will continue to monitor the development of impact assessment capacities of EFRAG.

¹ <https://ec.europa.eu/transparency/regdoc/rep/1/2016/EN/1-2016-559-EN-F1-1.PDF>

² Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).

Thanks to its extensive due process, EFRAG was in a position to provide adequate assessment of whether draft, new or amended international accounting standards responded to the Union's needs while taking into account the diversity of accounting and economic models and views in the EU.

As regards PIOB:

The diversification of funding sources in 2015 has continued as the year before with the exception of the World Bank. The total share of revenue sources provided by IFAC in 2015 is 60,67 %, which is a little higher than in 2014 but still below the two-thirds threshold stipulated in the Regulation. This reflects the scarcity of public funding all over the world due to the prevailing public sector financial constraints. For the coming years, the Commission will continue monitoring the funding developments and will cooperate with other interested stakeholders, in particular with other Monitoring Group members, to ensure that the PIOB benefits from a clear, stable, diversified and adequate funding system so that it can accomplish its public interest mission in an independent and efficient manner.

Forthcoming implementation (2017-2018)

The major projects envisaged in the forthcoming implementation of the programme include the endorsement of the remaining major standards, namely IFRS 16 Leases (currently EFRAG is working on its endorsement advice) and IFRS 17 Insurance Contracts (which the IASB expects to issue in the first half of 2017).

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 258/2014 of the European Parliament and of the Council of 3 April 2014 establishing a Union programme to support specific activities in the field of financial reporting and auditing for the period of 2014-20 and repealing Decision No 716/2009/EC	2014 - 2020	43,2

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Operational appropriations	6,8	8,0	8,1	8,3	8,4	8,6	8,8	57,0
Total	6,8	8,0	8,1	8,3	8,4	8,6	8,8	57,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	8,151	99,59 %	7,301	99,54 %	8,314	0,00 %	8,268	0,00 %
Authorised appropriation excluding external earmarked revenue	8,151	99,59 %	7,301	99,54 %	8,314	0,00 %	8,268	0,00 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

In a global economy, there is a need for a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in many jurisdictions around the world. Such international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process. Regarding auditing it is important to make sure that the International Federation of Accountants (IFAC) standard setting activities are properly responsive to the public interest. The Public Interest Oversight Board (PIOB) is responsible for monitoring the due process of the standard setting process.

4. Performance information

Specific objectives

Specific Objective 1: to improve the conditions for the efficient functioning of the internal market by supporting the transparent and independent development of international financial reporting and auditing standards

Indicator 1: number of countries using International Financial Reporting Standards (IFRS)							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
In 2013 approximately 128 countries use IFRS.	130		130				Maintain positive trend
	Actual results						
	130	130	133				

Indicator 2: percentage of standards endorsed in the EU compared to the number of standards issued by the IASB							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
On 29 October 2012, 89 % of IFRSs was endorsed in the EU (124 standards out of 139).	96 %		96 %				100 %
	Actual results						
	96 %	95 %	96 %				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Support to IFRS Foundation	12 02 03		4,7
Support to the European Financial Reporting Advisory Group (EFRAG)	12 02 03		3,4
Support to the Public Interest Oversight Board (PIOB)	12 02 03		0,3
Total			8,4

5. Programme contribution to the Sustainable Development Goals

The funding programme contributes to having highly reliable financial reporting by companies. This in turn facilitates the optimal allocation of savings and the reduction of the cost of capital for companies in the EU and elsewhere. Therefore, the funding programme is, particularly, in line with goal number 8, as it directly helps to promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all.

6. Programme related additional information

On 13 April 2016, the Commission proposed to extend the financing of EFRAG for the period 2017-2020 through amending the Regulation No 258/2014. The proposal³ has not yet been adopted by the European Parliament and the Council.

III. Performance of the Predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

³ <https://ec.europa.eu/transparency/regdoc/rep/1/2016/EN/1-2016-202-EN-F1-1.PDF>

HEADING 1A: Competitiveness for growth and jobs**Enhancing consumers involvement in EU policy making in the field of financial services**

Lead DG: FISMA

I. Programme update**Implementation status (2014-2016)**

At the end of 2011, the Commission launched a two years' pilot project to provide support for the development of a financial expertise centre to the benefit of European end-users and other non-industry organisations, with the objective to enhance the latter's capacity to participate in the Union policymaking in the area of financial services. This decision was taken in the context of the financial crisis and ahead of an important political agenda for the financial sector. Through this pilot project and the subsequent preparatory action, the Commission awarded via yearly calls for proposals operating grants to two Brussels-based non-profit entities, Finance Watch¹ and Better Finance² between 2012 and 2015. A preparatory action can be used up to three years. As of 2017, a legal base, adopted by European Parliament and Council would be necessary to continue funding such actions, for instance on multi-annual basis.

In that context, the Commission launched an evaluation of the pilot project and subsequent preparatory action at the end of 2014³. The outputs of this evaluation have been made publicly available in a Commission Staff Working Document⁴ on DG FISMA website at the end of 2015. According to the evaluation, these policy objectives have been met through two centres of financial expertise partly set up thanks to public funding and in the context of a pilot project and the subsequent preparatory action. However, these two centres are still dependent on EU funding and would not be able to continue their respective mission and activities without these funds. At the same time, the evaluation stressed that no other applicant responded to the successive yearly calls for proposal during that period which tends to prove that no other organisation is currently able to carry out similar activities with such a broad scope.

In view of the above, it is important that the Union contributes to the funding of these beneficiaries, who have been properly evaluated and proved to be relevant, effective and efficient in achieving the policy objectives set up at the end of 2011. Continuing funding them along the same lines in the coming years would ensure that the positive impacts assessed so far will be maintained. The situation should be re-evaluated by 2020.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
COM(2016) 388 final - Proposal for a Regulation establishing a programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy making in the field of financial services for the period of 2017-2020	2017 - 2020	6,0

	Financial Programming (EUR million)				Total Programme
	2017	DB2018	2019	2020	
Operational appropriations	1,5	1,5	1,5	1,5	6,0
Total	1,5	1,5	1,5	1,5	6,0

2. Implementation rates

Not applicable

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies**EU added value (ex-ante)**

The new regulation establishing a Union programme for the period 2017-2020 follows on a previous pilot project and preparatory action which were positively evaluated in 2015. In particular, the evaluation assessed positively the Union added value of the previous pilot project and preparatory action: national organisations dealing with all kinds of consumers issues lack technical

¹ <http://www.finance-watch.org/fr>.

² <http://www.betterfinance.eu/>.

³ Before Better Regulation Package new rules have been adopted.

⁴ http://ec.europa.eu/finance/finservices-retail/docs/users/151222-staff-working-document_en.pdf.

expertise and cannot cover such a broad scope of policy areas related to financial services. In addition, no other similar organisations have been identified at EU level.

The new Programme established for the period 2017-2020 will contribute to continue involving consumers and other financial services end-users in Union and relevant multi-lateral policy-making in the area of financial services as well as informing them about issues at stake in the financial sector. The broad expertise required to achieve these policy objectives is not available at national level so far.

The new regulation complies with the subsidiarity principle since, in accordance with Article 5 of the Treaty on the European Union, its objectives cannot be sufficiently achieved by the Member States and can, by reason of the scale and the effect of the action, be better achieved at Union level.

4. Performance information

Specific objectives

Specific Objective 1: To further enhance the participation and involvement of consumers and other financial services end-users in Union and relevant multi-lateral policy-making in the area of financial services

Specific Objective 2: To contribute to the information of consumers and other financial services end-users about issues at stake in the financial sector

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Action grants awarded to two beneficiaries	12 02 08		1,5
Total			1,5

5. Programme related additional information

On 15 June 2016, the Commission proposed a regulation to establish a Union Programme to provide support for the development of a financial expertise centre to the benefit of European end-users and other non-industry organisations with the objective to enhance the latter's capacity to participate in the Union policymaking in the area of financial services. A political agreement was reached on 14 February 2017 by the European Parliament and the Council but the regulation is not yet published in the OJ.



▶ **HEADING 1B**

**Economic, social
and territorial cohesion**

HEADING 1B: Economic, social and territorial cohesion**European Social Fund (ESF)****Lead DG: EMPL**

Associated DGs: SRSS

I. Programme update**Implementation status (2014-2016)**

The year 2016 has been the first full year of implementation for all operational programmes. The ESIF 2016 Summary Report¹ of the programme's annual implementation reports covering implementation in 2014 and 2015 was published and transmitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on 20 December 2016. The document includes: (1) an overview of the efforts made to programme the ESI Funds so as to address the challenges identified in the investment-related CSRs and kick-start investment (2) an implementation overview by key themes (3) a synthesis of evaluations. It is accompanied by a Staff Working Document on evaluations. This report underlines that even if implementation started relatively slowly there are already important achievements on the ground.

The first years of a programming period require efforts from the managing authorities to set up programme structures and processes in order to ensure sound and quality investments. They include the designation of authorities, the mobilisation of stakeholders, the set-up of IT systems, the establishment of monitoring committees, the definition of selection criteria and the launch of calls. By end 2016, designation packages are still expected for approximately 19% of programmes. The lack of designation prevents Member States from sending payment applications to the Commission; it however does not prevent implementation on the ground.

During 2016 5 billion € has been paid by DG EMPL for the 2014-2020's programmes and by the end of 2016 the absorption rates (interim payments vs. 2014-2020's allocation) by fund were the following: ESF: 2.37%, YEI: 9.87%. Despite a low level of certified expenditure implementation of the ESF by end-2015, the average project selection rate had exceeded 13%, paving the way for a strong contribution of the ESI Funds to the Europe 2020 objectives in these areas. By autumn 2016, the project selection level had almost doubled to over 20% which shows a strong acceleration of projects on the ground.

In 2016, Member States also focused their efforts on the fulfilment of ex ante conditionalities, which are pre-conditions for efficient and effective spending. Out of all action plans for ex ante conditionalities affecting ESF investments, 50% of them had been completed by beginning of November 2016. Although Member States had until end 2016 to complete their action plans, they have until the submission of their Annual Implementation Reports and/or Progress Reports, respectively in June and August 2017, to report officially to the Commission on the fulfilment of ex ante conditionalities. Very few action plans seem at risk of not being completed by end 2016 however more information will be available in the second half of 2017.

Concerning the YEI, implementation in 2016 sped up. By end-July 2016 the total eligible cost of YEI operations selected for support was over €3.9 billion and over €967 million had been declared by beneficiaries. By mid-August 2016, the Commission had received around €682 million in YEI payment applications from the Member States. By end of November 2016, around 1.6 million young people had been included in YEI-supported measures. However, 8 Member States had to return their YEI pre-financing to the Commission following an insufficient amount of payment applications and by end 2016 for 4 of the 34 operational programmes the designation package had not been sent.

Simplified Cost Options - Following the adoption of Delegated Regulation 2015/2195 in July 2015, the Commission adopted two amendments of the regulation during 2016. These amendments extend to nine the number of Member States covered by unit costs set in the delegated regulation. These Member States will benefit from the legal certainty of having their simplified cost methodology and amount defined in advance and also from the consequent reduction in the administrative burden associated with reduced documentation that need to be retained for management verification. The total ESF expenditure expected to be covered by the unit costs under the regulation is almost €3 billion.

Key achievements

First data on implementation for 2014 and 2015 for the ESF were transmitted by the Member States to the Commission at the end of May 2016.

While implementation greatly varies between Member States and operational programmes, in aggregate terms the ESF and YEI actions delivered:

- 2.7 million participants, including 1.6 million unemployed and 700 000 inactive;
- Amongst those participants 235 000 were in employment following an ESF or YEI operation, 181 000 had gained a qualification upon leaving an ESF or YEI operation;
- 100 000 participants were in education or training thanks to ESF or YEI support;
- 275 000 disadvantaged participants in ESF or YEI-funded operations were engaged in job searching, education/training, gained a qualification or were in employment, including self-employment.

¹ http://ec.europa.eu/regional_policy/en/policy/how/stages-step-by-step/strategic-report/

In addition, by end 2015, out of the 501 000 young participants, who took part in a YEI-supported operation:

- 203 000 had completed a YEI intervention, including 80,250 long-term unemployed;
- 82 000 had received an offer of employment, continued education, apprenticeship or traineeship upon leaving;
- And 109 000 were in education or training, gained a qualification or in employment following a YEI intervention.

By November 2016 Member States had already declared that 1.6 million young people had benefitted from the YEI. According to the latest data, larger Member States and main recipients of the YEI have managed to engage thousands of young people each - IT (around 640,000 contacted or already in measures), FR (162,000), ES (277,000) and EL (39,000).

In terms of financial implementation, despite a low level of certified expenditure implementation of the ESF by end-2015, the average project selection rate had exceeded 13%, paving the way for a strong contribution of the ESI Funds to the Europe 2020 objectives in these areas. By autumn 2016, the project selection level had almost doubled, which shows a strong acceleration of projects on the ground.

Evaluations/studies conducted

Article 19(6) of the ESF Regulation sets out that Member States will conduct at least two evaluations to assess the effectiveness, efficiency and impact of the YEI. The first evaluation had to be completed by 31 December 2015 with the second evaluation due by 31 December 2018.

Most of the first YEI evaluations submitted by Member States to the Commission focused on the design of the measures adopted, their relevance, and the implementation of the operations. The new provisions governing the Youth Employment Initiative and the specific administrative and monitoring arrangements put in place had an impact on the late start of operations and to limited available quantitative data. However, in 2016 the rhythm of implementation of Youth Employment Initiative interventions accelerated and significant outputs and results are to be expected. Overall the quality of the evaluations can be considered as methodologically adequate and the results presented robust.

It appears that a range of measures funded through the YEI had been set up in most countries, offering a 'menu of support' for young people not in employment, education or training (NEET) with the overarching objective to integrate them into employment, education or training. There was a strong focus on the provision of qualification and work experience type activities, such as the provision of first job experience (implemented in 81% of cases where implementation had started), traineeships and apprenticeships (71%) and high quality VET courses (65%). All countries developed personalised action plans when young people took part in YEI activities, although to varying degrees. In some Member States this policy practice was a novelty.

Based on the available data at the time of the evaluations, the YEI more frequently reached those aged 15-24 (rather than those aged 25-29), females (rather than males) and the unemployed (rather than inactive). YEI provision primarily targeted NEET young people with upper secondary and tertiary education. At this early stage of YEI implementation, results data was limited and only available for a small number of Member States and often for individual interventions only.

Further to the evaluations, the reporting in the 2015 AIR exercise showed some interesting figures like the total number of YEI participants until end 2015 amounted to 501 000 out of whom 79% are unemployed (LTU included), half of them having completed secondary education. 8% belong to migrant groups or minorities. The results at aggregate level indicate that 203 000 completed a YEI intervention, 82 000 received an offer after completing the intervention and 109 000 participants were in education or training, gained a qualification or were in employment following the support.

Other interesting evaluation findings include the fact that Public Employment Services (PES) are the main implementers of the YEI across Member States. Evaluations indicate that the quality of service provided has risen because of increased capacity of PES and overall higher chance of finding a job of YEI supported NEETs than by the national schemes. Furthermore YEI enables collaboration among the various stakeholders to realise synergies and multiplier effects.

Evaluations also helped to highlight and potentially to rectify some implementing issues, such as limited take-up from vulnerable groups (e.g. ES, HR, PL, SK), partners chosen based on cost and not on quality (LT), pre-financing arrangements that may render activities ineligible (ES), different understanding of concepts such as "personal plan" even within a single Member State (PL) and heterogeneity of capacity/effort by authorities.

In summary, based on existing evidence, YEI operations are provisionally considered to represent an appropriate offer of education, training, work placement and employment-based measures to support young people in the labour market.

Forthcoming implementation (2017-2018)

EMPL will continue to focus its work in 2017 and onwards on the assessment of programme amendment requests submitted by Member States to ensure the policy and result-orientation of the ESF and YEI programmes.

In 2017, Member States will submit complete annual summary reports (in comparison to the light report of 2016) as well as progress reports. These reports should provide both quantitative and qualitative evidence on the implementation of the Funds as well as their contribution to the Strategy for smart, sustainable and inclusive growth. EMPL will work on the consolidation of these data and evaluation evidence with Member States.

In order to ensure a closer link between the EU and its citizens and a more transparent European Union, the four ESIF DGs will then prepare a Strategic Report based on the information included in these reports to the attention of the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions. EMPL, together with the other ESIF DGs, will also continue making relevant data available to all on an ESIF Open Data Platform.

EMPL will also continue to provide technical and policy guidance on the programmes through the monitoring committees and annual review meetings to ensure that programmes are on track to deliver the results expected. EMPL will also continue to be actively involved in the 9 transnational thematic networks² set up in 2015.

Finally, in 2017 EMPL will intensify its preparatory work on the proposal for the ESF Regulation 2021-2027. In order to assess the options for the post-2020 programming period and ensure that new proposals are evidence-based, EMPL will launch a new study on the future of ESF to complement information obtained through the 2007-2013 ex post evaluations, on-going REGIO studies and the analysis of the first implementation data.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application
Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006	2014 - 2020

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Total	11 386,5	15 023,9	12 007,7	13 383,7	13 454,2	13 789,3	14 145,3	93 190,6
<i>Of which Youth Employment initiative to up allocation</i>	<i>1 706,6</i>	<i>1 504,6</i>		<i>500,0</i>	<i>233,3</i>	<i>233,3</i>	<i>233,3</i>	<i>4 411,2</i>
<i>Of which contribution to European Solidarity Corps</i>					<i>11,1</i>	<i>12,1</i>	<i>11,8</i>	<i>35,0</i>

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	12 048,417	99,94 %	5 354,633	82,30 %	12 914,227	84,31 %	8 610,688	6,26 %
Authorised appropriation excluding external earmarked revenue	12 048,417	99,94 %	5 354,331	82,22 %	12 914,227	84,32 %	8 610,688	6,25 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The ESF is the EU's main financial instrument to support structural reforms in the fields of employment, education and training, with a direct link to the priorities and headline targets of the Europe 2020 strategy in terms of employment, education and poverty. It contributes to the promotion of economic and social cohesion and social inclusion within the EU and serves as an instrument for financial solidarity and economic integration.

The ex-post evaluation of ESF during the 2007-2013 programming period shows that the fund brings significant and lasting effects in terms of volume, scope, role and process effects. Please see more detail III.5 section on EU added value.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
20 million less people should be at risk of poverty

The alignment of the 2007-2013 ESF with EU policy priorities has been sought by establishing thematic objectives and investment priorities closely aligned to Europe 2020 objectives. The 2014-2020 programmes are designed to be consistent with the European Semester priorities, taking into account the national reform programmes, the most recent CSRs (and where relevant the economic adjustment programmes) and the use of thematic ex ante conditionalities. The Common Provisions Regulation for the 2014-2020 programming period provides for flexibility to adjust programmes in the light of changing needs and new political priorities (such as new CSRs or for instance the need to further increase the focus on how to prepare for the transition to a low carbon, resource efficient economy). A review of the 2014-2020 framework would need to evaluate whether sufficient alignment with the EU policy priorities has been achieved³.

² The 9 thematic networks are the following: Partnership, Learning and Skills, Simplification, Inclusion, Employment, Youth, Social economy, Governance and Migration.

³ SWD(2016) 452 Ex-post evaluation of the 2007-2013 ESF programmes

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	2 944,4	2 959,9
Inclusive Growth (employment and skills, fighting poverty)	10 439,3	10 494,3
Total	13 383,7	13 454,2

Smart growth: 22% (lines 04 02 60; 04 02 61; 04 02 62; 04 02 64)

Inclusive growth: 78% (lines 04 02 60; 04 02 61; 04 02 62; 04 02 64)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Climate actions under ESF investment priorities	161,9	161,9

Climate change expenditure within ESF can be tracked through the ESF secondary theme 01 'supporting the shift to a low-carbon, resource efficient economy' indicated in the Implementing Regulation (EU) No 215/2014.

The intervention fields in Annex I of Regulation (EU) No 215/2014 match the ESF investment priorities defined in Article 3 of the ESF Regulation. Unlike for the ERDF categories of intervention which have the support to climate objectives as their primary objective (e.g. the intervention field codes 11 to 16, 65, 68, 70 and 71), one cannot establish ex-ante an automatic link between one ESF investment priority and the impact on climate objectives.

Climate actions can be undertaken under the majority (if not all) of the ESF investment priorities (whether it is in the context of SME support, Vocational Education and Training systems, life-long learning, youth employment measures, etc.). It is for this reason that the Commission decided to use for the ESF an additional dimension to track climate change expenditure: the ESF secondary theme. All expenditure under the ESF secondary theme has a 100% coefficient.

For the programming period 2014-2020, Member States have earmarked in their operational programmes EUR 1.1 billion (EU amount) for the shift to a low-carbon and resource efficient economy⁴. This represents a conservative estimate based on Member States' declarations in their operational programmes.

By January 2017, already above EUR 300 million of eligible expenditure declared (national + EU) were reported by Member States as having contributed to the shift to a low carbon, resource efficient economy.

In their operational programmes, Member States set estimates for the EU share and not for the EU + national co-financing. However, reporting is done solely on the basis of total costs (EU + national). In order to follow progression towards the target, figures have been artificially translated into EU allocation by applying an overall 50% co-financing rate. This is therefore a conservative estimate as co-financing rates vary between 50 and 95%. The ESIF DGs are working on creating a report that will allow for the systematic application of the co-financing rate from the programmes to the information declared in the Annual Implementation Reports. It will provide a more accurate picture of the ESF contribution (EU only) to low-carbon, resource efficient economy and will allow for comparison with the amounts programmed. This report will be finalised before summer 2017.

Figures will therefore be updated in the PS 2019 to reflect the real co-financing rates.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
0*	22.4*	135.9*	161.9	161.9	161.9	161.9	805.9**

* The allocations per year are based on information submitted through the AIR for years 2014 and 2015 and from the financial data submitted in January 2017 for year 2016.

** Compared with the estimates in the MTR, the total has been adjusted to data of implementation as received from Member States. EUR 1.1 billion are however still expected to be met by 2023.

Note: This methodology is set out in the Commission' Implementing Regulation (EU) No 2015/2014.

Gender mainstreaming

Gender mainstreaming is a horizontal principle of the ESI Funds. The Member States and the Commission must promote it throughout the preparation, implementation, monitoring and evaluation of the operational programmes. The Annual Implementation Reports to be submitted in 2017 will have to assess the implementation of the actions to take into account this principle. Moreover, under ESF, Member States have the obligation to programme targeted specific actions with the aim of increasing the sustainable participation and progress of women in employment. The ESF has a dedicated investment priority for equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work under which Member States have programmed EUR 1.6 billion for 2014-2020 (EU share).

⁴ The commitment appropriations for the period 2014-2020 are estimated at EUR 1133.33 million.

Specific targeted actions can yet be programmed under any other ESF investment priority. Across all investment priorities, the indicative amount for targeted actions for gender equality captured through the ESF secondary theme in programmes was of EUR 4.7 billion (EU share).

In their operational programmes, Member States set a target for the EU share and not for the EU + national co-financing. However, reporting is done solely on the basis of total costs (EU + national). By January 2017, the total volume of the projects selected for support under the dedicated gender equality investment priority was over EUR 175 million of total eligible expenditure declared (national + EU). Under the other ESF investment priorities, an additional EUR 115 million have been dedicated to the selection of gender equality projects. In total, EUR 290 million under the ESF have effectively been dedicated to the support of projects for gender equality between 2014 and 2016.

In order to monitor more clearly progression, it is proposed to artificially translate the above figures into EU allocations. To that end, an overall 50% co-financing rate can be applied. This produces a conservative estimate as co-financing rates vary between 50 and 95%. Following this methodology the results would be that EUR 145 million (from the EU allocation) have been declared as eligible expenditure in support of projects for gender equality. The ESIF DGs are working on creating a report that will allow for the systematic application of the co-financing rate from the programmes to the information declared in the Annual Implementation Reports. It will provide a more accurate picture of the ESF contribution (EU only) to low-carbon, resource efficient economy and will allow for comparison with the amounts programmed. This report will be finalised before summer 2017. Figures will therefore be updated in the PS 2019 to reflect the real co-financing rates.

4. Performance information

Specific objectives

Specific Objective 1: Promoting sustainable and quality employment and supporting labour mobility*

Indicator 1: Number of participants benefiting from ESF under this thematic objective		
Baseline 2007 - 2013	Milestone 2018	Target 2023
21,7 million cumulative	14,6 million cumulative	21,7 million cumulative
	Actual results	
	2014: 0.45 2015: 1	
	2016: Information due mid-2017	

Note 1: Due to the multiannual nature of the programme and the large annual variances, comparing to a full programming period is the most relevant indicator. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

Note 2: "Number of participants" measures the number of participations per operation. Over the programming period, one person can participate in several ESF operations and be counted more than once. Compared to the 2007-2013 period definitions on the number of participations have been clarified to prevent double reporting of participations by the same individual in several activities within a single operation and to exclude indirect participants such as those benefiting from change in a system.

Indicator 2: Participants (unemployed or inactive) in employment, including self-employment, upon leaving		
Baseline	Milestone 2018	Target 2023
Employment result estimate for participants in all activities 2007-2013 period 14%	24%	24%
	Actual results	
	2014: 7.7% 2015: 10.3%	
	2016: Information due mid-2017	

Note 1: These success rates are reported for participants in all investment priorities. Employment results are contingent on nature of IP and interventions. For comparative purposes in Employment results for participations in Access to Employment activities during 2007-2013 period were 28%, while for Human capital and Social Inclusion activities employment results made up 10% and 26% of all reported results and correspondingly lower employment rates. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

Note 2: Rates of participants gaining employment are heavily affected by the overall macroeconomic environment. Moreover, a slow start of implementation can also have an incidence on results. Given the length of the operations results might only become available at a later stage. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of ESF participants (in million)	04 02 60	2,8	4 946
	04 02 61		
	04 02 62		
Outputs	Number of outputs foreseen (F) and produced (P)		

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of ESF participants (in million)	F*	0.2	1.1	1.7	2.2	2.8	2.8	2.8	2.8	2.6	2.6
	P	0.5	1	Information due mid-2017							

* Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

Note concerning all tables for ESF and YEI indicators: For all ESF and YEI indicators, data for 2016 will be submitted by end of June 2017 by Member States.

Specific Objective 2: Promoting social inclusion, combating poverty and any discrimination*

Indicator 1: Participants considered as part of disadvantaged groups that are reached by the ESF

Baseline 2007-2013 ⁵	Milestone 2018	Target 2023
Average programming period 2007-2013: 20.1% (Disabled, Migrants, Minorities & Others ⁶)	40%	40%
	Actual results	
	2014: 39.8%	
	2015: 43.1%	
	2016: Information due mid-2017	

* It should be noted that these indicators cover all actions under all thematic objectives.

Note 1: Only a very limited number of OPs have targets set specifically for these categories of disadvantaged groups, although the actual number of supported disadvantaged people is likely to be larger given the range of ESF interventions. Considering the ratio of all disadvantaged groups over total participants (9.2%), the ratio of participants to the thematic objective (TO9) that addresses issues of social exclusion, poverty and discrimination (24.2%) and based on previous results from the 2007-2013 programming period, EMPL had initially put 20% as the target for 2023, but reviewed the target upwards based on the first reporting by all MS on common indicators (2016). See note below. EMPL will revise the target again following the performance review.

Note 2: The three ESF common output indicators (see footnote 10) representing disadvantaged target groups are not mutually excluding categories. One participant may accumulate multiple disadvantages (e.g. disabled person with a foreign background), and may be reported to one, two or three of the common output indicators. By adding up these indicators, participants, who accumulate multiple disadvantages and are reported to more than one indicator, are counted multiple times. Therefore, both the target and the actual results, calculated by the addition of the three indicators, represent the hypothetical maximum of the composite indicator that would correspond to the reality in case each participant reported to either of the 3 indicators would have only one single disadvantage and would be reported to only one of the three indicators. On the contrary, the hypothetical minimum of disadvantaged participants is obtained by taking into account one single indicator among the three so that overlaps are excluded. For that the indicator with the highest value is taken, namely "other disadvantaged". They represented in 2014 17.1% of all participants and by 2015 cumulatively 19.0%.

Note 3: Data related to the disadvantaged situation of participants is considered sensitive data in the sense of Article 8 of the Directive on the protection of individuals with regard to the processing of personal data and on the free movement of data (OJ No L 46, 20.11.1995). Hence recording these data is subject to very stringent data protection standards. Therefore, the data sets submitted for these indicators are likely to be underreported.

Indicator 2: Inactive participants engaged in job searching upon leaving

Baseline	Milestone 2018	Target 2023
No data available from the previous period	27%	27%
	Actual results	
	2014: 1.4%	
	2015: 5.5%	
	2016: Information due mid-2017	

Note 1: rates of participants engaged in job searching upon leaving are affected by the slow start of implementation. Given the length of the operations results might only become available at a later stage. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

⁵ Annual Implementation Reports.

⁶ Migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma); Participants with disabilities; Participants who live in a single adult household with dependent children; Participants who live in jobless households; Other disadvantaged. These will be broken down by the different categories. Persons may cumulate several disadvantages.

Indicator 3: Participants above 54 years of age.		
Baseline 2007-2013	Milestone 2018	Target 2023
Average programming period 2007-2013: 6.2%	6% of all ESF participants	6% of all ESF participants
	Actual results	
	2014: 4.8% 2015: 5.5% 2016: Information due mid-2017	

Only a very limited number of OPs have targets set specifically for this category. The target set for 2023 is therefore based on the results of the indicator "Older people (55-64 years)" from the 2007-2013 programming period. The related figures on targets and milestones was maintained following the first reporting by all MS on common indicators (2016). EMPL will revise the target again following the performance review

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of ESF participants (in million)	04 02 60 04 02 61 04 02 62	2.5	3 375

Outputs		Number of outputs foreseen (F) and produced (P)									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of ESF participants (in million)	F*	0.2	1	1.5	1.9	2.5	2.5	2.5	2.5	2.3	2.3
	P	0.1	0.5	Information due mid-2017							

* Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

Specific Objective 3: Investing in education, training and vocational training for skills and life-long learning*

Indicator 1: Number of participants benefiting from ESF under this thematic objective		
Baseline	Milestone 2018	Target 2023
23,8 million cumulative	15,9 million cumulative (2014-2018)	18 million cumulative
	Actual results	
	2014: 0.18 2015: 0.35 2016: Information due mid-2017	

Explanation to baseline and target:

Note1: Compared to the 2007-2013 period definitions on the number of participations have been clarified to prevent double reporting of participations by the same individual in several activities within a single operation.

Due to the multiannual nature of the programme and the large annual variances, comparing to a full programming period is the most relevant indicator. DG EMPL initially set 23.8 million as a target for 2023, based on elements from the performance of the 2007-2013 programming period. These figures were revised downwards following the analysis of the AIRs 2016. EMPL will revise the planned outputs foreseen till the end of the period following the performance review.

Indicator 2: Participants gaining a qualification upon leaving		
Baseline	Milestone 2018	Target 2023
No data available from the previous period	48%	48%
	Actual results	
	2014: 18.8% 2015: 20.4% 2016: Information due mid-2017	

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of ESF participants (in million)	04 02 60 04 02 61 04 02 62	3.1	4 319

Outputs		Number of outputs foreseen (F) and produced (P)									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of ESF participants (in million)	F*	0.2	0.9	1.4	1.8	2.3	2.3	2.3	2.3	2.2	2.2
	P	0.2	0.4	Information due mid-2017							

* Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review

Specific Objective 4: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

Indicator 1: Number of projects targeting public administrations or public services at national, regional or local level

Baseline	Milestone 2018	Target 2023
185 projects per year	900 projects (cumulative 2014-2018)	2 250 projects
	Actual results	
	2014: 0 2015: 31 2016: Information due mid-2017	

Note 1: The baseline provided is based on some Programmes of the 2007-2013 programming period. The related figures on targets and milestones were calculated on the basis of the initially 148 adopted OPs and extrapolated to the 187 OPs. They were maintained following the analysis of the first reporting by all MS on common indicators (2016). Concerning the low level of achievements, it should be noted that some MS have not made use of the possibility to report projects of partially implemented operation, as allowed for by the Regulation, thus delaying reporting till the full implementation of operation. EMPL will revise the target again following the performance review.

Note 2: These projects can have a longer life-cycle. This can have an impact if Member States decide to report on fully implemented operations only.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of projects	04 02 60	225	582
	04 02 61		
	04 02 62		

Outputs		Number of outputs foreseen (F) and produced (P)									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of projects	F*	225	225	225	225	225	225	225	225	225	225
	P	0	31	Information due mid-2017							

* As explained above, the target number of projects was maintained, and the phasing was reviewed based on the AIR received in 2016. EMPL will revise the target again following the performance review.

Specific Objective 5: Promoting specific support to young NEETs (15-24)*

Indicator 1: Number of participants aged 15-24 benefiting from ESF

Baseline (period 2007-2013)	Milestone 2018	Target 2023
23,1 million cumulative	15,5 million cumulative (2014-2018)	23,1 million cumulative
	Actual results	
	2014: 0.33 2015: 0.72 2016: Information due mid-2017	

Explanation to baseline and target: Due to the multiannual nature of the programme and the large annual variances, comparing to a full programming period is the most relevant indicator. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained but the target might be considered for downward revision following the performance review.

* It should be noted that the output indicator 1 cover participants benefitting from ESF under all thematic objective whilst the other indicators (2 to 5) refer exclusively to the YEI supported actions. In compliance with art 16 of the ESF Regulation (EU) No 1304/2013, Member States may decide to extend the YEI target group to include young persons under the age of 30.

Indicator 2: Unemployed participants who complete the YEI supported intervention					
Baseline	Milestone 2016				Target 2018
No baseline	750 000*				1,8 million*
	2014	2015	2016	2017	
	21 163	144 502			

Note 1: Despite the increase of the pre-financing YEI implementation started slowly due, in particular, to the late designation of authorities. By end 2016, for 4 of the 34 operational YEI programmes the designation package had still not been sent. Moreover, some large beneficiary Member States of the YEI have not made use of the possibility to report participants of partially implemented operation, as allowed for by the Regulation, thus delaying reporting till the full implementation of operation.

Indicator 3: Unemployed participants in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention*					
Baseline	Milestone 2016				Target 2018
No baseline	347 000*				816 000*
	2014	2015	2016	2017	
	8 843	74 052			

This indicator is not a direct subset of indicator 2 as it may also include participants who did not complete the intervention.

Indicator 4: Inactive participants not in education or training who complete the YEI supported intervention					
Baseline	Milestone 2016				Target 2018
No baseline	220 000*				519 000*
	2014	2015	2016	2017	
	6 527	30 331			

Indicator 5: Inactive participants not in education or training in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention*					
Baseline	Milestone 2016				Target 2018
No baseline	107 000*				251 000*
	2014	2015	2016	2017	
	2 395	23 439			

This indicator is not a direct subset of indicator 4 as it may also include participants who did not complete the intervention.

* Initial targets and milestones were calculated on partial information as not all OPs were adopted at the time. They have been adjusted on the basis of all OPs

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of participants	04 02 60 04 02 61 04 02 62	580 000	0

Outputs		Number of outputs foreseen (F) and produced (P)				
		2014	2015	2016	2017	2018
Number of participants	F	290 000	580 000	725 000	725 000	580 000
	P	184 000*	317 000*			

*Implementation on the ground has faced some delays. A major problem identified was the lack of public funding to advance YEI activities. This was tackled by the increase of the YEI initial pre-financing in 2015.

5. Programme contribution to the Sustainable Development Goals

The ESF's mission is to promote high levels of employment and job quality, improve access to the labour market, support the geographical and occupational mobility of workers and facilitate their adaptation to industrial change and to changes in production systems needed for sustainable developments, encourage a high level of education and training for all and support the transition between education and employment for young people, combat poverty, enhance social inclusion, and promote gender equality, non-discrimination and equal opportunities, thereby contributing to the priorities of the Union as regards strengthening economic, social

and territorial cohesion. Thus, sustainable development is embedded in the ESF's mission and the SDGs to which the Fund contributes directly are mentioned below.

Through measures investing in job creation, quality employment, education, and combating social exclusion and discrimination, which also target the most marginalised members of European societies, the ESF contributes to the first 3 SDGs of ending poverty and hunger and ensuring healthy lives and promoting the well-being for all at all ages.

The ESF can help job creation to enhance SDGs in particular through supporting existing companies to develop their activities in the environmental sector, enhancing entrepreneurship oriented toward the green economy or providing technical, administrative and financial support that encourages companies to provide 'green jobs', in particular to the most disadvantaged groups. Moreover, the ESF is the EU's main fund to reduce the gap in living standards between regions and between people and to promote economic and social cohesion across Europe thus aiming to reduce inequality within and among countries (SDG 10).

Importantly, the ESF Regulation strongly reflects the EU's commitment to eliminate inequalities between women and men following a combined approach of gender mainstreaming and specific activities for women in different fields and the principle of equality between the sexes is a key horizontal one of ESF programmes, thus contributing to achieving gender equality and empower all women and girls (SDG 5) (please see more in Section III.2. under 'Gender mainstreaming').

In addition, ESF investments under Thematic objective 10 'Investing in education, training and vocational training for skills and lifelong learning' contribute to ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all (SDG 4) and building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (SDG 9), by supporting the development of necessary skills in the transition to a low carbon economy will have consequences for the labour market, for employment, and for the skills required for the new 'green' jobs and greening of existing jobs in the future such as in the sectors of energy supply, agriculture, fisheries, tourism and construction. Thus, at least EUR 1.1 billion from the ESF will be dedicated to improving education and training systems necessary for the adaptation of skills and qualifications and for the creation of new jobs in sectors related to energy and the environment.

ESF investment in the adaptation of workers and skilling is crucial, as jobs may be created, other jobs will be lost, and yet other jobs will require different skills as they are "greened" in order to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8) and make cities and human settlements inclusive, safe, resilient and sustainable (SDG 11).

The European Social Fund can support efforts to strengthen sustainable consumption and production patterns (SDG 12) and action to combat climate change and its impacts (SDG 13) at all stages of life from raising children's awareness in schools, to supporting trainings for green skills and green entrepreneurship and also social inclusion through green careers.

Finally, the ESF contributes to promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and build effective, accountable and inclusive institutions at all levels (SDG 16) through investment under Thematic Objective 11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration. The ESF finances the strengthening of institutional capacity and the efficiency of public administration with a view to reforms, better regulation and good governance, especially in the economic, employment, education, social, environmental and judicial fields.

6. Information about financial instruments financed by the Programme

ESF financial instruments represent a resource-efficient way of deploying cohesion policy resources in pursuit of the Europe 2020 Strategy objectives, targeting projects with potential financial viability.

For the current period, an improved regulatory framework and extended support activities (fi-compass platform) provide ground for a substantial increase in the role that financial instruments can play for achieving the goals of the ESF.

DG Employment, Social Affairs and Inclusion, has the objective to increase the use of financial instruments under the ESF in terms of budget, territorial coverage and types of investment.

Financial instruments are not an alternative to the support provided by the European Social Fund but an additional arm helping to free more resources to pursue the same goals. Financial instruments can be co-funded by the ESF to support the investment priorities outlined in the ESF Operational Programmes of the Member States and regions.

However, financial instruments which take the form of loans, guarantees or equity (or quasi-equity) investments remain rather unusual under the ESF. The design, set-up and implementation of financial instruments require new forms of expertise and significant advisory inputs, which in turn requires strengthening the administrative and technical capacity of ESF managing authorities.

So far only a limited number of FIs were created with the ESF funds. The main types of funds reported by managing authorities envisaged loans or micro-loans schemes. As in the previous programming period, the use of financial instruments in the 2014-2020 programming period concentrates on employment, entrepreneurship and business creation (thematic objective 8, mostly through support for individuals that are self-employed) and, to a lesser extent, on social inclusion (thematic objective 9, mainly through financial support for social entrepreneurship). The use of financial instruments for education and training (thematic objective 10) has not yet been reported on.

The total value of operational programmes (OPs) contributions committed to the ESF FIs amounted to EUR 282,583,528.14 including EUR 167,576,630.70 of European Social Fund and 70,533,047.30 from the Youth Employment Initiative (YEI).

A global amount of EUR 169,469,678.00 was committed under TO 8 and EUR 10,000,000.00 was committed under TO 9.

The managing authorities of the European Social Fund (ESF) reported a total of 7 FIs (including 3 fund of funds and 4 specific funds) created at the end of 2015.

Those FIs were set-up in 5 Member States: Bulgaria (1 fund of funds), Germany (3 specific funds), Italy (1 specific fund), Lithuania (1 fund of funds), Slovak Republic (1 fund of funds). They received financial support from 8 ESF operational programmes and 5 multi-fund Ops.

This modest take up confirmed at least for the beginning of the current programming period indicates that ESF stakeholders lack experience using these instruments and are less used to dealing with market mechanisms.

It should be stressed that the nature of the European Social Fund is characterised by a high number of operations with limited budgets and targeting vulnerable final recipients. These types of activities by definition do not attract much private funding.

Many employment problems are complex and require multiple interventions by a range of actors in order to provide flexible solutions suitable to ESF target groups. This is why to be more effective and to develop sustainable income-generating activities financial instruments working with social goals should be accompanied by non-financial services such as tutoring, mentoring, skills training, and empowerment, awareness-raising and market development services.

7. Programme related additional information

Programmes' implementation 2014-2020

Thematic objectives of the Common Strategic Framework	<i>Commitments 2014-2020 EUR million (1)</i>	Cumulative payments declared by Member- states at end 2016 (2)	(2)/(1)%
1.Promoting sustainable and quality employment and supporting labour mobility*	30.967,6	2.509,8	8.1%
2.Promoting social inclusion, combating poverty and any discrimination	21.129,2	1.381,6	6.5%
3. Investing in education, training and vocational training for skills and life-long learning	27.043,6	1.997,4	7.4%
4. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	3.641,1	63,2	1.7%
5. Promoting specific support to young NEETs (15-24) **	3.211,2	1.133,7	35.3%
Technical Assistance***	3.635,0	268,4	7.4%
TOTAL ****	89.627,7	7354.1	8.2%

* Corresponding to Thematic Objective 8 in the Common Strategic Framework (CSF) although excluding the YEI specific allocation which is shown on a separate line (5.)

** These appropriations do relate to the YEI specific allocation only. This objective was created to plan and report on the YEI results in the Management Plans and Annual Activity Reports although it does not exist in the CSF (part of Thematic Objective 8 in the CSF).

*** Technical assistance of the Member States as foreseen by Article 119 of the Common Provisions Regulation (CPR - Regulation (EU) No 1303/2013)

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget

HEADING 1B: Economic, social and territorial cohesion**European Regional Development Fund (ERDF)****Lead DG: REGIO**

Associated DGs: NEAR, SRSS

I. Programme update***Implementation status (2014-2016)***

The year 2016 has been the first full year of implementation for all operational programmes. The ESIF 2016 Summary Report of the programme annual implementation reports covering implementation in 2014 and 2015 was adopted and transmitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on 20 December 2016. The document includes: (1) an overview of the efforts made to programme the ESI Funds so as to address the challenges identified in the investment-related CSRs and kick-start investment; (2) an implementation overview by key themes; (3) a synthesis of evaluations. It is accompanied by a Staff Working Document on evaluations. While this report underlines that the level of EU payments is relatively low so far – even though it is comparable to the 2007-2013 programming period – there is evidence that the implementation is progressing steadily and there are already important achievements on the ground.

It is in fact to be noted that the level of financial execution (EU payments) is not the right indicator for assessing progress in implementation, and certainly not appropriate at the beginning of the programming period. The selection rate of operations, which provides a more accurate picture of implementation, has increased significantly over the last year, reaching 26% of the ERDF allocations at end 2016. By the end of 2016, EUR 67 billion of ERDF funds were already been granted to more than 59 000 concrete projects already being implemented on the ground. Including national co-financing, over EUR 48 billion ERDF are already being invested in the real economy for supporting the EU 2020 objective on jobs and growth. It is worth noting that, as for any investment policy, there is always a time gap between selection of operations and implementation on the ground, especially for large infrastructure operations or complex financial instruments. The level of project selection is however uneven across programmes and Member States. DG Regional and Urban Policy has been monitoring and providing support to programmes/Member States suffering from implementation difficulties.

The first years of a programming period require efforts from the managing authorities to set up programme structures and processes in order to ensure sound and quality investments. They include the designation of authorities, the mobilisation of stakeholders, the set-up of IT systems, the establishment of monitoring committees, the definition of selection criteria and the launch of calls.

The designation process, which is a responsibility of Member States, has continued in the year 2016, with 85% of mainstream ERDF/CF programmes having finalised their designation at end 2016. However, 33 designations for mainstream programmes for which DG Regional and Urban Policy has the lead are pending at the end of 2016. The majority of these programmes are finalising their designation packages. DG Regional and Urban Policy continues to work closely with Member States to identify any difficulties/bottlenecks which have delayed the designation process, so as to enable implementation on solid grounds. Tailor-made actions have been taken during 2016, depending on the nature of bottlenecks or difficulties. For example, technical assistance was mobilised in order to provide support to solve technical issues related to the implementation of the IT system.

In 2016, Member States also focused their efforts on the fulfilment of ex ante conditionalities, which are a key element of the ESIF reform. They aim at making sure that adequate regulatory and policy frameworks are in place and that there is sufficient administrative capacity before investments are made, thus improving the effectiveness and efficiency of investment supported by the ESIFs as well as other public and private investments. They cover most investment areas, including research and innovation, broadband, SMEs, water and transport, active social inclusion, health, vocational education and training. These conditionalities also cover governance and the alignment of projects with national strategies in the area of public administration modernisation. Although around 75% of all ex ante conditionalities were fulfilled by the time the programmes were approved, some were not (for example transport master plans underpinning transport investment); leading Member States to the preparation of action plans for their fulfilment. More than 70% of ex ante conditionalities action plans have already been reported as completed by Member States.

Key achievements

First data on implementation for 2014 and 2015 for the ERDF were transmitted by the Member States to the Commission at the end of May 2016. Data on achievements at end 2016 will be reported by Member States by end June 2017.

The most recent available information in relation to 2014-2020 programmes achievements reflects the situation at end 2015, when the implementation had barely started for many of the operational programmes most of which were adopted earlier that year. In addition, it has to be taken into account that some delays in reporting results are normal, given the nature of many of the operations funded by Cohesion policy, such as infrastructural investments which have a long programming cycle which tend to yield tangible outputs later in the programming cycle. Furthermore, according to the applicable relevant provisions, for the ERDF/CF, MS can only report on fully implemented operations (as opposed to other policies, e.g. ESF). This adds to the time gap between the start of operations and the reporting on them.

In order to better illustrate the progress underway before it is captured by official achievements data, it was decided to complement achievement data (which are subject to these delays resulting from the reporting framework and its timetable) with financial information on the selection rate of operations and on the number of projects selected, which provides a more accurate picture of implementation and is reported by Member States three times per year.

On 20.12.2016, the "2016 Summary Report of the programme annual implementation reports covering implementation in 2014-2015" was adopted¹, the first in a series of annual reports to the EU institutions on the implementation of the ESI Funds. The evidence from financial monitoring in 2016 showed that implementation had already started to accelerate with EUR 128.8 billion of investments – 20.2% of the total for the period - allocated to specific projects by autumn 2016 compared to EUR 58.8 billion by end-2015. This more recent data shows more homogeneous progress across most of the Member States and themes. More recent figures reported in January 2017 by Member States and reflecting the situation at end 2016 shows further progress in the selection rate, which reached 26% of the ERDF allocations at end 2016.

As regards results already reported by Member States (i.e. referred to operations already completed), while implementation varies greatly across Member States and operational programmes, in aggregate terms the ERDF actions delivered:

Support to 36 379 enterprises, 3 238 of which were start-ups;

EUR 43 260 864 of Private investment leveraged, matching public support to enterprises (grants);

EUR 35 484 002 of Private investment leveraged, matching public support to enterprises (non-grants);

2 537 jobs created, 174 of which researchers;

Improved energy consumption classification for 17 122 households;

294 197 kWh/year of decrease of annual primary energy consumption of public buildings;

13 227 Tonnes of CO2 equivalent of estimated annual decrease of greenhouse gas emissions;

Flood protection measures for 6 020 additional people;

13 444 Hectares of habitats supported to attain a better conservation status;

1 268 513 additional people living in areas with integrated urban development strategies.

Evaluations/studies conducted

No evaluation findings are yet available for the MFF 2014-2020.

By 30 June, 2016, most of the Evaluation Plans had been submitted to the Monitoring Committees for assessment and approval, as indicated in the Staff Working Document for the role of evaluation under the ESIF programmes 2014-2020 and the planned activities. In total, the programmes expect to carry out almost 1 900 evaluations for ERDF/CF. Roughly 53% of the impact evaluations should be completed by the end of 2020, and this provides an estimate of the volume of evidence that will likely be available for the planning and negotiations of the next programming period. Most of the evaluations will be carried out between 2018 and 2022; during these years, the expectation is that between 200-250 evaluations per year will be completed and available. The number of foreseen evaluations and especially of impact evaluations (over 1300), is substantially larger than in the past programming period when roughly 200 impact evaluations were carried out and published. The large increase of impact evaluations indicates that Managing Authorities are focussing more on programme results rather than on process and implementation aspects (which were the main drivers of evaluations in the previous programming period).

The analysis by operational programme of the foreseen impact evaluations per Thematic Objective suggests the average coverage is about 80%. This figure indicates that in roughly 20% of the Operational Programmes there is funding allocated to thematic objectives that are not covered by impact evaluation. It should be noted, however, that the actual contents of many evaluations are not yet clearly identified, and that the definition of the scope of individual evaluations will be further developed at a later stage. In the absence of significant studies and evaluation work by end 2015 only a minority of the 2016 AIRs completed the section on "summary of evaluations" and the information reported relates to the ex post evaluation of the 2007-2013 programming period (80 evaluations on ERDF/CF were identified in total).

In addition to this, within the framework of its own evaluation activities, the Commission intends to carry out an ex post evaluation of major transport infrastructure projects over 2000-2006 and 2007-2013, and an ex post evaluation of the Solidarity fund since its establishment in 2002.

Forthcoming implementation (2017-2018)

As the main EU investment instrument for supporting the delivery of Commission priorities, Cohesion Policy has become a key part of Europe's economic governance and an increasingly important means of tackling the effects of the economic crisis in the short term and of enhancing the regions' endogenous potential for development in the medium term. ERDF interventions are focusing and will continue to focus in the forthcoming years on strengthening the basis for economic competitiveness and job

¹ http://ec.europa.eu/regional_policy/sources/how/strategic-report/esif_annual_summary_2016_en.pdf

creation, particularly in SMEs, thanks to their capacity to adjust to and to address specific national, regional and local contexts, with all levels of governance joining forces to contribute to our shared European objectives. In doing so, they contribute to the Investment Plan for Europe and complement the European Fund for Strategic Investments (EFSI). This is being done in several ways: by leveraging public and private investment, supporting structural reforms, and improving access to funding. ERDF investments will ultimately target boosting jobs, growth and investment across Europe, with a focus on the least developed areas. They also contribute to addressing together shared challenges and exploiting common potential via territorial cooperation and the macro-regional strategies.

To this end, funding is being strategically invested in research and innovation, support to small businesses and digital technologies, thereby contributing to the EU's smart growth objectives. Funding will also be essential for EU's sustainable growth. Thanks to the highest EU budget ever allocated to investments in energy, environment, climate and sustainable transport, a significant contribution to steering Europe on the path to a low-carbon economy is being made.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Total	17 082,2	33 267,4	26 935,9	29 278,7	30 117,5	31 020,8	31 884,7	199 587,2

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	27 096,670	99,95 %	11 384,719	83,65 %	29 417,121	97,05 %	18 855,364	4,07 %
Authorised appropriation excluding external earmarked revenue	27 096,670	99,95 %	11 384,227	83,60 %	29 417,121	97,05 %	18 855,355	4,06 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

To be able to deliver greater European added value, the structural programmes need to both: a) concentrate their support on EU priorities and b) coordinate with other EU policies and financial instruments. The Europe 2020 Strategy provides a clear set of common objectives, including headline targets and flagship initiatives, as a clear framework for identification of funding priorities. There is broad consensus among stakeholders on the role of the different policies (cohesion policy, rural development policy and maritime and fisheries policy) in contributing to the achievement of the Europe 2020 Strategy.

Concentrating funding on a smaller number of priorities better linked to the Europe 2020 Strategy, focusing on results, monitoring progress towards agreed objectives, supported by a more coordinated approach between the European Structural Investment funds, increased use of conditionalities and simplified delivery are among the major hallmarks of the new cohesion policy. This is why the Regulation determines the scope of intervention of the ERDF, defines investment priorities for each of the thematic objectives and also defines a negative list of investments which will not be eligible for support.

In addition to ensuring the alignment of spending to EU priorities, other reasons justify an EU-level intervention to fulfil the long-term cohesion policy objectives. The main advantages of Cohesion Policy as compared to resources being spent solely by Member States are the following:

- Promotion of transparency and good governance, through systematic checks on public procurement, strict monitoring and audit standards, publication of beneficiaries on websites.
- Building of managerial capacity, thanks to the multi-annual dimension of programming which creates a learning cycle and influences institutional reforms and administrative practices in many MS.
- Increasing intensity of interregional links and of exchange of experience across cohesion policy, where programmers are encouraged to "think outside their region" (or nation).
- Involving civil society – for its own sake and for better and more efficient programming, thanks to the mobilisation of local knowledge.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	8 308,4	8 559,6
Sustainable Growth (competitiveness, climate, energy and mobility)	17 459,7	17 987,6
Inclusive Growth (employment and skills, fighting poverty)	3 302,4	3 402,3
Total	29 070,5	29 949,5

Smart growth: 28,58% (lines 13 03 60; 13 03 61; 13 03 62; 13 03 63; 13 03 64 01)

Sustainable growth: 60,06% (lines 13 03 60; 13 03 61; 13 03 62; 13 03 63; 13 03 64 01)

Inclusive growth: 11,36% (lines 13 03 60; 13 03 61; 13 03 62; 13 03 63; 13 03 64 01)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Supporting the shift towards a low-carbon economy in all sectors	3,614.0	3,744.2
Promoting sustainable transport and removing bottlenecks in key network infrastructures	722.8	748.8
Promoting climate change adaptation, risk prevention and management	430.2	445.7
Preserving and protecting the environment and promoting resource efficiency	307.3	318.3
Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	155.1	160.7
All other thematic objectives	158.0	163.7
Total	5,387.3	5,581.5

The methodology used for estimating ERDF contribution to mainstreaming of climate action in 2017 (update) and 2018 remains stable and coherent with last year's programme statement. As explained in previous programme statement, an accurate estimation of the contribution of ERDF to the mainstreaming of climate action can be done globally, through the Member States' funding priorities as reflected by the categories of intervention, and expressed as a percentage of the budget to be made available in 2016 (18,37%). This tracking methodology covers climate and biodiversity objectives, in line with regulatory requirements. The same percentage is applied uniformly to all relevant ERDF budget lines (13 03 60 - Less developed regions; 13 03 61 – Transition regions; 13 03 62 - More developed regions; 13 03 63 - Additional allocation for outermost and sparsely populated regions; 13 03 64 01 - European territorial cooperation).

Since the applicable regulatory requirements do not allow a precise calculation of the contribution to mainstreaming of climate action per thematic (specific) objective, the split per specific objective provided above is only indicative. It results from a review of correspondence between categories of intervention and thematic objectives.

As for the updated estimations related to past commitments, the contribution to mainstreaming of climate action has been revised as follows:

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
3,144.6	6,121.2	4,959.2	5,387.3	5,581.5	5,748.7	5,908.6	36,851.1

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Preserving and protecting the environment and promoting resource efficiency	643.9	667.1
Promoting climate change adaptation, risk prevention and management	200.0	207.3
Promoting sustainable and quality employment and supporting labour mobility	18.8	19.5
Supporting the shift towards a low-carbon economy in all sectors	9.4	9.7
Other thematic objectives: SMEs, sustainable transport, social inclusion and institutional capacity	6.3	6.5
Total	878.4	910.0

The methodology used for estimating ERDF contribution to financing biodiversity in 2017 (update) and 2018 remains stable and coherent with last year's programme statement. As explained in previous programme statement, an accurate estimation of the contribution of ERDF to financing biodiversity can be done globally, through the Member States' funding priorities as reflected by the categories of intervention, and expressed as a percentage of the budget to be made available in 2017 (2,7%). This tracking

methodology covers climate and biodiversity objectives, in line with regulatory requirements. The same percentage is applied uniformly to all relevant ERDF budget lines (13 03 60 - Less developed regions; 13 03 61 – Transition regions; 13 03 62 - More developed regions; 13 03 63 - Additional allocation for outermost and sparsely populated regions; 13 03 64 01 - European territorial cooperation).

Since the applicable regulatory requirements do not allow a precise calculation of the contribution to financing biodiversity per thematic (specific) objective, the split per specific objective provided above is only indicative. It results from a review of correspondence between categories of intervention and thematic objectives.

As for the updated estimations related to past commitments, the contribution to financing biodiversity has been revised as follows:

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
512.7	998.0	808.6	878.4	910.0	937.3	963.3	6,008.3

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

4. Performance information

General objectives

General Objective 1: To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy

Indicator 1: Employment rate by sex, age group 20-64

Former situation*	Evolution	Target 2020
69,2 % (2013)	70,1% (2015)	75 % of the population aged 20-64 should be employed by 2020

Indicator 2: Gross domestic expenditure on R&D (GERD)

Former situation*	Evolution	Target 2020
2,01 % (2012)	2,03 % (2014, provisional)	3 % of the EU's GDP should be invested in R&D by 2020

Indicator 3: Greenhouse gas emissions, base year 1990

Former situation*	Evolution	Target 2020
80,2 (2013) (index 1990 =100)	77,1% (2014)	Reduction of the greenhouse gas emissions by 2020 by 20 % (or even 30 %, if the conditions are right) compared to 1990

Indicator 4: Share of renewables in gross final energy consumption

Former situation*	Evolution	Target 2020
15 % (2013)	16 % (2014)	Increase in the share of renewable energy sources in final energy consumption to 20 % by 2020

Indicator 5: Energy intensity of the economy (proxy indicator for Energy savings, which is under development)

Former situation*	Evolution	Target 2020
Primary energy consumption: 1 569,1 Mtoe (2013) Final energy consumption: 1 106,2 Mtoe (2013)	Primary energy consumption: 1 507,1 Mtoe (2014) Final energy consumption: 1 061,2 Mtoe (2014)	20% increase in energy efficiency by 2020 Primary energy consumption: 1 483 Mtoe (2020) Final energy consumption: 1 086 Mtoe (2020)

Indicator 6: Early leavers from education and training by sex; Tertiary educational attainment by sex, age group 30-34

Former situation*	Evolution	Target 2020
11,9 % (2013) 37,1 % (2013)	11 % (2014) 38,7 % (2014)	The share of early school leavers should be under 10 % and at least 40 % of the younger generation

Indicator 7: People at risk of poverty or social exclusion

Former situation*	Evolution	Target 2020
122,7 million (2013)	118,8 million (2015, estimated)	20 million less than the 2005 baseline (124,3 million)

* Source: Eurostat

Simulations based on economic models (namely HERMIN model) suggest a positive and significant impact of cohesion policy interventions on GDP and employment during and after the implementation of operational programmes. In the EU-12, programmes of the 2007-2013 period are expected to increase the level of GDP by 2,7 % per year between 2007 and 2016 and employment by around 735 000 units. Programmes of the 2014-2020 period are expected to increase the level of GDP by 1,7 % per year between 2014 and 2023 in the EU-12.

However, it must be noted that the estimates of impact delivered are to a large extent dependent on the assumptions built into these models.

Specific objectives

The performance information presented below is related to the 2014-2020 programming period. It results from the indicators associated with ERDF specific objectives and is presented below according to the following methodology:

- The performance information presented (notably target values) results from all the adopted operational programmes (100% of the total).
- The milestones for the indicators under each specific objective are estimates; this estimation is based on the values of the milestones of the corresponding indicators used in the performance frameworks. Note that the performance frameworks use only a subset of the indicators used in the operational programmes. Information concerning milestones has only been provided when considered sufficiently representative of the expected level of target achievements (how many entries in PF; PF targets as % of total targets).
- The information on latest known results concerning the indicators associated with the specific objectives corresponds to achievement values at end 2015 (reported by operational programmes in May 2016). It is to be noted that a one-year time lag will always exist between the actual progress of ERDF implementation and the information reported in the programme statements. In addition, achievements data are only reported for completed operations, in line with the regulatory requirements, which means that the progress in the implementation is not fully reflected in the data presented below.
- A more accurate picture of the implementation progress is provided through the expenditure related outputs (i.e. project selection rate, number of project selected, spending) under each specific objective. This information captures the progress in implementation before it is reflected in the reported performance information and corresponds to the state of play at end 2016, as reported by the operational programmes in January 2017.

Specific Objective 1: Strengthening research, technological development and innovation

Indicator 1: Number of new researchers in supported entities

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				6 900			29 498
	Actual results						
	174						

Indicator 2: Number of enterprises cooperating with research institutions

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				16 900			72 958
	Actual results						
	16						

Indicator 3: Number of researchers working in improved research infrastructure facilities

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				15 500			71 960
	Actual results						
	-						

Indicator 4: Private investment matching public support in innovation or R&D projects

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			10 371 891 982
	Actual results						
	2 488 636						

Indicator 5: Number of enterprises supported to introduce new to the market products							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			28 366
	Actual results						
	10						

Indicator 6: Number of enterprises supported to introduce new to the firm products							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			63 308
	Actual results						
	10						

* Milestone figures concerning indicators 4, 5 and 6 associated with specific objective 1 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62 13 03 63 13 03 64 01		6 567,73

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			27%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			14 226				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			878 133 181,84				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 2: Enhancing access to, and use and quality of, information and communication technologies

Indicator 1: Additional households with broadband access of at least 30 Mbps							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				3 000 000			14 564 260
	Actual results						
	-						

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62 13 03 63 13 03 64 01	NA*	2 081,07

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			18%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			1,465				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			258 290 110,75				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 3: Enhancing the competitiveness of small and medium-sized enterprises

Indicator 1: Number of enterprises receiving support

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				209 200			1 098 128
	Actual results						
	36 379						

Indicator 2: Number of enterprises receiving grants

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			369 913
	Actual results						
	1 472						

Indicator 3: Number of enterprises receiving financial support other than grants

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			201 623
	Actual results						
	6 266						

Indicator 4: Number of enterprises receiving non-financial support

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			449 954
	Actual results						
	27 801						

Indicator 5: Number of new enterprises supported

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			154 982
	Actual results						
	3 238						

Indicator 6: Private investment matching public support to enterprises (grants)							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			23 691 495 570
	Actual results						
	43 260 864						

Indicator 7: Private investment matching public support to enterprises (non-grants)							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			8 558 249 857
	Actual results						
	35 484 002						

Indicator 8: Employment increase in supported enterprises							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				98 600			423 066
	Actual results						
	2 537						

Indicator 9: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				15 260 700			39 087 283
	Actual results						
	-						

* Milestone figures concerning indicators 2, 3, 4, 5, 6 and 7 associated with specific objective 3 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

It should also be noted that all data reported by the Member States in the Operational programmes is of a dynamic nature – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the changes in the target values for indicators 6 and 7 compared to last year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62 13 03 63 13 03 64 01	NA*	5 029,68

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			40%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			28,458				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			2 445 595 546,72				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 4: Supporting the shift towards a low-carbon economy in all sectors

Indicator 1: Additional capacity of renewable energy production (KM/MWH)

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 800			5 533
Actual results							
	-						

Indicator 2: Number of households with improved energy consumption classification

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				203 900			705 182
Actual results							
	17 122						

Indicator 3: Decrease of annual primary energy consumption of public buildings

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 124 532 700			4 768 967 030
Actual results							
	294 197						

Indicator 4: Number of additional energy users connected to smart grids

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			1 243 944
Actual results							
	-						

Indicator 5: Estimated annual decrease of GHG

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			24 154 503
Actual results							
	13 227						

* Milestone figures concerning indicators 4 and 5 associated with specific objective 4 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62	NA*	4 953,84
	13 03 63		
	13 03 64 01		

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			20%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*

Spending	P			4,912				
	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			659 853 154,75				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 5: Promoting climate change adaptation, risk prevention and management

Indicator 1: Population benefiting from flood protection measures

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				4 652 000			7 606 314
	Actual results						
	6 020						

Indicator 2: Population benefiting from forest fire protection measures

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			6 461 731
	Actual results						
	-						

* Milestone figures concerning indicator 2 associated with specific objective 5 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

It should also be noted that all data reported by the Member States in the Operational programmes is of a dynamic nature – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the changes in the target values for indicators 1 and 2 compared to last year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62	NA*	638,83
	13 03 63		
	13 03 64 01		

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			16%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			659				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			84 450 341,19				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 6: Preserving and protecting the environment and promoting resource efficiency

Indicator 1: Additional waste recycling capacity

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				2 305 700			2 532 604
	Actual results						
	-						

Indicator 2: Additional population served by improved water supply							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 758 200			4 563 286
	Actual results						
	-						

Indicator 3: Additional population served by improved wastewater treatment							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 550 400			8 539 195
	Actual results						
	-						

Indicator 4: Total surface area of rehabilitated land							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			4 230
	Actual results						
	-						

Indicator 5: Surface area of habitats supported to attain a better conservation status							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 060 700			6 062 887
	Actual results						
	13 444						

* Milestone figures concerning indicator 4 associated with specific objective 6 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

It should also be noted that all data reported by the Member States in the Operational programmes is of a dynamic nature – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the changes in the target values for indicators 1, 2 and 3 compared to last year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62	NA*	2 861,73
	13 03 63		
	13 03 64 01		

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			16%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			2,643				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			186 178 773,25				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures

Indicator 1: Total length of new railway line of which: TEN-T

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			1 088 km 508 km (TEN-T)
	Actual results						
	-						

Indicator 2: Total length of reconstructed or upgraded railway line of which: TEN-T

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				560			5 851 km 1 808 km (TEN-T)
	Actual results						
	-						

Indicator 3: Total length of newly built roads of which: TEN-T

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			1 737 km 327 km (TEN-T)
	Actual results						
	3 (TEN-T)						

Indicator 4: Total length of reconstructed or upgraded roads of which: TEN-T

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 000			9 722 km 127 km (TEN-T)
	Actual results						
	1 (TEN-T)						

Indicator 5: Total length of new or improved tram and metro lines

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				150			458 km
	Actual results						
	-						

Indicator 6: Total length of improved or created inland waterway

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			650 km
	Actual results						
	-						

* Milestone figures concerning indicators 1, 3 and 6 associated with specific objective 7 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

It should also be noted that all data reported by the Member States in the Operational programmes is of a dynamic nature – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the changes in the target values for indicators 3 and 4 compared to last year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62 13 03 63 13 03 64 01	NA*	3 869,70

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			22%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			531				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			819 247 294,63				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 8: Promoting sustainable and quality employment and supporting labour mobility

Indicator 1: Employment increase in supported enterprises

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			423 066
	Actual results						
	2 537						

* Milestone figures concerning indicator 1 above are not disclosed, as their representativeness is presently below 33%.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62 13 03 63 13 03 64 01	NA*	NA*

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			26 %				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			592				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			55,765,439.30				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 9: Promoting social inclusion, combating poverty and any discrimination

Indicator 1: Population covered by improved health services

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				10 908 000			41 653 944
	Actual results						
	-						

Indicator 2: Open space created or rehabilitated in urban areas

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			29 252 562
	Actual results						
	-						

Indicator 3: Public or commercial buildings built or renovated in urban areas							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				314 900			2 226 287
	Actual results						
	-						

Indicator 4: Rehabilitated housing in urban areas							
Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				2 200			17 056
	Actual results						
	-						

* Milestone figures concerning indicator 2 associated with specific objective 9 are not disclosed in the tables above, as their representativeness is presently below 33 %.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62		
	13 03 63	NA*	540,21
	13 03 64 01		

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			12%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			959				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			140 104				
				164,71				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 10: Investing in education, training and vocational training for skills and lifelong learning

Indicator 1: Capacity of supported childcare or education infrastructure							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (2014)					1 572 300		6 806 563
	Actual results						
	-						

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62	NA*	927,21
	13 03 63 13 03 64 01		

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			19%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			597				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			124 786 169,45				

* No values for yearly outputs are defined for the 2014-2020 programmes.

Specific Objective 11: Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration

Indicator 1: Population living in areas with integrated urban development strategies

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			41 238 776
	Actual results						
	1 268 513						

* Milestone figures concerning indicator 1 above are not disclosed, as their representativeness is presently below 33 %.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

It should also be noted that all data reported by the Member States in the Operational programmes is of a dynamic nature – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the changes in the target value for indicator 1 compared to last year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 03 60	NA*	NA*
Number of projects selected	13 03 61	NA*	NA*
Spending	13 03 62	NA*	215,85
	13 03 63 13 03 64 01		

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			29%				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			369				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			11 160 449,94				

* No values for yearly outputs are defined for the 2014-2020 programmes.

5. Programme contribution to the Sustainable Development Goals

Cohesion Policy is investing a large share of its envelope in both the 2007-2013 and 2014-2020 programming periods to encourage a shift towards a more sustainable mode of development in EU regions. To this end, it provides support for the production of renewable energy and for improving energy efficiency, for mitigating the risks of natural hazards such as fires, droughts and floods, for installation of main water supply to improve drinking water quality and urban waste water treatment plants, for solid waste management and recycling schemes and contributing to the modernisation and resources efficiency of transport. The results of these interventions foster the attainment of the Commission key priorities "Jobs, Growth and Investment" (circular economy, transport) and "A Resilient Energy Union with a Forward-Looking Climate Change Policy" (notably in relation to renewables and energy efficiency).

Based on the last figures reported by member States, ERDF and CF achievements in relation to sustainable growth have continued to progress. Due to the specificities of the programme cycle, the most significant reported achievements currently available result from the implementation of the 2007-2013 programmes. The main outcomes reported by Member states up to end 2015 are illustrated under section III below.

It is however to be noted that important contributions also result from the work carried out in relation to several ex-ante conditionalities for the 2014-2020 programmes, as well as from the first stages of implementation of the new programmes, even though they are not yet captured by the common indicator data. Information concerning the selection rate currently available is presented above under each relevant specific objective, in the tables "expenditure-related outputs".

6. Information about financial instruments financed by the Programme

The data reported by Member States in relation to ERDF and CF by the end of 2015 demonstrate a positive trend in setting up financial instruments (FI) for the first years of programme implementation. Managing authorities in 21 Member States reported information concerning the progress in setting financial instruments covering 64 operational programmes. 65 financial instruments have received commitments from managing authorities. At least 12 of these instruments have made investments in final recipients. The total volume of operational programme contributions committed to the financial instruments at end 2015 amounts to EUR 5,571.63 million, out of which EUR 5,005.25 million of ERDF and CF. EUR 1,169.41 million (around 20%) of the amounts committed has been paid to financial instruments, including EUR 1,102.17 million ERDF. Amounts committed to final recipients follow closely the amounts available in the funds with EUR 1,033.67 million, out of which EUR 939.58 million ERDF. Out of these committed amounts, EUR 98.56 million have been paid to final recipients, out of which EUR 91.21 million ERDF.

Leverage of additional resources already reported in some financial instruments in the first reporting exercise demonstrates the role and ability of ERDF and CF to mobilise and attract private capital for the benefit of final recipients and to the wider Cohesion policy objectives. Based on the information provided, expected leverage for loans varies between 1.3 and 3.1, for equity leverage is expected between 1.3 and 4, while for the two guarantee instruments it is estimated that loans provided by commercial banks with the support of the guarantee facility will be 4 to 5 times higher than the ERDF contribution to the guarantees. Compared to the forecasts, the evidence in a number of cases demonstrates a significantly higher leverage achieved as revealed in the case of the 'SME loan fund' in Schleswig-Holstein where leverage of additional resources is 4.8 in contrast to the expected effect of 2.2.

7. Programme related additional information

Programmes' implementation 2014-2020 (Common Strategic Framework)*

Thematic objectives of the Common Strategic Framework	Commitments ² 2014-2020 EUR million (1)	Cumulative payments declared by Member- states at end 2016 (2)	(2)/(1) %
1.Strengthening research, technological development and innovation Outputs:	40,842.6	878.1	2%
2.Enhancing access to, and use and quality of, information and communication technologies Outputs:	12,921.5	258.3	2%
3.Enhancing the competitiveness of small and medium-sized enterprises Outputs:	33,051.1	2,445.6	7%
4.Supporting the shift towards a low-carbon economy in all sectors Outputs:	30,803.8	659.9	2%
5.Promoting climate change adaptation, risk prevention and management Outputs:	3,971.7	84.5	2%

² Total Commitment is the Total Funding amount i.e. Union support and National co-financing

Thematic objectives of the Common Strategic Framework	<i>Commitments²</i> 2014-2020 EUR million (1)	Cumulative payments declared by Member- states at end 2016 (2)	(2)/(1) %
6.Preserving and protecting the environment and promoting resource efficiency Outputs:	17,599.7	186.2	1%
7.Promoting sustainable transport and removing bottlenecks in key network infrastructures Outputs:	24,366.3	819.3	3%
8.Promoting sustainable and quality employment and supporting labour mobility Outputs:	3,332.0	44.8	1%
9.Promoting social inclusion, combating poverty and any discrimination Outputs:	10,799.4	140.1	1%
10.Investing in education, training and vocational training for skills and lifelong learning Outputs:	5,766.9	124.8	2%
11.Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration Outputs:	1,324.6	11.2	1%
Other amounts not linked to the 11 thematic objectives above	5,801.27	311.8	5%
TOTAL	190,580.9	5,999.4	3%

*The data presented cover all adopted MS' Partnership Agreements, as well as all operational programmes.

Information on the predecessor programme 2007 – 2013 expenditure related outputs

Main expenditure related outputs	Target value for the 2007-13 period	Latest known value (End 2014) *
R&T-D		
Number of RTD projects	97 414	94 130
Number of direct investment aid projects to SME	212 518	268 745
Number of health projects	4 696	2 357
Information society		
Number of information society projects	47 402	49 704*
Transport		
Number of transport projects	5 536	9 048*
Environment		
Number of waste projects	2 028	3 465*
Number of projects on improvement of air quality	990	1 156*
Number of risk prevention projects	3 024	4 168*
Energy		
Number of renewable energy projects	73 241	39 523*

* It is to be noted that no performance information related to the 2007-2013 programmes was reported by Member States throughout 2016. In line with the regulatory requirements, the final achievements (referred to end 2015) resulting from the implementation of 2007-2013 programmes will be communicated by Member States in the framework of the closure process. These data have been submitted by end of March 2017 through the final reports on the period 2007-2013. While DG REGIO has done a first preliminary aggregation of the most significant core indicators for the purpose of the AAR 2016 exercise, no validated information regarding target values is yet available. No conclusions can then be drawn yet as regards performance against targets, as this will require a more comprehensive review of performance data reported by 2007-2013 programmes, which will be finalised by August 2017. According to the first estimates resulting from the available information, however, the final level of achievements is projected to be very close to the set targets or to exceed them.

Therefore, the data presented above correspond to aggregated figures as reported by Member States in the priorities of the programmes up to end 2015 and verified by Work Package 0 of the 2007-2013 ex post evaluation exercise. They cover both ERDF as well as CF allocation, because the same programme may be funded both from ERDF and CF and the figures received by

Member States relate to both ERDF and CF, as the core indicators cannot be split by priority. The figures marked with an asterisk have not been undergone the same quality review in the framework of the 2007-2013 ex post evaluation exercise.

More detailed quality checks of the final reports submitted by Member States will be conducted by DG REGIO until end August 2017, including comparing the values reported in 2014 with the final values and with the narratives provided. Subject to prompt replies from the Managing authorities to any quality issues raised by DG REGIO the final values for the core indicators are likely to become available towards end 2017.

Programmes' implementation 2007-2013 (Common Strategic Guidelines)

The table below explains the programmes' implementation through the volume of EU support allocated to projects on the ground (after the selection process at national/regional level). The table is presented according to the headings of the Common Strategic Guidelines adopted for the 2007-2013 programming period and relates to both ERDF and CF. CF is included only in the first guideline: Attractive places to invest and work and the fifth: Technical Assistance.

	Guidelines	Planned EU investment (1)	Allocated to selected projects at Member state level End 2013	Allocated to selected projects at Member state level End 2014 (2)	(2)/(1) %
1	Guideline: Attractive places to invest and work	165 522,1	166 024,4	182 879,3	110,5%
	Rail	23 429,8	19 778,4	23 940,4	102,2%
	Road	42 783,4	48 171,4	50 694,9	118,5%
	Other transport	16 104,6	15 845,6	17 124,9	106,3%
	Energy	11 951,8	10 831,5	11 691,9	97,8%
	Broadband	2 542,6	1 885,3	2 638,2	103,8%
	Environment	43 959,9	44 668,5	48 830,6	111,1%
	Culture & social	24 750,0	24 843,7	27 958,4	113,0%
2	Guideline: Improving knowledge and innovation for growth	80 122,9	78 262,2	87 033,6	108,6%
	Innovation& RTD	47 311,9	45 688,7	50 726,2	107,2%
	Entrepreneurship	5 810,6	5 479,0	6 363,3	109,5%
	ICT for citizens & business	11 682,8	10 909,0	11 997,0	102,7%
	Other investments in enterprise	15 317,6	16 185,5	17 947,1	117,2%
3	Guideline: More and better jobs	2 662,6	2 275,3	2 242,3	84,2%
	Human capital	720,6	411,8	367,9	51,1%
	Labour market	681,1	358,8	350,8	51,5%
	Social Inclusion	202,5	115,8	116,4	57,5%
	Capacity Building	1 058,4	1 388,9	1 407,2	133,0%
4	Guideline: Territorial Dimension	14 487,6	15 867,9	17 595,7	121,5%
	Territorial Dimension	14 487,6	15 867,9	17 595,7	121,4%
5	Guideline: Technical Assistance	7 516,3	6 511,3	7 107,6	94,6%
	Technical assistance	7 516,3	6 511,3	7 107,6	94,6%
	TOTAL	270 311,5	268 941,1	296 858,5	109,8%

As indicated above, updated and validated figures and comments about 2007-2013 programmes' implementation will be available following the more detailed quality checks of the final reports submitted by Member States to be conducted until end August 2017.

III. Performance of the predecessor programme

Implementation (2007-2013) and contribution to policy achievements

Evidence resulting from the ex-post evaluation exercise is provided in the section "Generated EU added value" below.

According to the data reported by Member States in the closure packages, although it could not yet be comprehensively reviewed, the positive long-term trends registered in previous years as regards most of ERDF/CF specific objectives are confirmed, with further acceleration of reported achievements in many of the investment areas in the final year of implementation of 2007-2013 programmes. No conclusions can however be drawn yet as regards performance against targets, as this will require a more comprehensive review of performance data reported by 2007-2013 programmes, which will be finalised by August 2017. According to the first estimates resulting from the available information, however, the final level of achievements is projected to be very close to the set targets or to exceed them.

With projects of the 2007-2013 programming period reaching the end of their implementation in 2015, significant progress towards targets set in the programmes is reported by Member States in the closure documents. Main outcomes reported by Member States up to 2015 are set out below.

Research, technological development and innovation

More than 45,000 projects were co-financed across the EU to support cooperation between businesses and research centres through the 2007-2013 programmes. These were mainly in Competitiveness regions in the EU15, reflecting the significant share of funding allocated to this in the concerned programmes. The rhythm of reported achievements continued to grow steadily up to the final stages of implementation (+28% compared to achievements at end 2014).

Close to 120,000 research and development projects carried out by enterprises received support from Cohesion funding, most of them in Competitiveness regions. Through these projects more than 46,000 research jobs have been created (in FTE terms).

Many of these projects provided funding for RTD infrastructures and centres of competence throughout the 2007-2013 programming period, contributing to improve research facilities across Member States.

Information and communication technologies

Information and communication technologies have continued to be a key area of investment for Cohesion funding, with more than 43,000 projects having been co-financed between 2007 and 2015. Thanks greatly to ERDF investment, particularly in less developed regions, the extent of broadband coverage has increased significantly in the EU in recent years, thereby contributing to increasing the competitiveness and economic growth of concerned regions. More than 15 million additional citizens have gained access to broadband as a result of ERDF support up to 2015. Significant achievements in terms of additional citizens connected thanks to investments made up to 2015 are notably reported in Poland (+4.4 million), Italy (+3.9 million), Spain (+2.4 million), Bulgaria (+1.5 million) and France (+1.4 million).

Enterprise support (including access to finance)

A substantial share of 2007-2013 Cohesion Policy funding was devoted to improving the business environment and supporting entrepreneurship. Enterprises are supported across the funds to increase their competitiveness, develop products, find new markets and create new jobs, with particular emphasis on innovation and high growth firms and programmes aimed at supporting the innovative capacity of SMEs. The wide range of support on offer to SMEs is also crucial to achieving a deeper and fairer internal market with a solid industrial base.

As the main source of job creation among all interventions co-financed by the ERDF, these interventions have been key in contrasting the effect of the crisis in recent years and in kick-starting jobs and growth throughout Europe. More than 380,000 projects to support investment in SMEs were undertaken across the EU in the period, notably thanks to the notable progress registered in the final year of implementation (+49% compared to achievements at end 2014).

More than 1,100,000 jobs have been created up to 2015. If achievements reported across the European Union are satisfactory, some programmes still fall short of their targets due mainly to the economic context and to challenges faced on some region's job markets during the 2007-2013 programming period.

In addition, more than 130,000 new firms across the EU were helped to start up by the financial assistance received from the ERDF as well as by the advice and guidance provided by business support centres also funded by the ERDF.

Sustainable transport

Significant achievements were also reported by Member States in the final year of 2007-2013 implementation in the area of sustainable transport. Remarkable progress was notably registered in relation to railway infrastructure, with increases respectively of 61% for new railway lines (including TEN-T) and of 42% for reconstructed railway lines. Overall, thanks to ERDF and CF support, the 2007-2013 programmes notably delivered some 36,000 km of reconstructed roads, close to 5,800 km of new roads, as well as more than 5,600 km of reconstructed railways.

Environment protection and infrastructure

The overall level of achievement as regards environment protection and infrastructure recently reported by Member States has also progressed significantly, confirming the trends registered last year. The most notable increases have been noted in relation to the additional population served by waste water (more than 4.3 million) and water projects (more than 3.7 million) compared to 2014. Overall, this represents an increase of reported achievements of 63% in the final year of implementation.

Energy and climate

A large number of projects carried out with ERDF support to increase electricity-generating capacity from renewables, a significant part of which in less developed regions. In particular, the additional capacity of renewable energy production reported by MS directly resulting from supported interventions at closure is close to reaching 5,000 MW.

In the same vein, a significant number of projects have been implemented to increase the energy efficiency of apartment blocks and public buildings, notably in the EU-12 countries where both types of building are heavy energy consumers. Benefits of these interventions directly accrue both to energy consumers and producers. The reported reduction of greenhouse emissions resulting from these interventions was 420,577 kt of CO₂ equivalents at closure.

EU added value

While it is very difficult to identify the elements of the macroeconomic trends captured by the EU2020 targets which can be directly attributed to Cohesion Policy, concrete contributions to the objectives of smart, sustainable and inclusive growth across many policy areas and Member States do result from the implementation of Cohesion Policy interventions. As the largest source of EU funds to regions, localities and enterprises, ERDF and CF have continued to play a pivotal role in helping Member States to conciliate their fiscal consolidation constraints with the support to long-term investments strategies which are necessary to recover from the economic crisis and return to a job-creating growth. Overall, the role of Cohesion Policy in supporting growth friendly expenditure has become even more important than before, with cohesion funding representing more than 60% of the public investment budget in a number of countries. This situation should remain unchanged in the near future. The contribution of Cohesion Policy to these objectives mainly resulted from the implementation of the 2007-2013 programmes, which are investing heavily in areas directly supporting the Europe 2020 priorities such as R&D and innovation, ICT networks, SME support, renewable energy, energy efficiency, environment protection and key infrastructure. This produces a short term impact on GDP, as a result of the induced economic activity, as well as a long term impact (materialising only in the long run) thanks to the structural improvements in the economies of the EU.

The ex-post evaluation for the 2007-2013 programming was completed in 2016, with thematic work packages examining achievements in the areas of SMEs, Financial instruments, Large Enterprises, Transport, Environment, Energy Efficiency, Culture & Tourism, Urban & Social infrastructures, ETC, as well as delivery mechanisms. The work included several in-depth case studies and several seminars with the Managing Authorities and stakeholders were organised to disseminate and discuss findings.

Evidence resulting from the exercise shows that Cohesion Policy for 2007-2013 had a measurable impact in all regions and Member States (including EU Budget net contributors). 1 euro invested in the 2007-13 period will generate 2.74 € of additional GDP by 2023. In other words, investments by the 3 Funds in the period 2007-13 will have generated nearly a trillion EURO in additional Gross domestic product by 2023. The most important results were produced in the less developed regions. In Poland for example, the impact on GDP was 4.3% in 2015 and it is expected to be even higher in the medium run (5.6% in 2023). For the EU-12 as a whole, the impact on GDP is estimated at around 4%.

Among the lessons which can be drawn from the individual work packages as regards the added value of support in the main funding areas covered by ERDF, the following are particularly noteworthy:

- **Research and Innovation:** Funding in this area was used by some programmes as a test-bed for experimental and innovative policy – i.e. research and innovation in Denmark, Sweden and Finland, the ‘Living Labs’ experiment in Puglia (Italy) or the Inno-voucher scheme in Lithuania. This experimental approach – using ERDF as a test bed, instead of replicating national funding – could be more widely followed since it is a way in which the ERDF can give rise to a distinct stream of added-value for the EU which exceeds the relatively small amounts of funding involved, at least in Competitiveness regions.

Lessons learnt: Several findings related to a lack of a "result orientation" of support, which should be tailored to both the local context and the change that they are designed to bring about. The monitoring needs in future to be more closely aligned with the objectives, covering, for example, developments in R&D expenditure. Also, the experimental approach – using ERDF as a test bed, instead of replicating national funding – could be more widely followed since it is a way in which the ERDF can give rise to a distinct stream of added-value for the EU which exceeds the relatively small amounts of funding involved, at least in Competitiveness regions.

- **SME support:** The major result of support was helping SMEs withstand the effects of the crisis by providing credit when other sources of finance had dried up. It enabled SMEs to invest in modernising or expanding plant and equipment. In addition and as part of Cohesion Policy's response to the economic crisis, eligibility rules were changed to allow the financing of working capital – this enabled firms to remain in business and to maintain employment. At the same time, ERDF also provided support for innovation and for the adoption of more technologically advanced methods of production as well as for the development of new products. It also led to observable behavioural changes, such as SME owners and managers being more willing to take risks and to innovate. The use of financial instruments (FIs) increased considerably, going from EUR 1 billion in 2000-6 to EUR 11.5 billion of ERDF allocated in 2007-13.

Lessons learnt: The SMEs which responded best to support were those which already had the necessary managerial capacity to grow and innovate. The evidence also showed a lack of a "result orientation" of support. Measures of support need to be based on sounder explicit theories of change. Such theories of change should take explicit and detailed account of the local context. The support measures should then be tailored to both the local context and the change that they are designed to bring about. The need to improve the monitoring system - rather limited, with indicators which gave a very partial view of achievements - was also stressed. These areas for improvement were successfully addressed by the 2014-2020 framework, which further strengthened the result orientation of support and introduced more stringent requirements for the setting up of the monitoring systems.

- **Sustainable transport:** A number of public transport projects were supported over the 2007-2013 period which had the effect of reducing congestion in cities and improving the urban environment as well as reducing travel times. By encouraging investment in rail and in urban transport, cohesion policy has contributed to environmentally friendly

transport. Member States highlighted the important role of cohesion policy funding in supporting large, complex projects, which were particularly evident in the rail sector. In their opinion, such projects may not have been undertaken in the absence of cohesion policy funding. With regard to the development of sustainable transport measures, Cohesion policy was viewed by stakeholders as a key enabler.

Lessons learnt: Continuing issues were found regarding the capacity of some Member States to plan and develop major infrastructure projects, difficulties in combining cohesion policy funding with private finance in PPP structures, and a need for greater clarity for Member States on the application of State Aid rules to transport investments. Some weaknesses were also noted in the reporting of output indicators by some Member States, resulting in data inconsistencies. The structures for gathering this information have now improved and this issue is not expected to recur in 2014-2020. The partition of programming periods was also cited by some stakeholders, including JASPERS, as generating political pressure lowering the quality of project preparation and increasing the risks of contractors submitting low and unsustainable tender prices, notably in newer Member States. Longer experience in cohesion policy programming periods and improvements in the strategic planning of transport in Member States will address these issues in the current programming period. In particular the preparation of a national transport strategy is now an ex-ante conditionality for cohesion policy funding of transport.

- **Energy efficiency:** This investment area shows a significant increase in total allocation during the 2007-13 period compared to the initial allocation (+45%). This can be partly attributed to a change in eligibility criteria in 2009 allowing for (more) investments in the energy efficiency (EE) of residential buildings, in particular in EU-15. Available evidence also points to an overall improvement in the policy context during the programming period (e.g. EE plans, Energy Performance Directive), as Member States have developed their EE national policies and have refined their approach to EE in buildings. As regards supported interventions, a strong preference was noted for non-repayable grants (90%), and a preference for public buildings rather than residential ones. There are great variations across countries with regard to: type of financing instrument chosen, type of buildings supported and the impact of the 2009 crisis. The evaluation found several examples of good practice concerning the use of financial instruments.

Lessons learnt: Programmes would need to spell out clearly the rationale for the use of EU funding to support investments in energy efficiency in buildings showing how it relates to national energy policy and to the support available from national and regional schemes so as to demonstrate the coherence of the policy and its justification. This has already been implemented under the result-orientation for 2014-2020 and more specifically in the formulation of specific objectives in the programmes. Bearing in mind the long term energy cost reduction for building owners, loans or other kinds of financial instrument are likely to be preferable to grant support for energy efficiency measures. Awareness-raising campaigns might be needed to overcome initial reservations. This is already implemented under the general expansion of the scope of financial instruments in 2014-2020. Other points of reflection include energy audits, which should be a standard part of project selection criteria to identify the reduction in energy use intended and to verify its achievement. In addition, financial support should be complemented by a range of non-financial measures, including advice and guidance, certification schemes and building regulations.

- **Environment protection and infrastructure:** Environment has been an important focus for support from Cohesion Policy since 1989. Along with transport, it is one of the policy areas also eligible for financing from the Cohesion Fund on the grounds that it is important to have common environmental standards across the EU - both for the health of people and to protect the eco-system. The entry of the EU 12 countries further increased the need for environmental investments. Thanks primarily to ERDF/CF, convergence countries in particular saw a significant shift in the disposal of waste away from landfill towards recycling. As an example, in Bulgaria the proportion of waste which was landfilled was reduced from 80% to 70% between 2007 and 2013; in Poland, the share of municipal waste going to landfills was reduced from 90% to 53%, while the share of waste going to recycling increased from 6% to 16% and the share composted rose from 6% to 13%. Likewise, the ERDF/CF greatly contributed to improving water and waste water treatments primarily in Convergence regions, as well supply of clean drinking water.

Lessons learnt: Many environmental projects are complex and require a high level of competence in the authorities concerned, which may not exist in smaller authorities which only undertake such projects occasionally. Since waste management projects in smaller local authority areas are likely to become more important in future years (in line with the Waste Framework Directive), this is an issue deserving attention. Projects need to be carefully prepared before being implemented to minimise problems and reduce maintenance costs. Managing authorities should be encouraged to allow sufficient time for this and the procurement process needs to give proper weight to the quality of proposals. REGIO is already addressing this need for improved capacity at MA level by widening the scope of Jaspers support, as well as through awareness-raising and information dissemination activities linked to the new cost/benefit guidelines.

HEADING 1B: Economic, social and territorial cohesion**Cohesion Fund (CF)****Lead DG: REGIO**

Associated DGs: SRSS

I. Programme update***Implementation status (2014-2016)***

The year 2016 has been the first full year of implementation for all operational programmes. The ESIF 2016 Summary Report of the programme annual implementation reports covering implementation in 2014 and 2015 was adopted and transmitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on 20 December 2016. The document includes: (1) an overview of the efforts made to programme the ESI Funds so as to address the challenges identified in the investment-related CSRs and kick-start investment; (2) an implementation overview by key themes; (3) a synthesis of evaluations. It is accompanied by a Staff Working Document on evaluations. While this report underlines that the level of EU payments is relatively low so far – even though it is comparable to the 2007-2013 programming period – there is evidence that the implementation is progressing steadily and there are already important achievements on the ground.

It is in fact to be noted that the level of financial execution (EU payments) is not the right indicator for assessing progress in implementation, and certainly not appropriate at the beginning of the programming period. The selection rate of operations, which provides a more accurate picture of implementation, has increased significantly over the last year, reaching 26% of the CF allocations at end 2016. By the end of 2016, EUR 19.1 billion of CF funds were already been granted to more than 2 500 concrete projects already being implemented on the ground. Including national co-financing, over EUR 16 billion CF are already being invested in the real economy for supporting the EU 2020 objective on jobs and growth. It is worth noting that, as for any investment policy, there is always a time gap between selection of operations and implementation on the ground, especially for large infrastructure operations or complex financial instruments. The level of project selection is however uneven across programmes and Member States. DG Regional and Urban Policy has been monitoring and providing support to programmes/ Member States suffering from implementation difficulties.

The first years of a programming period require efforts from the managing authorities to set up programme structures and processes in order to ensure sound and quality investments. They include the designation of authorities, the mobilisation of stakeholders, the set-up of IT systems, the establishment of monitoring committees, the definition of selection criteria and the launch of calls.

The designation process, which is a responsibility of Member States, has continued in the year 2016, with 85% of mainstream ERDF/CF programmes having finalised their designation at end 2016. However, 33 designations for mainstream programmes for which DG Regional and Urban Policy has the lead are pending at the end of 2016. The majority of these programmes are finalising their designation packages. DG Regional and Urban Policy continues to work closely with Member States to identify any difficulties/bottlenecks which have delayed the designation process, so as to enable implementation on solid grounds. Tailor-made actions have been taken during 2016, depending on the nature of bottlenecks or difficulties. For example, technical assistance was mobilised in order to provide support to solve technical issues related to the implementation of the IT system.

In 2016, Member States also focused their efforts on the fulfilment of ex ante conditionalities, which are a key element of the ESIF reform. They aim at making sure that adequate regulatory and policy frameworks are in place and that there is sufficient administrative capacity before investments are made, thus improving the effectiveness and efficiency of investment supported by the ESIFs as well as other public and private investments. They cover most investment areas, including waste, water, energy efficiency and transport. These conditionalities also cover governance and the alignment of projects with national strategies in the area of public administration modernisation. Although around 75% of all ex ante conditionalities were fulfilled by the time the programmes were approved, some were not (for example transport master plans underpinning transport investment); leading Member States to the preparation of action plans for their fulfilment. More than 70% of ex ante conditionalities action plans have already been reported as completed by Member States.

Key achievements

First data on implementation for 2014 and 2015 for the CF were transmitted by the Member States to the Commission at the end of May 2016. Data on achievements at end 2016 will be reported by Member States by end June 2017.

The most recent available information in relation to 2014-2020 programmes achievements reflects the situation at end 2015, when the implementation had barely started for many of the operational programmes most of which were adopted earlier that year. In addition, it has to be taken into account that some delays in reporting results are normal, given the nature of many of the operations funded by Cohesion Fund, such as infrastructural investments which have a long programming cycle which tend to yield tangible outputs later in the programming cycle. Furthermore, according to the applicable relevant provisions, for the ERDF/CF, MS can only report on fully implemented operations (as opposed to other policies, e.g. ESF). This adds to the time gap between the start of operations and the reporting on them.

In order to better illustrate the progress underway before it is captured by official achievements data, it was decided to complement achievement data (which are subject to these delays resulting from the reporting framework and its timetable) with financial information on the selection rate of operations and on the number of projects selected, which provides a more accurate picture of implementation and is reported by Member States three times per year.

On 20.12.2016, the "2016 Summary Report of the programme annual implementation reports covering implementation in 2014-2015" was adopted¹, the first in a series of annual reports to the EU institutions on the implementation of the ESI Funds. The evidence from financial monitoring in 2016 showed that implementation had already started to accelerate with EUR 128.8 billion of investments – 20.2% of the total for the period - allocated to specific projects by autumn 2016 compared to EUR 58.8 billion by end-2015. This more recent data shows more homogeneous progress across most of the Member States and themes. More recent figures reported in January 2017 by Member States and reflecting the situation at end 2016 shows further progress in the selection rate, which reached 26% of the ERDF/CF allocations at end 2016.

As regards results already reported by Member States (i.e. referred to operations already completed), as the time gap between selection of operations and implementation on the ground is particularly wide for the large infrastructure operations financed through CF, no significant achievements were reported by Member States up to end 2015. In aggregate terms, reported achievements resulting from the implementation of CF encompass so far:

- 24 km of reconstructed or upgraded roads;
- Improved energy consumption classification for 42 households.

Evaluations/studies conducted

No evaluation findings are yet available for the MFF 2014-2020.

By 30 June 2016, most of the Evaluation Plans had been submitted to the Monitoring Committees for assessment and approval, as indicated in the Staff Working Document for the role of evaluation under the ESIF programmes 2014-2020 and the planned activities. In total, the programmes expect to carry out almost 1 900 evaluations for ERDF/CF. Roughly 53% of the impact evaluations should be completed by the end of 2020, and this provides an estimate of the volume of evidence that will likely be available for the planning and negotiations of the next programming period. Most of the evaluations will be carried out between 2018 and 2022; during these years, the expectation is that between 200-250 evaluations per year will be completed and available. The number of foreseen evaluations and especially of impact evaluations (over 1300), is substantially larger than in the past programming period when roughly 200 impact evaluations were carried out and published. The large increase of impact evaluations indicates that Managing Authorities are focussing more on programme results rather than on process and implementation aspects (which were the main drivers of evaluations in the previous programming period).

The analysis by operational programme of the foreseen impact evaluations per Thematic Objective suggests the average coverage is about 80%. This figure indicates that in roughly 20% of the Operational Programmes there is funding allocated to thematic objectives that are not covered by impact evaluation. It should be noted, however, that the actual contents of many evaluations are not yet clearly identified, and that the definition of the scope of individual evaluations will be further developed at a later stage. In the absence of significant studies and evaluation work by end 2015 only a minority of the 2016 AIRs completed the section on "summary of evaluations" and the information reported relates to the ex post evaluation of the 2007-2013 programming period (80 evaluations on ERDF/CF were identified in total).

In addition to this, within the framework of its own evaluation activities, the Commission intends to carry out an ex post evaluation of major transport infrastructure projects over 2000-2006 and 2007-2013, and an ex post evaluation of the Solidarity fund since its establishment in 2002.

Forthcoming implementation (2017-2018)

As the main EU investment instrument for supporting the delivery of Commission priorities, Cohesion Policy has become a key part of Europe's economic governance and an increasingly important means of tackling the effects of the economic crisis in the short term and of enhancing the regions' endogenous potential for development in the medium term. CF interventions are focusing and will continue to focus in the forthcoming years on reducing the economic and social shortfall of Member States with a GNI per inhabitant of less than 90% of the EU average, as well as on stabilising their economy. This is being done by financing investments in environment (climate change adaptation and risk prevention, water and waste sectors, biodiversity including through green infrastructures, urban environment and low carbon economy) and transport (Trans-European Transport Networks, low-carbon transport systems and urban transport).

II. Programme key facts and performance framework

¹ http://ec.europa.eu/regional_policy/sources/how/strategic-report/esif_annual_summary_2016_en.pdf

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Total	7 092,4	11 390,2	11 108,6	10 649,1	11 049,0	11 454,1	11 845,2	74 588,6
<i>Of which contribution to the Connecting Europe Facility (CEF)</i>	983,0	1 215,8	2 372,4	1 588,2	1 649,4	1 694,4	1 774,4	11 277,5

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	8 768,684	99,94 %	4 236,109	99,63 %	9 084,336	99,68 %	5 681,172	8,10 %
Authorised appropriation excluding external earmarked revenue	8 768,684	99,94 %	4 235,874	99,59 %	9 084,336	99,68 %	5 681,169	8,09 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

To be able to deliver greater European added value, the structural programmes need to both: a) concentrate their support on EU priorities and b) coordinate with other EU policies and financial instruments. The Europe 2020 Strategy provides a clear set of common objectives, including headline targets and flagship initiatives, as a clear framework for identification of funding priorities. There is broad consensus among stakeholders on the role of the different policies (Cohesion Policy, Rural Development Policy and Maritime and Fisheries Policy) in contributing to the achievement of the Europe 2020 Strategy.

Concentrating funding on a smaller number of priorities better linked to the Europe 2020 Strategy, focusing on results, monitoring progress towards agreed objectives, increasing the use of conditionalities and simplifying the delivery are among the major hallmarks of the new Cohesion Policy.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility)	10 664,0	11 043,2

100% lines 13 04 60 and 06 02 01 04 (it includes the contribution to the Connecting Europe Facility)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
Promoting sustainable transport and removing bottlenecks in key network infrastructures	1 070,1	1 110,1
Supporting the shift towards a low-carbon economy in all sectors	893,3	926,7
Promoting climate change adaptation, risk prevention and management	342,7	355,4
Preserving and protecting the environment and promoting resource efficiency	196,9	204,3
Total	2 503,0	2 596,5

The methodology used for estimating CF contribution to mainstreaming of climate action in 2017 (update) and 2018 remains stable and coherent with last year programme statement. As explained in previous programme statement, an accurate estimation of the contribution of CF to the mainstreaming of climate action can be done globally, through the Member States' funding priorities as reflected by the categories of intervention, and expressed as a percentage of the budget made available in 2016 (27,6%). This tracking methodology covers climate and biodiversity objectives, in line with regulatory requirements. This percentage is applied to the relevant CF budget line (13 04 60).

Since the applicable regulatory requirements do not allow a precise calculation of the contribution to mainstreaming of climate action per thematic (specific) objective, the split per specific objective provided above is only indicative. It results from a review of correspondence between categories of intervention and thematic objectives.

As for the updated estimations related to past commitments, the contribution to mainstreaming of climate action has been revised as follows:

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
2 194,4	2 811,9	2 415,3	2 503,0	2 596,5	2 695,9	2 781,9	17 998,9

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Preserving and protecting the environment and promoting resource efficiency	504,3	523,1
Promoting climate change adaptation, risk prevention and management	176,2	182,8
Others: low-carbon economy and promoting sustainable transport	3,6	3,8
Total	684,2	709,7

The methodology used for estimating CF contribution to financing biodiversity in 2017 (update) and 2018 remains stable and coherent with last year programme statement. As explained in previous programme statement, an accurate estimation of the contribution of CF to financing biodiversity can be done globally, through the Member States' funding priorities as reflected by the categories of intervention, and expressed as a percentage of the budget to be made available in 2017 (7,6%). This tracking methodology covers climate and biodiversity objectives, in line with regulatory requirements. This percentage is applied to the relevant CF budget line (13 04 60).

Since the applicable regulatory requirements do not allow a precise calculation of the contribution to financing biodiversity per thematic (specific) objective, the split per specific objective provided above is only indicative. It results from a review of correspondence between categories of intervention and thematic objectives.

As for the updated estimations related to past commitments, the contribution to financing biodiversity has been revised as follows:

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
599,8	768,6	660,2	684,2	709,7	736,9	760,4	4 919,8

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

4. Performance information

General objectives

General Objective 1: To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy

Indicator 1: Greenhouse gas emissions, base year 1990

Former situation*	Evolution	Target 2020
80,2 (2013) (index 1990 =100)	77,1% (2014)	Reduction of the greenhouse gas emissions by 20% by 2020, compared to 1990

Indicator 2: Share of renewables in gross final energy consumption

Former situation*	Evolution	Target 2020
15 % (2013)	16 % (2014)	Increase in the share of renewable energy sources in final energy consumption to 20% by 2020

Indicator 3: Energy intensity of the economy (proxy indicator for Energy savings, which is under development)

Former situation*	Evolution	Target 2020
Primary energy consumption: 1 569,1 Mtoe (2013) Final energy consumption: 1 106,2 Mtoe (2013)	Primary energy consumption: 1 507,1 Mtoe (2014) Final energy consumption: 1 061,2 Mtoe (2014)	20% increase in energy efficiency by 2020 Primary energy consumption: 1 483 Mtoe (2020) Final energy consumption: 1 086 Mtoe (2020)

Specific objectives

The performance information presented below is related to the 2014-2020 programming period. It results from the indicators associated with CF specific objectives and is presented below according to the following methodology:

- The performance information presented (notably target values) results from all the adopted operational programmes (100% of the total).
- The milestones for the indicators under each specific objective are estimates; this estimation is based on the values of the milestones of the corresponding indicators used in the performance frameworks. Note that the performance frameworks use only a subset of the indicators used in the operational programmes. Information concerning milestones has only been provided when considered sufficiently representative of the expected level of target achievements (how many entries in PF; PF targets as % of total targets).
- The information on latest known results concerning the indicators associated with the specific objectives corresponds to achievement values at end 2015 (reported by operational programmes in May 2016). It is to be noted that a one-year time lag will always exist between the actual progress of CF implementation and the information reported in the programme statements. In addition, achievements data are only reported for completed operations, in line with the regulatory requirements, which means that the progress in the implementation is not fully reflected in the data presented below.

A more accurate picture of the implementation progress is provided through the expenditure related outputs (i.e. project selection rate, number of project selected, spending) under each specific objective. This information captures the progress in implementation before it is reflected in the reported performance information and corresponds to the state of play at end 2016, as reported by the operational programmes in January 2017.

Specific Objective 1: Supporting the shift towards a low carbon economy in all sectors

Indicator 1: Additional capacity of renewable energy production (KM/MWH)

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				500			2 137
	Actual results						
	-						

Indicator 2: Number of households with improved energy consumption classification

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				39 500			169 745
	Actual results						
	42						

Indicator 3: Decrease of annual primary energy consumption of public buildings

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				120 660 800			556 040 590
	Actual results						
	-						

Indicator 4: Number of additional energy users connected to smart grids

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			2 029 000
	Actual results						
	-						

Indicator 5: Estimated annual decrease of GHG

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			3 932 269
	Actual results						
	-						

* Milestone figures concerning indicators 4 and 5 associated with specific objective 1 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 04 60	NA*	NA*
Number of projects selected		NA*	NA*
Spending		NA*	1 251,37

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			20 %				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			680				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			79 736 394,13				

* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

Specific Objective 2: Promoting climate change adaptation, risk prevention and management

Indicator 1: Population benefiting from flood protection measures

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 982 600			5 648 433
	Actual results						
	--						

Indicator 2: Population benefiting from forest fire protection measures

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			5 330 000
	Actual results						
	--						

* Milestone figures concerning indicator 2 associated with specific objective 2 are not disclosed in the tables above, as its representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 04 60	NA*	NA*
Number of projects selected		NA*	NA*
Spending		NA*	575,74

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			38 %				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			307				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			53 728 235,92				

* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

Specific Objective 3: Preserving and protecting the environment and promoting resource efficiency

Indicator 1: Additional waste recycling capacity

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 297 700			3 260 587
	Actual results						
	-						

Indicator 2: Additional population served by improved water supply

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				1 118 150			7 874 242
	Actual results						
	-						

Indicator 3: Additional population served by improved wastewater treatment

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				764 850			8 313 456
	Actual results						
	-						

Indicator 4: Total surface area of rehabilitated land

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			797
	Actual results						
	-						

Indicator 5: Surface area of habitats supported to attain a better conservation status

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				54 250			326 806
	Actual results						
	-						

* Milestone figures concerning indicator 4 associated with specific objective 3 are not disclosed in the tables above, as its representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 04 60	NA*	NA*
Number of projects selected		NA*	NA*
Spending		NA*	2 594,60

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			24 %				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			1 003				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			360 362 815,74				

* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

Specific Objective 4: Promoting sustainable transport and removing bottlenecks in key network infrastructures

Indicator 1: Total length of new railway line

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			64
	Actual results						
	-						

Indicator 2: Total length of reconstructed or upgraded railway line

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				250			2 829
	Actual results						
	-						

Indicator 3: Total length of newly built roads

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			1 695
	Actual results						
	-						

Indicator 4: Total length of reconstructed or upgraded roads

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				100			671
	Actual results						
	24						

Indicator 5: Total length of new or improved tram and metro lines

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				50			290
	Actual results						
	-						

Indicator 6: Total length of improved or created inland waterway

Baseline	Milestones foreseen						Target 2023
	2015	2016	2017	2018	2019	2020	
0 (2014)				*			327
	Actual results						
	-						

* Milestone figures concerning indicators 1, 3, and 6 associated with specific objective 4 are not disclosed in the tables above, as their representativeness is presently below 33%.

In the indicators tables above, the "target" values and "actual results" are those published on the Open Data Platform (<https://cohesiondata.ec.europa.eu/>). They refer to the relevant common output indicators by end 2015, as reported by the Member States in the Annual Implementation Reports submitted in June 2016 (updated information with 2016 figures will be received in the Annual Implementation Reports in June 2017). As to the 2018 milestone values indicated, these refer to the same common output indicator as depicted in the performance frameworks contained in the Operational programmes. In all cases, caution should be applied as interventions tend to have a longer programme cycle (especially in cases of infrastructure interventions) – actual achievements may not be visible from the beginning. ERDF and CF only report on fully implemented operations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Project selection rate (%)	13 04 60	NA*	NA*
Number of projects selected		NA*	NA*
Spending		NA*	4 663,88

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			25 %				
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			247				
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			2 996 098 909,83				

* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

5. Programme contribution to the Sustainable Development Goals

Cohesion Policy is investing a large share of its envelope in both the 2007-2013 and 2014-2020 programming periods to encourage a shift towards a more sustainable mode of development in EU regions. To this end, it provides support for the production of renewable energy and for improving energy efficiency, for mitigating the risks of natural hazards such as fires, droughts and floods, for installation of main water supply to improve drinking water quality and urban waste water treatment plants, for solid waste management and recycling schemes and contributing to the modernisation and resources efficiency of transport. The results of these interventions foster the attainment of the Commission key priorities "Jobs, Growth and Investment" (circular economy, transport) and "A Resilient Energy Union with a Forward-Looking Climate Change Policy" (notably in relation to renewables and energy efficiency).

Based on the last figures reported by member States, ERDF and CF achievements in relation to sustainable growth have continued to progress. Due to the specificities of the programme cycle, the most significant reported achievements currently available result from the implementation of the 2007-2013 programmes. The main outcomes reported by Member states up to end 2015 are illustrated under section III below.

It is however to be noted that important contributions also result from the work carried out in relation to several ex-ante conditionalities for the 2014-2020 programmes, as well as from the first stages of implementation of the new programmes, even though they are not yet captured by the common indicator data. Information concerning the selection rate currently available is presented above under each relevant specific objective, in the tables "expenditure-related outputs"

6. Information about financial instruments financed by the Programme

The data reported by Member States in relation to ERDF and CF by the end of 2015 demonstrate a positive trend in setting up financial instruments (FI) for the first years of programme implementation. Managing authorities in 21 Member States reported information concerning the progress in setting financial instruments covering 64 operational programmes. 65 financial instruments have received commitments from managing authorities. At least 12 of these instruments have made investments in final recipients. The total volume of operational programme contributions committed to the financial instruments at end 2015 amounts to EUR 5,571.63 million, out of which EUR 5,005.25 million of ERDF and CF. EUR 1,169.41 million (around 20%) of the amounts committed has been paid to financial instruments, including EUR 1,102.17 million ERDF. Amounts committed to final recipients follow closely the amounts available in the funds with EUR 1,033.67 million, out of which EUR 939.58 million ERDF. Out of these committed amounts, EUR 98.56 million have been paid to final recipients, out of which EUR 91.21 million ERDF.

Leverage of additional resources already reported in some financial instruments in the first reporting exercise demonstrates the role and ability of ERDF and CF to mobilise and attract private capital for the benefit of final recipients and to the wider Cohesion

policy objectives. Based on the information provided, expected leverage for loans varies between 1.3 and 3.1, for equity leverage is expected between 1.3 and 4, while for the two guarantee instruments it is estimated that loans provided by commercial banks with the support of the guarantee facility will be 4 to 5 times higher than the ERDF contribution to the guarantees. Compared to the forecasts, the evidence in a number of cases demonstrates a significantly higher leverage achieved as revealed in the case of the 'SME loan fund' in Schleswig-Holstein where leverage of additional resources is 4.8 in contrast to the expected effect of 2.2.

7. Programme related additional information

Programmes' implementation 2014-2020 (Common Strategic Framework)*

Thematic objectives of the Common Strategic Framework	Commitments 2014-2020 EUR million (1)	Cumulative payments declared by Member- states at end 2016 (2)	(2)/(1)%
1.Supporting the shift towards a low carbon economy in all sectors Outputs:	8 035,9	79,7	1%
2.Promoting climate change adaptation, risk prevention and management Outputs:	3 714,3	53,7	1%
3.Preserving and protecting the environment and promoting resource efficiency Outputs:	16 856,7	360,4	2%
4. Promoting sustainable transport and removing bottlenecks in key network infrastructures Outputs:	32 648,8	2 996,1	9%
5. Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration Outputs:	0,00		
Other amounts not linked to the 11 thematic objectives above	2 134,5	174,0	8%
TOTAL	63 390,1	3 664,8	6%

* The data presented cover all adopted MS' Partnership Agreements, as well as all operational programmes.

Information on the predecessor programme 2007 – Expenditure related output not linked to a specific objective

Main expenditure related outputs	Target value for the 2007-13 period	Latest known value (End 2014)*
Transport		
Number of transport projects	7 266	6 069
Environment		
Number of waste projects	1 475	1 665
Number of projects on improvement of air quality	2 467	1 025
Number of risk prevention projects	2 883	2 225
Energy		
Number of renewable energy projects	81 070	25 562

* It is to be noted that no performance information related to the 2007-2013 programmes was reported by Member States throughout 2016. In line with the regulatory requirements, the final achievements (referred to end 2015) resulting from the implementation of 2007-2013 programmes will be communicated by Member States in the framework of the closure process. These data have been submitted by end of March 2017 through the final reports on the period 2007-2013. While DG REGIO has done a first preliminary aggregation of the most significant core indicators for the purpose of the AAR 2016 exercise, no validated information regarding target values is yet available. No conclusions can then be drawn yet as regards performance against targets, as this will require a more comprehensive review of performance data reported by 2007-2013 programmes, which will be finalised by August 2017. According to the first estimates resulting from the available information, however, the final level of achievements is projected to be very close to the set targets or to exceed them.

Therefore the data presented above correspond to aggregated figures as reported by Member States in the priorities of the programmes and verified by Work Package 0 of the 2007-2013 ex post evaluation exercise. They cover both CF as well as ERDF allocation, because the same programme may be funded both from ERDF and CF and the figures received by Member States relate to both ERDF and CF, as the core indicators cannot be split by priority.

More detailed quality checks of the final reports submitted by Member States will be conducted by DG REGIO until end August 2017, including comparing the values reported in 2014 with the final values and with the narratives provided. Subject to prompt

replies from the Managing authorities to any quality issues raised by DG REGIO the final values for the core indicators are likely to become available towards end 2017.

Programmes' implementation 2007-2013 (Common Strategic Guidelines)

The table below explains the programmes' implementation through the volume of EU support allocated to projects on the ground (after the selection process at national/regional level). The table is presented according to the headings of the Common Strategic Guidelines adopted for the 2007-2013 programming period and relates to both ERDF and CF. CF is included only in the first guideline: Attractive places to invest and work and the fifth: Technical Assistance.

	Guidelines	Planned EU investment (1)	Allocated to selected projects at Member state level End 2013 (million)	Allocated to selected projects at Member state level End 2014 (million) (2)	(2)/(1)%
1	Guideline: Attractive places to invest and work	138 229,5	139 295,4	152 282,7	110,2%
	Rail	23 429,8	19 778,4	23 940,4	102,2%
	Road	42 783,4	48 171,4	50 694,9	118,4%
	Other transport	16 104,6	15 845,6	17 124,9	106,3%
	Energy	11 951,8	10 831,5	11 691,9	97,8%
	Broadband	-	-	-	-
	Environment	43 959,9	44 668,5	48 830,6	111,1%
	Culture & social	-	-	-	-
2	Guideline: Improving knowledge and innovation for growth				
	Innovation & RTD	-	-	-	-
	Entrepreneurship	-	-	-	-
	ICT for citizens & business	-	-	-	-
	Other investments in enterprise	-	-	-	-
3	Guideline: More and better jobs				
	Human capital	-	-	-	-
	Labour market	-	-	-	-
	Social Inclusion	-	-	-	-
	Capacity Building	-	-	-	-
4	Guideline: Territorial Dimension				
	Territorial Dimension	-	-	-	-
5	Guideline: Technical Assistance	7 516,3	6 511,3	7 107,6	94,6%
	Technical assistance	7 516,3	6 511,3	7 107,6	94,6%
	TOTAL	145 745,8	145 806,7	159 390,3	109,4%

As indicated above, updated and validated figures and comments about 2007-2013 programmes' implementation will be available following the more detailed quality checks of the final reports submitted by Member States to be conducted until end August 2017.

III. Performance of the predecessor programme

Implementation (2007-2013) - Contribution to policy achievements

Evidence resulting from the ex-post evaluation exercise is provided in the section "Generated EU added value" below.

According to the data reported by Member States in the closure packages, although it could not yet be comprehensively reviewed, the positive long-term trends registered in previous years as regards most of ERDF/CF specific objectives are confirmed, with further acceleration of reported achievements in many of the investment areas in the final year of implementation of 2007-2013 programmes. No conclusions can however be drawn yet as regards performance against targets, as this will require a more comprehensive review of performance data reported by 2007-2013 programmes, which will be finalised by August 2017. According to the first estimates resulting from the available information, however, the final level of achievements is projected to be very close to the set targets or to exceed them.

With projects of the 2007-2013 programming period reaching the end of their implementation in 2015, significant progress towards targets set in the programmes is reported by Member States in the closure documents. Main outcomes reported by Member States up to 2015 are set out below.

Sustainable transport

Significant achievements were also reported by Member States in the final year of 2007-2013 implementation in the area of sustainable transport.

Remarkable progress was notably registered in relation to railway infrastructure, with increases respectively of 61% for new railway lines (including TEN-T) and of 42% for reconstructed railway lines. Overall, thanks to ERDF and CF support, the 2007-2013 programmes notably delivered some 36,000 km of reconstructed roads, close to 5,800 km of new roads, as well as more than 5,600 km of reconstructed railways.

Environment protection and infrastructure

The overall level of achievement as regards environment protection and infrastructure recently reported by Member States has also progressed significantly, confirming the trends registered last year. The most notable increases have been noted in relation to the additional population served by waste water (more than 4.3 million) and water projects (more than 3.7 million) compared to 2014. Overall, this represents an increase of reported achievements of 63% in the final year of implementation.

Energy and climate

A large number of projects carried out with ERDF support to increase electricity-generating capacity from renewables, a significant part of which in less developed regions. In particular, the additional capacity of renewable energy production reported by MS directly resulting from supported interventions at closure is close to reaching 5,000 MW.

In the same vein, a significant number of projects have been implemented to increase the energy efficiency of apartment blocks and public buildings, notably in the EU-12 countries where both types of building are heavy energy consumers. Benefits of these interventions directly accrue both to energy consumers and producers. The reported reduction of greenhouse emissions resulting from these interventions was 420,577 kt of CO₂ equivalents at closure.

EU added value

While it is very difficult to identify the elements of the macroeconomic trends captured by the EU2020 targets which can be directly attributed to Cohesion Policy, concrete contributions to the objective of sustainable growth across many policy areas and Member States do result from the implementation of Cohesion Policy interventions. As the largest source of EU funds to regions, localities and enterprises, ERDF and CF have continued to play a pivotal role in helping Member States to conciliate their fiscal consolidation constraints with the support to long-term investments strategies which are necessary to recover from the crisis and return to job-creating growth. Overall, the role of Cohesion Policy in supporting growth-friendly expenditure has become even more important than before, with cohesion funding representing more than 60% of the public investment budget in a number of countries, notably the beneficiaries of Cohesion Fund support. This situation should remain unchanged in the near future.

The ex-post evaluation for the 2007-2013 programming period was completed in 2016, with thematic work packages examining achievements in the areas of Transport, Environment, Energy Efficiency, as well as delivery mechanisms. The work included several in-depth case studies and several seminars with the Managing Authorities and stakeholders were organised to disseminate and discuss findings.

Evidence resulting from the exercise shows that Cohesion Policy for 2007-2013 had a measurable impact in all regions and Member States (including EU Budget net contributors). 1 euro invested in the 2007-13 period will generate 2.74 € of additional GDP by 2023. In other words, investments by the 3 Funds in the period 2007-13 will have generated nearly a trillion EURO in additional Gross domestic product by 2023. The most important results were produced in the less developed regions. In Poland for example, the impact on GDP was 4.3% in 2015 and it is expected to be even higher in the medium run (5.6% in 2023). For the EU-12 as a whole, the impact on GDP is estimated at around 4%.

Among the lessons which can be drawn from the individual work packages as regards the added value of support in the main funding areas covered by Cohesion Fund, the following are particularly noteworthy:

- **Sustainable transport:** A number of public transport projects were supported over the 2007-2013 period which had the effect of reducing congestion in cities and improving the urban environment as well as reducing travel times. By encouraging investment in rail and in urban transport, cohesion policy has contributed to environmentally friendly transport. Member States highlighted the important role of cohesion policy funding in supporting large, complex projects, which were particularly evident in the rail sector. In their opinion, such projects may not have been undertaken in the absence of cohesion policy funding. With regard to the development of sustainable transport measures, Cohesion policy was viewed by stakeholders as a key enabler.

Lessons learnt: Continuing issues were found regarding the capacity of some Member States to plan and develop major infrastructure projects, difficulties in combining cohesion policy funding with private finance in PPP structures, and a need for greater clarity for Member States on the application of State Aid rules to transport investments. Some weaknesses were also noted in the reporting of output indicators by some Member States, resulting in data inconsistencies. The structures for gathering this information have now improved and this issue is not expected to recur in 2014-2020. The partition of programming periods was also cited by some stakeholders, including JASPERS, as generating political pressure lowering the quality of project preparation and increasing the risks of contractors submitting low and unsustainable tender prices, notably in newer Member States. Longer experience in cohesion policy programming periods and improvements in the

strategic planning of transport in Member States will address these issues in the current programming period. In particular the preparation of a national transport strategy is now an ex-ante conditionality for cohesion policy funding of transport.

- **Energy efficiency:** This investment area shows a significant increase in total allocation during the 2007-13 period compared to the initial allocation (+45%). This can be partly attributed to a change in eligibility criteria in 2009 allowing for (more) investments in the energy efficiency (EE) of residential buildings. Available evidence also points to an overall improvement in the policy context during the programming period (e.g. EE plans, Energy Performance Directive), as Member States have developed their EE national policies and have refined their approach to EE in buildings. As regards supported interventions, a strong preference was noted for non-repayable grants (90%), and a preference for public buildings rather than residential ones. There are great variations across countries with regard to: type of financing instrument chosen, type of buildings supported and the impact of the 2009 economic crisis. The evaluation found several examples of good practice concerning the use of financial instruments.

Lessons learnt: Programmes would need to spell out clearly the rationale for the use of EU funding to support investments in energy efficiency in buildings showing how it relates to national energy policy and to the support available from national and regional schemes so as to demonstrate the coherence of the policy and its justification. This has already been implemented under the result-orientation for 2014-2020 and more specifically in the formulation of specific objectives in the programmes. Bearing in mind the long term energy cost reduction for building owners, loans or other kinds of financial instrument are likely to be preferable to grant support for energy efficiency measures. Awareness-raising campaigns might be needed to overcome initial reservations. This is already implemented under the general expansion of the scope of financial instruments in 2014-2020. Other points of reflection include energy audits, which should be a standard part of project selection criteria to identify the reduction in energy use intended and to verify its achievement. In addition, financial support should be complemented by a range of non-financial measures, including advice and guidance, certification schemes and building regulations.

- **Environment protection and infrastructure:** Environment has been an important focus for support from Cohesion Policy since 1989. Along with transport, it is one of the policy areas also eligible for financing from the Cohesion Fund on the grounds that it is important to have common environmental standards across the EU - both for the health of people and to protect the eco-system. The entry of the EU 12 countries further increased the need for environmental investments. Thanks primarily to ERDF/CF, convergence countries in particular saw a significant shift in the disposal of waste away from landfill towards recycling. As an example, in Bulgaria the proportion of waste which was landfilled was reduced from 80% to 70% between 2007 and 2013; in Poland, the share of municipal waste going to landfills was reduced from 90% to 53%, while the share of waste going to recycling increased from 6% to 16% and the share composted rose from 6% to 13%. Likewise, the ERDF/CF greatly contributed to improving water and waste water treatments primarily in Convergence regions, as well supply of clean drinking water.

Lessons learnt: Many environmental projects are complex and require a high level of competence in the authorities concerned, which may not exist in smaller authorities which only undertake such projects occasionally. Since waste management projects in smaller local authority areas are likely to become more important in future years (in line with the Waste Framework Directive), this is an issue deserving attention. Projects need to be carefully prepared before being implemented to minimise problems and reduce maintenance costs. Managing authorities should be encouraged to allow sufficient time for this and the procurement process needs to give proper weight to the quality of proposals. REGIO is already addressing this need for improved capacity at MA level by widening the scope of Jaspers support, as well as through awareness-raising and information dissemination activities linked to the new cost/benefit guidelines.

HEADING 1B: Economic, social and territorial cohesion**Fund for European Aid to the Most Deprived**

Lead DG: EMPL

I. Programme update**Implementation status (2014-2016)**

2015/2016 saw the rollout of FEAD operational programmes on the ground. By the end of 2016 FEAD was achieving results in the vast majority of Member States both in terms of provision of material assistance, as well as social inclusion activities for the most deprived persons. In June 2016 Member States submitted their annual implementation reports for 2015, which show acceleration in the implementation of programmes compared to 2014.

By the end of the year, 25 MS had completed the procedure for designation of authorities. By 31/12/2016 the Commission had made payments in the amount of EUR 732,3 million, out of which EUR 312,8 million in the form of interim payments.

Further progress was achieved with the FEAD legislative framework, as the last 2 outstanding legislative acts (implementing act with the template for the structured survey on end recipients and the delegated act on irrecoverable amounts) were adopted and published in 2016.

2016 also saw the start of the FEAD Network. A launch conference took place in June 2016, which brought together 200 FEAD stakeholders from all EU Member States and three thematic meetings took place in autumn.

Key achievements

The 2015 implementation reports point towards the following programme achievements:

- It is estimated that 22.38 million people benefitted from FEAD food and material assistance cumulatively until end of 2015, out of which 50% women, 30% of end-recipients were children, 9% of end-recipients were persons aged 65 years or above, 12% of end-recipients were migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma), 4% of end-recipients were persons with disabilities and 6% of end-recipients were homeless persons.
- Over 563 208 tonnes of food were distributed cumulatively until end of 2015.

In the period September-November 3 FEAD Network meetings took place, which were dedicated to the different aspects of FEAD that aim to contribute to the social inclusion of the most deprived persons. The meetings allowed participants to present case studies, share challenges and solutions on issues of common interest in the delivery of FEAD activities

Evaluations/studies conducted

Following the Regulation requirements, the Commission prepared and approved the template for structured survey on end recipients. This survey is to be carried out in 2017 and 2022 by all Managing Authorities implementing OP I.

The mid-term evaluation of FEAD is ongoing and shall be presented to the European Parliament and to the Council by 31 December 2018.

Forthcoming implementation (2017-2018)

In 2017/2018 it is expected that the FEAD will reach its full capacity.

In the first semester of 2017 the Commission will adopt the summary of the 2015 FEAD annual implementation reports. The document will contain information about the implementation of FEAD programmes at the end of 2015.

A number of events have been planned as part of the FEAD Network.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived	2014 - 2020	

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Total	502,0	536,6	535,1	546,3	556,9	568,4	579,7	3 825,1

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	535,583	99,92 %	461,629	60,26 %	546,257	81,89 %	441,717	12,66 %
Authorised appropriation excluding external earmarked revenue	535,583	99,92 %	461,629	60,26 %	546,257	81,92 %	441,717	12,66 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Europe 2020 strategy for smart, sustainable and inclusive growth is based on a balanced vision of economic growth and social progress based on ambitious targets for employment, education and for poverty reduction. Poverty and social exclusion are major obstacles to the achievement of the Europe 2020 objectives.

The FEAD complements existing cohesion instruments, in particular the ESF, by providing assistance to those who are too excluded, too far from the labour market to benefit from the activation measures of the ESF.

By addressing basic needs, the instrument helps moderate the effects of poverty and social exclusion of people who find themselves in situations of severe deprivation. By enabling the most deprived members of the society to maintain their dignity and human capital it should contribute to strengthening of social capital and social cohesion within their communities.

Contribution to Europe 2020 headline targets

20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Inclusive Growth (employment and skills, fighting poverty) 100% line 04 06 01	544,4	555,3

Gender mainstreaming

Article 5(11) of the FEAD Regulation obliges Member States to ensure that equality between men and women and the integration of the gender perspective are taken into account during the various stages of programme implementation. Based on the information provided in the 2015 implementation reports, 47% of all persons who benefited from FEAD in 2015 are women (50% cumulatively). In the majority of cases, the most deprived individuals are identified on the basis of economic criteria, which prevent discrimination in access to aid based on gender, origin, religion or belief, disability or sexual orientation. This is however a general principle applied across the implementation of the programme and it is not relevant to produce estimate of budget contributions.

4. Performance information

General objectives

General Objective 1: To promote social cohesion, enhance social inclusion and therefore ultimately contribute to the objective of eradicating poverty in the Union in accordance with the Europe 2020 Strategy

Indicator 1: People at risk of poverty or social exclusion			
Baseline (in million)	Milestones foreseen		Target 2020
2013: 122,9	NA		At least 20 million people fewer than in 2008 (116,2)
	Actual results		
	2014	2015	
	122,3	118,8 ¹	

Specific objectives

Specific Objective 1: Alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most deprived persons

¹ data from EUROSTAT - [t2020_50] - People at risk of poverty or social exclusion

Indicator 1: Number of persons receiving assistance from the Fund							
Baseline	Milestones foreseen ²						Target 2020 ³
	2014	2015	2016	2017	2018	2019	
0*	8 million	15 million	15 million	15 million	15 million	15 million	98 million
	Actual results						
	8,19 million	14,19 million	***				

* The FEAD is a new Fund, hence with a baseline at 0. The figures used in the framework of the existing Food assistance programme are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

** It is estimated that cumulatively until end of 2015 50% of end-recipients were women, 30% of end-recipients were children, 9% of end-recipients were persons aged 65 years or above, 12% of end-recipients were migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma), 4% of end-recipients were persons with disabilities and 6% of end-recipients were homeless persons.

*** In 2014 the Commission and the Member States agreed on a common set of output and result indicators on which the Member States will report annually (in the annual implementation reports) from 2015 to 2024 for both types of OPs. The reporting will be done at programme level. As there is no requirement for Member States to set targets for those common indicators, the Commission made forecasts based on actual performance to establish the milestones and 2020 target. Those will be revised if necessary. The next set of data on 2016 achievements will be delivered by MAs by 30 June 2017.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of deprived persons receiving assistance from the Fund	04 06 01	15 million	557,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of deprived persons receiving assistance from the Fund	F	8 million	15 million	15 million	15 million	15 million	15 million	15 million
	P	8,19 million	14,19 million	Information due mid-2017*				

* Note concerning all tables for FEAD indicators: data for 2016 will be submitted by end of June 2017 by Member States.

Justification of changes to the financial programming and/or to the performance information

The changes in the performance information reflect the fact that a larger number of Member States achieved results on the ground in 2015. It should also be taken into account that Member States provide the Commission with estimations about the number of end recipients, rather than an actual count of the individuals benefitting from the Fund.

5. Programme contribution to the Sustainable Development Goals

The FEAD promotes social cohesion, enhances social inclusion and ultimately contributes to achieving the EU2020 poverty reduction target. The FEAD contributes to the specific objective of alleviating the worst forms of poverty by providing non-financial assistance to the most deprived persons.

Approximately 87% of the support of the fund has been allocated to reducing food deprivation, and the FEAD also finances specific actions to promote the social inclusion of the end recipient. In this way the implementation of the FEAD will contribute to the following UN 2030 Sustainable Development Goals:

- Goal 1: End poverty in all its forms everywhere
- Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 10: Reduce inequality within and among countries.

² Annual values
³ Cumulative value



▶ **HEADING 2**

**Sustainable growth:
natural resources**

HEADING 2: Sustainable growth: natural resources

Common Agricultural Policy (CAP) - European Agricultural Guarantee Fund (EAGF) and European Agricultural Fund for Rural Development (EAFRD)

Lead DG: AGRI

EU added value, general objectives and contribution to the Sustainable Development Goals

EU added value (ex-ante) CAP

The Common Agricultural Policy (CAP) is a policy of strategic importance to: viable food production; the sustainable use of natural resources, and climate action; and balanced territorial development. Through these three general objectives it contributes to the smart, sustainable and inclusive growth described in the Europe 2020 strategy, while also helping to achieve the 2014-2020 Commission priorities and many of the United Nations Sustainable Development Goals (SDGs). It does so through a range of policy tools which offer finance to the farm, food and forestry sectors, as well as to various other entities operating in rural areas – such as other non-agricultural businesses, non-governmental organisations (including environmental bodies) and local authorities. Impact assessment work carried out to prepare the legislative proposals for the 2013 CAP reform clearly showed a high economic, environmental and social cost of "no policy action" in this domain.

The CAP is a genuinely "European" policy. Although Member States enjoy significant powers concerning detailed implementation of the CAP – and although support for rural development under the second pillar of the CAP draws not only on EU level but also national, regional and private funds – the policy is clearly "common", based on well-defined rules and mechanisms and funded primarily by the EU budget. Such a common policy allows a more effective response to transnational goals and cross-border challenges - such as food security, mitigating climate change, enhancing biodiversity and contributing to economic and social cohesion. It also ensures a level playing field in the single market and a stronger position in trade negotiations. The fact that the CAP accounts for a significant proportion of the EU budget flows naturally from its ambitious scope and from this status as an EU level policy. However, the overall approach offers both the most effective response to the policy challenges identified and the most efficient use of budgetary resources, as the running of 28 different and competing national policies would be less effective and more costly. Nevertheless, the approach also allows sufficient flexibility in implementation to cater for local needs.

General objectives

General Objective 1: To promote a viable food production

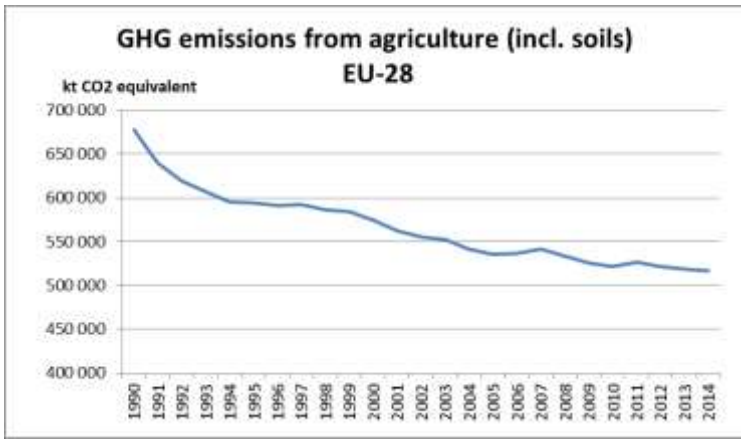
Indicator 1: Agricultural factor income					
Former situation				Evolution	Long term target
Definition: Real net value added at factor cost per annual work unit (AWU) (EU-28) ¹					
2011	2012	2013	2014	2015	To increase
14 862,2	14 585,4	15 410,7	15 158,9		
In 2015, Eurostat changed the base year for the economic accounts for agriculture from 2005 to 2010, which has retroactive effects on values published previously. The Eurostat has also updated values for previous years.					

Indicator 2: Agricultural productivity		
Former situation	Evolution	Long term target
106,4 (index 2005 = 100)	108,7 (2015)	To increase

¹ Change in baseline necessary in order to align the definition with the agreed method for the underlying CAP impact indicator.

Indicator 3: EU commodity price variability ²								
Former situation				Evolution				Long term target
Coefficient of variation Commodity	World Jan 2013- Dec 2015	EU Jan 2013- Dec 2015		Coefficient of variation Commodity	World Jan 2014- Dec 2016	EU Jan 2014- Dec 2016		EU variability lower than the world market
Beef	13.5%	2.5%		Beef	14.5%	2.2%		
Poultry	19.6%	11.0%		Poultry	25.3%	9.1%		
Pig	4.8%	2.7%		Pig	2.7%	3.7%		
Soft wheat	14.2%	13.3%		Soft wheat	15.9%	9.7%		
Maize	23.3%	15.6%		Maize	11.3%	6.4%		
Barley	15.3%	11.2%		Barley	14.5%	10.4%		
Butter	16.6%	12.8%		Butter	17.9%	13.1%		
Cheese (Cheddar)	15.6%	10.6%		Cheese (Cheddar)	20.2%	14.1%		
Skimmed milk powder (SMP)	34.1%	20.0%		Skimmed milk powder (SMP)	38.0%	20.1%		
Whole milk powder (WMP)	32.9%	23.6%		Whole milk powder (WMP)	31.6%	25.0%		

General Objective 2: To promote a sustainable management of natural resources and climate action

Indicator 1: Emissions from agriculture		
Former situation	Evolution	Long term target
Greenhouse gas emissions from agriculture (incl. soils) 518 694 (2013) (in 1 000 t of CO2 equivalent)	516 184 (2014) (in 1 000 t of CO2 equivalent) Long-term trend 	To decrease

Indicator 2: Water abstraction in agriculture: volume of water applied to soils for irrigation purposes		
Former situation	Evolution	Long term target
39 833,6 (in million cubic metres) (2010) 27 914 (in million cubic metres) (2012) ³	No more recent data available ⁴	To decrease

² World prices are in dollar in order to eliminate the effect of the currency variability

³ Source: Eurostat. MS included: BG, CZ, DK, ES, FR, CY, LT, MT, NL, PL, RO, SI, SK, UK

⁴ The Commission is unlikely to receive any new data for this indicator. The introduction of volume of water used into farm-level surveys proved not to be feasible. Moreover, it proves that the volume of water applied in any given year depends very much on the weather and as such the indicator's results might not be representative.

General Objective 3: To promote a balanced territorial development

Indicator 1: Rural employment rate

Former situation	Evolution	Long term target																		
63,5% (2013 – EU 28)	<p style="text-align: center;">65,0% (2015 – EU 28)</p> <table border="1"> <caption>Employment rates in rural areas, EU-28</caption> <thead> <tr> <th>Year</th> <th>Employment Rate (%)</th> </tr> </thead> <tbody> <tr><td>2008</td><td>64.8%</td></tr> <tr><td>2009</td><td>62.8%</td></tr> <tr><td>2010</td><td>62.7%</td></tr> <tr><td>2011</td><td>62.5%</td></tr> <tr><td>2012</td><td>63.4%</td></tr> <tr><td>2013</td><td>63.5%</td></tr> <tr><td>2014</td><td>64.3%</td></tr> <tr><td>2015</td><td>65.0%</td></tr> </tbody> </table>	Year	Employment Rate (%)	2008	64.8%	2009	62.8%	2010	62.7%	2011	62.5%	2012	63.4%	2013	63.5%	2014	64.3%	2015	65.0%	To increase
Year	Employment Rate (%)																			
2008	64.8%																			
2009	62.8%																			
2010	62.7%																			
2011	62.5%																			
2012	63.4%																			
2013	63.5%																			
2014	64.3%																			
2015	65.0%																			

CAP programme's contributions to the Sustainable Development Goals

Bellow a summary of the CAP programmes' main contributions to the Sustainable Development Goals, i.e. those set out in Commission Staff Working Document⁵; other, second-tier contributions are not mentioned. Instances of how the CAP contributes to a given priority are examples only: the account is not exhaustive.

Sustainable Development Goal	CAP contribution
1. End poverty in all its forms everywhere	<p>The CAP aims to ensure a fair standard of living for farmers – and more broadly, to reduce poverty in rural areas.</p> <p>Relevant CAP tools include direct payments to farmers, market support instruments, and rural development support for job creation and training (agricultural and non-agricultural).</p>
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<p>The CAP aims to help provide a stable (as well as safe and sustainably produced) supply of food at reasonable prices for consumers. Doing so for EU consumers contributes in itself to global food security. The EU makes a further contribution by exporting large amounts of food (worth around EUR 120 billion a year) – but without export refunds, in contrast to previous decades.</p> <p>Relevant CAP tools include direct payments and market instruments (to safeguard production potential against serious disruption), the EU School Fruit and Vegetables and School Milk Schemes (which encourage healthy diets among schoolchildren), and the various tools which foster the environmental aspect of sustainability (see SDG 15).</p>
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>The CAP aims to improve knowledge transfer in the farm and forestry sectors and in rural areas overall, as a means of achieving various ends.</p> <p>Relevant tools include support through rural development programmes for training, coaching, workshops, demonstration projects, use of tailored advice etc. – for persons engaged in the agriculture, food and forestry sectors, as well as for land managers and SMEs operating in rural areas.</p>
6. Ensure availability and sustainable management of water and sanitation for all	<p>The CAP aims to foster sustainable management of natural resources. This explicitly includes the objectives of improving water management (including in terms of water quality) and making the farm sector more water-efficient.</p>

⁵ SWD(2016) 390 final

	<p>Pertinent tools include the water-relevant components of cross-compliance and "greening" (see SDG 15 for further information), various payments through rural development programmes to make farming less intensive (especially agri-environment-climate measures), and support for investments in more efficient irrigation systems.</p>
7. Ensure access to affordable, reliable, sustainable and modern energy for all	<p>The CAP aims to increase efficiency of energy use in farming and food processing, as well as to facilitate the supply and use of renewable sources of energy.</p> <p>Relevant tools include rural development support for investments in generating renewable energy (including on the farm) and in infrastructure for its distribution – with regard to biomass and other renewable sources (for solar, geothermal and wind power).</p>
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>The CAP aims to improve the viability of all types of agriculture in all regions, as well as to foster wider social inclusion and reduce poverty in rural areas.</p> <p>Relevant tools include direct payments and market instruments (for the development of the farm sector, to which many other sectors are connected), as well as rural development support for business start-ups (for new young farmers and non-agricultural businesses) and investments in further business development.</p>
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<p>The CAP aims to foster innovation in agriculture, forestry and rural areas, as well as to help provide what is needed for general economic development in rural areas (including access to IT services).</p> <p>Relevant tools include rural development support for the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors (especially through the European Innovation Partnership for Agricultural Productivity and Sustainability) as well as for broadband infrastructure, general small-scale infrastructure and training.</p>
12. Ensure sustainable consumption and production patterns	<p>The CAP aims to help provide a stable (as well as safe and sustainably produced) supply of food at reasonable prices for consumers.</p> <p>With regard to the key tools which help to ensure environmentally sustainable production, see SDG 15.</p>
13. Take urgent action to combat climate change and its impacts	<p>The CAP aims to assist climate change mitigation and adaptation.</p> <p>Relevant tools include those elements of cross-compliance and "greening" (see SDG 15) pertinent to climate change - as well as rural development support for a range of practices and investments that cut greenhouse gas and ammonia emissions from farming (e.g. through more climate-friendly equipment), fix carbon in the soil (e.g. through forest-planting) and make farming more climate-resilient (e.g. with less water-intensive cropping patterns).</p>
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<p>The CAP aims to ensure the sustainable use of natural resources – including in terms of biodiversity, soil, water and landscapes.</p> <p>A wide range of tools are relevant. Within the system of direct payments to farmers, "cross-compliance" links payments to various basic environmental standards. Beyond that, the "greening" layer of the system rewards farmers for implementing crop diversity, preserving permanent grassland and maintaining biodiversity-friendly zones or landscape features. Within rural development policy, various area-based payments help farmers to pursue organic farming, implement certain Natura 2000 requirements, farm sustainably in areas facing natural disadvantages (especially mountainous areas), and (through agri-environment-climate measures) make extra efforts to benefit soil, water, air and wildlife. Support for eco-friendly investments can cover resource-efficient technologies, establishment of landscape features, and various forest-related activities (planting, protection against fire and other natural threats etc.) Support for training, the use of advice, and innovation is also relevant.</p>

European Agricultural Guarantee Fund (EAGF)

I. Programme update

Implementation Status (2014/2016)

For the EAGF which finances direct payments to farmers and market related expenditure, implementation during the initial years of the MFF 2014-2020 has been largely as expected, except for some exceptional market support measures of limited duration that were adopted in years 2014-2016.

Market related expenditure

Within the Common Market Organisation (CMO) sector-specific support programmes are operating at various points in their respective life cycles. For example, for the wine national support programmes 2014–2018 is the second programming period since the reform in 2009. The apiculture programmes follow a three year programming period, with 2017 the first year of the new three-year programme. Support for producer organisations in the fruit and vegetables sector is implemented on the basis of annual plans as provided for in the 2008 reform. In general, implementation is on track with a positive evolution of the execution over the years and no significant implementation difficulties. School year 2016/2017 is the last year of implementation of the school fruit and vegetables scheme and of the school milk scheme. They are brought together under a single legal framework for greater efficiency, more focused support and an enhanced educational dimension applicable as of 1 August 2017.

Additional market support measures such as private storage aid and public intervention for certain dairy products were kept in place. In addition, exceptional market measures covering targeted aid, exceptional adjustment aid and aid for milk production reduction for dairy farmers were implemented due to the particularly unfavourable market developments of 2015 and 2016. Exceptional support measures for certain producers of fruit and vegetables have been implemented since the second half of 2014 in view of the continued Russian import embargo on certain EU agricultural products.

Direct payments

For direct payments, financial years 2014 and 2015 covered pre-reform schemes. In addition in 2015 EAGF covered already some elements of the 2013 CAP reform, including the convergence of the direct payments' aid levels between Member States ("external convergence"). As of financial year 2016 the new structure of direct payments has been financed. Beyond the compulsory elements of the new direct payments scheme, Member States have considerable flexibility in the implementation, following their main implementation choices made in 2014¹. These choices allow Member States to target support at their specific priorities.

On the administrative level, the Commission services have since 2014 assisted Member States in the challenge of preparing and implementing direct payments through, for example, guidance documents or discussions in expert group meetings. The on-going implementation of the reform of direct payments affected the timing of payments by Member States to farmers in financial year 2016 which in certain cases have been made later than usually. It is expected that Member States' implementation of the direct payments during 2017 and subsequent years will further improve.

Key achievements

Market related expenditure

Various market measures such as the prolonged exceptional withdrawal of fruit and vegetables, the extended storage measures in the dairy and pig meat sectors, and exceptional measures covering adjustment aid and aid for milk production reduction for dairy farmers, have helped rebalance the sectors concerned. They effectively helped to increase prices for farmers, proving much-needed support to affected producers in the Member States. European agriculture showed its resilience, finding alternative markets at home and abroad (in particular in Asia and the US), as evidenced by the trade statistics: for the 12-month period December 2015 to November 2016, EU agri-food exports reached a value of EUR 130.7 billion, marking a year-on-year increase of 2% in value terms, despite the continued loss of the Russian market.

Total export values over the last 12 months reflect in particular the recovery in pig meat exports (EUR +1.3 billion; +34% year-on-year), meat offal, other meat and fat (EUR +0.5 billion; +21%), olive oil (EUR +483 million; +22%), and fresh vegetables (EUR +381 million; +14%). In relative terms, high increases in export values were also seen for oilseeds (+31%) and butter (+25%). Equally, the success of wine national support programmes is witnessed by the long-term development of EU wine exports - which, between 2012 and 2015, continued to increase in value from EUR 8.9 billion to EUR 9.8 billion and brought a net contribution of EUR 7.1 billion to the EU trade surplus. This trend appears to have continued in 2016: in November 2016 wine exports sustained year-on-year expansion (EUR +81 million vs. 2015 November figure, with net contribution to trade surplus expected to increase to EUR 7.4 billion).

¹ See http://ec.europa.eu/agriculture/direct-support/direct-payments/docs/implementation-decisions-ms_en.pdf and https://ec.europa.eu/agriculture/sites/agriculture/files/direct-support/direct-payments/docs/simplementation-decisions-ms-2016_en.pdf

Nevertheless the downward price evolution in some vulnerable sectors persisted which justifies continued intervention to keep the market in balance and support the producers in finding alternative outlets or production.

Direct payments

In 2015, first year of implementation of the reformed system, about 7.5 million farmers benefited from direct payments. The total determined area paid covers some 90% of the EU Utilised Agriculture Area (155.5 million ha). Various substantial changes have been made to the direct payments system which have made it more efficient than its predecessor and have ensured that it delivers better value for money. Distribution of payments is more balanced thanks to a system of convergence between and within Member States: first data show that the average direct payments per hectare are converging (at Member State and farmer levels). Payments are also better targeted, thanks to new payment schemes (some mandatory for Member States, some only optional) addressing the particular needs of the young farmers, smaller farmers and specific sectors or regions with structural problems. The relevance of the new flexibility in the system is illustrated by the range of implementation decisions made by Member States, e.g. the modalities for implementation of the young farmers' scheme, the application of the small farmers' scheme, or the aid for areas facing natural constraints and the range of measures implementing voluntary coupled support.

New in the reformed CAP is the "greening" layer of direct payments, accounting for 30 percent of Member States' annual direct payment ceilings. To receive this layer of payments, farmers must meet three categories of generalised, non-contractual and annual obligations beneficial for the environment and climate: crop diversification, maintenance of permanent grassland, and the dedication of five per cent of arable land to ecologically beneficial areas ("ecological focus areas", or EFAs). 72% of the total EU agricultural area is subject to at least one "greening" obligation.

Common monitoring and evaluation framework

As a part of the CAP reform, a common monitoring and evaluation framework has been improved and expanded to provide reliable information on the extent to which the CAP as a whole is achieving its objectives. This framework includes a set of common impact indicators for the overall CAP, as well as separate result and output indicators for the CAP's first pillar (direct payments and market related expenditure) and second pillar (support for rural development).

As required by Regulation (EU) No 1306/2013, a first report on the CAP implementation and first results will be presented by the end of 2018. By the end of 2021 a further report will present a more comprehensive assessment of the impact of the CAP.

Simplification

In early 2015 the Commission services (Directorate General for Agriculture and Rural Development) screened the entire agricultural acquis to identify potential for simplification. At the same time, upon an invitation from the Commission, Member States, other EU institutions and stakeholders have submitted more than 1 500 proposals for simplifying the CAP. This exercise was followed by a series of changes to regulations and guidance documents to the benefit Member States' administrations and farmers.

Before the end of 2015, legislative amendments had already entered into force concerning: extending the deadline for support applications; flexibility in relation to voluntary coupled support; eligibility for the young farmers' payment in the case of farms managed jointly; and five simplifications of the Integrated Administration and Control System (IACS) - including the introduction of preventive preliminary cross-checks. Furthermore, changes were made to guidance documents on direct payments in relation to the implementation of ecological focus area.

At the end of 2015 a number of additional initiatives such as changes of the rules for administrative penalties under IACS were at a very advanced stage of preparation and were finalised in 2016. As a further package, the Commission undertook in 2016 the review of certain greening rules after the first year of its application, conducted in the framework of simplification but also as a follow-up to Commission's commitment of 2014 to examine the administrative burden arising from the new rules; the impact on the level playing field for farmers of implementation by Member States; and the impact on production potential. Resulting from the review, the Commission is pursuing amendments of certain greening rules set in Delegated Regulation (EU) No 639/2014 to better specify what is required from farmers, eliminate certain technical requirements, provide more flexibility for farmers or alternative solutions where this would increase the environmental and climate benefit of greening and harmonise selected requirements and conditions.

In the area of the CMO, several sector specific-rules have been simplified. These simplifications have been carried out in the framework of the alignment of the Commission-level regulations to the Lisbon Treaty. The alignment exercise will reduce the number of regulations from more than 200 to 40. Specifically the common legal framework for the school fruit, vegetables and milk scheme approved in 2016 and applying as from 1 August 2017 will reduce the administrative and organisational burden and simplify obligations: Member States will draw up only one strategy, covering a period of 6 years, and submit only one annual request for aid; synergies will be possible as regards the required monitoring and evaluation reports and, in general, as regards implementation of the scheme (distribution of products, educational measures etc.).

At the level of basic acts, the Commission's proposal for a so-called "Omnibus Regulation"² includes a range of more technical changes to the 4 basic regulations of the CAP. These proposals directly follow from the comprehensive screening of the CAP legislation in 2015 and cover simplification in a broad sense, including flexibility and subsidiarity. The proposals concentrate,

² COM(2016) 605 final

amongst others, on support for rural development (e.g. to boost the use of financial instruments), and on direct payments (with simplifications of the rules on active farmers and young farmers).

Evaluations/ studies conducted

In 2016, studies were completed (though not all have yet been published) on the following subjects:

- the impact of free trade agreements on EU agriculture;

This study found that trade agreements have helped to boost EU agricultural exports and supported jobs in the agri-food sector and other sectors of the economy. It showed on an example of 3 countries that the agreements contributed to increased trade in both directions, with increased EU exports and increased imports of products, giving EU consumers and business greater access to agri-food products. In addition these reflect mainly a replacement of imports from other third countries or an increase in EU consumption – so with no impact on EU domestic production.

https://ec.europa.eu/agriculture/external-studies/2016-bilateral-trade-agreements_en

- the distribution of value added in the organic food supply chain;

This study investigated the creation and distribution of added value in a number of organic supply chains in different EU countries. The results suggest that higher added value is created in organic compared to conventional supply chains. No evidence was found however that the relative share of organic farmers in the total added value differs substantially from that of conventional farmers. Investments in quality aspects, increased consumer interest in organic food, differentiation of products as well as efficiency in supply chain management are all relevant factors that contribute to higher added value.

It will be available via: http://ec.europa.eu/agriculture/external-studies_en

- the state of play concerning inter branch organisations in the EU;

This study aims to provide a comprehensive inventory of national legislation and Member States actions on interbranch organisations (IBOs) and to analyse the functioning and benefits of the IBOs. It comes to the conclusion that regulation is not sufficient for successful functioning of IBOs. The sector must be well structured and not too many conflicts pending between the different parts of the chain. The study emphasises that what is needed is an IBO concept; a well-established relationship of the various actors, but in particular with the government. IBOs challenges are reconciliation of interests of the actors in the chain with other parties and the respect of competition rules. The benefits of IBOs are not measurable but many positive aspects of IBOs are identified, which lead to an improvement of the chain operation and then, indirectly, also generate benefits for the agricultural producers.

https://ec.europa.eu/agriculture/external-studies/2016-interbranch-organisations_en

- mapping and analysis of the implementation of the post-2013 CAP;

This study provides a review of the choices made by the 28 Member States in the two pillars of the CAP as well as a qualitative analysis of the potential impact of these choices. It confirms that the new flexibilities in the CAP resulted in a more diversified implementation. Member States' choices are generally coherent, but opportunities for synergies could be better exploited. In the short term, it is recommended to encourage the exchange of good practices between countries to promote smart simplification and reduce administrative burden. For the CAP post 2020, Member States should be encouraged to establish a long term strategy that takes into account the CAP objectives.

https://ec.europa.eu/agriculture/external-studies/mapping-analysis-implementation-cap_en

- the European Innovation Partnership (EIP) on Agricultural Productivity and Sustainability;

This study shows that EIP's bottom-up and farmer-led approach is truly distinctive and highly appreciated by stakeholders. The EIPs are perceived as valid and important regarding incentivising innovative farming practices and fostering a competitive and sustainable agriculture and forestry sector. The EIP is found to be a flexible tool linking research and practice whereby farmers are more likely to become involved. The EIP's effectiveness could be though increased and their potential boosted in several ways.

- the influence of water intake on water/protein ratios from scalding to chilling.

This –very technical- study has provided a comprehensive account of the current technologies used in the processing of poultry in the European Union and the amount of technologically unavoidable water added to broiler chickens by different chilling methods. Although this study has provided valuable information, data sets for some of the variables studied were small so the results from this study should be treated with caution.

https://ec.europa.eu/agriculture/external-studies/2016-water-in-poultrymeat_en

In addition, analytical work was completed for the "Evaluation of measures for agriculture carried out for the Outermost Regions (POSEI) and the smaller Aegean Islands".

The objective of this evaluation is to assess the impacts of the measures carried out for the outermost regions within the context of the CAP with respect to achieving the objectives laid down in the relevant CAP legislation. The evaluation concludes that the programmes are effective in covering most specific needs. Production levels have been maintained but are not necessarily secured for the long-term future. At the financial level, the EU support allows a higher degree of stability and security as compared to State aid.

The report is available at:

https://ec.europa.eu/agriculture/evaluation/market-and-income-reports/outermost-regions-smaller-aegean-islands_en

Forthcoming implementation (2017/2018)

For direct payments, Member States will in 2017 have the opportunity to review certain choices which they have made in the implementation of direct payments (in particular, concerning flexibility between pillars by adding to the transfers from the first to the second pillar only).

Modification of the Delegated Regulation (EU) No 639/2014 is scheduled for adoption in the 1st quarter of 2017. Changes concerning greening resulting from the 2016 review will become applicable in 2018. However, Member States may already apply them in 2017. In addition, in the spring 2017, the Commission presented a report on the implementation of the EFA obligation.

As regards to the CMO, various developments will occur concerning sector-specific support programmes, according to the stages reached in their respective life cycles. For example, new delegated and implementing regulations are expected to enter into force for the fruit and vegetable programmes – bringing various clarifications and simplifications.

Wine national support programmes are expected to be continued after 2018. Promotion, reconversion and restructuring, harvest insurance, investments and innovation measures are to be continued under a new programming period.

A new information and promotion policy is applicable since 1 December 2015. The annual work programme setting out the strategic priorities for promotion measures in 2017 is implemented through the publication of calls for proposals (12 January 2017). In comparison to the 2016 Annual Work Programme, new priorities have been introduced, namely for multi programmes, increasing the awareness of sustainable agriculture and the role of agriculture for climate action on the internal market and for simple programmes promoting beef in third countries. A specific envelope for promotion campaigns on dairy and pig meat in third countries has been retained.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008. Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Total	43 778,1	43 454,9	42 219,1	42 612,6	43 518,3	44 240,5	44 263,2	304 086,6

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	45 641,620	97,03 %	45 646,908	96,58 %	44 123,373	62,98 %	44 270,354	62,61 %
Authorised appropriation excluding external earmarked revenue	45 641,620	97,03 %	45 645,518	96,55 %	44 123,373	62,98 %	44 270,292	62,25 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante).

Within the EAGF, direct payments provide a basic protection of farm income against the particular shocks (e.g. price- and weather-related) to which agriculture is exposed. Farmers also sometimes use part of their direct payments to make performance-enhancing investments. Market instruments support increasing the potential of certain sectors, organisation and quality improvement and supplement the protection offered by direct payments, stabilising markets in times of serious disturbance. At the same time, the EAGF is closely tied to requirements and public benefits of importance to EU citizens. Cross-compliance links direct payments to standards concerning the environment, food safety, animal and plant health and animal welfare throughout the EU, while the "greening" layer of payments rewards farmers for additional environmental care (related to crop diversity, permanent grassland and ecologically beneficial zones or landscape features). Finally, the EAGF's common market organisation provides a framework of rules on issues such as market support measures, product standards and labelling. The overall effect is that the EAGF helps to limit losses of viable jobs and output (within the farm sector and the many sectors which depend on it), improve care for the environment and meet consumer expectations. It thus encourages smart, sustainable and inclusive growth, helping to achieve the CAP objectives of viable food production, sustainable management of natural resources (with climate action) and balanced territorial development.

The EAGF adds value by operating at EU level primarily in three ways. First, it responds more effectively and efficiently to cross-border challenges – such as underpinning food security, mitigating climate change, caring for natural resources such as soil and water, restoring biodiversity and strengthening economic and social cohesion. Secondly, it preserves a level playing field in the single market. Finally, it makes possible a stronger common position in trade negotiations.

Evaluations of the various elements of the CAP are conducted on a regular basis³ and their results are incorporated in impact assessments preparing new initiatives. The indicators set out in the context of the common monitoring and evaluation framework⁴ will serve as a basis for future evaluations. Based on these, results on the performance of the CAP will be presented in 2018 in a report to the European Parliament and Council⁵.

Contribution to Europe 2020 headline targets

The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility)	3 172,9	3 291,4

8% of chapter 05 03 (related to EAGF)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
To contribute to the development of sustainable agriculture through the "green direct payment" and cross compliance ⁶	7 643	7 743

³ Section I, EAGF Programme update

⁴ Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy.

⁵ Article 110 of Regulation (EU) No 1306/2013

⁶ As of Draft budget 2016 the climate action contribution is calculated accordingly:

- the payment for agricultural practices beneficial for the climate and the environment (budget item 05 03 01 11) is split into three equal tiers, in analogy to the three compulsory farming practices applicable. The tiers receive the following Rio marker: The Rio markers take into account the climate contribution of the three compulsory green direct payment obligations: 1st tier 0% (crop diversification), 2nd tier 40% (ecological focus area), 3rd tier 100% (permanent grassland);
- plus a Rio marker of 40% applied to 20% of the remaining direct payments taking into account cross-compliance (i.e. 8% of budget chapter 05 03 direct payments without payment for agricultural practices beneficial for the climate and the environment and without payments for the Small farmers scheme which are not subject to cross compliance).

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
3 316	3 273	7 938	7 643	7 743	8 164	8 172	46 249

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

In its Special Report nr 31/2016 the Court of Auditors flagged that the climate relevant share of agriculture spending could be overestimated. The Commission considers that its estimates of the overall climate contribution of both CAP funds are based on an EU wide agreed methodology. The method used by the Commission is sound, it has been prepared in a transparent and coordinated manner; it is based on Rio markers and it was communicated to the European Parliament and the Council. The Commission takes note of the Court's simulations using different methodologies and general principles agreed by international aid organisations, but reiterates its commitment to the EU approach. The Commission does not consider a set of principles developed by a group of international aid organisations in 2015 for mitigation tracking of their operations to be a relevant point of reference for the approach agreed at EU level. The Commission underlines that the Court's calculations used in the report differ from the ones agreed at EU level which are sufficiently conservative.

The benefit of cross compliance for climate actions can be assessed by applying a Rio marker of 40% to a share of 20% of non-greening direct payments. As for any other calculation this is a proxy, based on the penalty system of cross compliance. However, the Commission considers that a climate impact of 8% of non-greening direct payments is not overestimated considering the benefits of cross compliance and direct payments for the climate. For green direct payments the calculation fairly reflects the climate-relatedness of the main three farming practices.

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
Contribute to the enhancement of the environmental performance of the CAP through the greening component of the direct payments. Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through cross-compliance. Contribute preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water through the standards of good agricultural and environmental conditions ⁷	5 795	5 836

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
3 316	3 273	6 030	5 795	5 836	6 162	6 167	36 579

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

4. Performance information

Specific objectives

Specific Objective 1: To improve the competitiveness of the agricultural sector and enhance its value share in the food chain

Indicator 1: Share of EU agricultural exports in world market		
Former results	Latest known result	Target
18,5% (2012)	16,9% (2014)	Share in world market maintained

⁷ As of Draft Budget 2016, with the new direct payments' schemes fully implemented, the contribution to biodiversity is calculated as follows:
 - for the payment for agricultural practices beneficial for the climate and the environment (budget item 05 03 01 11) a Rio marker of 40% is applied;
 - plus a Rio marker of 40% is applied to 10% of the remaining direct payments taking into account cross-compliance (i.e. 4% of budget chapter 05 03 Direct payments without payment for agricultural practices beneficial for the climate and the environment and without payments for the Small farmers scheme which are not subject to cross compliance).

Indicator 2: Share of value added for primary producers in the food chain

Former results		Latest known result		Target
(2013 – EU-28)	Value added (in EUR billion)	2014 - EU-28	Value added (in EUR billion)	Improved situation of primary producers in the food chain
Primary sector	219	Primary sector ⁸	215	
Processing sector	219	Processing sector	224	
Retail sector (including service activities)	402	Retail sector (including service activities) ⁹	425	

Specific Objective 2: To foster market stability

Indicator 1: Export refunds Ratio of the volume of the products exported with export refunds and the total EU production per given period

Former results	Latest known result	Target
Beef: 0% (December 2015) Pig meat: 0% (December 2015) Poultry: 0% (December 2015) Cereals, rice and sugar: 0% (December 2015)	Beef: 0% (December 2016) Pig meat: 0% (December 2016) Poultry: 0% (December 2016) Cereals, rice and sugar: 0% (December 2016)	0% - Used only in case of market crisis (seen against market developments)

Indicator 2: Public intervention, ratio of volume of the products bought in the intervention storage and the total EU production of those respective products

Former results	Latest known result	Target
2,7% (2015)	Skimmed milk powder (SMP): 23,4% (2016)	0 - Used only in case of market crisis (seen against market developments)

Indicator 3: Private storage, Ratio of volume of the products placed into the publicly aided private storage and the total EU production of those respective products

Former results	Latest known result	Target
Butter: 6,7% (2015) SMP: 3,5% (2015)	Butter: 7,2% (2016) SMP: 6,2 % (2016) Pig meat: 0,4% (2016)	0 - Used only in case of market crisis (seen against market developments)

⁸ Primary and processing sector: Eurostat - National accounts

⁹ Eurostat - Structural Business Statistics

Specific Objective 3: To better reflect consumer expectations

Indicator 1: EU commodity prices compared to world prices

Former and Latest known results													Target
Data as of 10 January 2017*													
	ratio EU/wld price												
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Beef	1.38	1.56	1.58	1.50	1.69	1.26	1.21	1.19	1.24	0.98	0.97	0.99	
Pig meat	1.22	1.34	1.34	1.59	1.59	1.16	1.12	1.19	1.21	0.94	1.02	1.04	
Poultry	1.14	1.24	1.40	1.41	1.25	1.18	1.35	1.18	1.13	1.04	0.82	0.82	
Soft wheat	0.98	1.01	1.16	1.11	1.00	0.99	1.07	1.04	1.04	1.02	0.94	0.93	
Maize	1.49	1.40	1.59	1.16	1.10	1.19	1.04	0.98	1.04	1.13	1.03	1.03	
Barley	1.09	1.06	1.05	1.01	1.04	1.11	1.01	1.00	1.00	0.98	0.99	0.99	
Sugar			2.75	2.48	1.58	1.04	1.10	1.55	1.90	1.62	1.24	1.23	
Butter	1.60	1.78	1.57	1.08	1.47	1.09	1.17	1.19	1.27	1.23	1.07	1.08	
Cheddar	1.32	1.34	1.09	1.08	1.17	0.95	1.03	1.14	1.10	1.12	1.05	1.06	
WMP	1.33	1.34	1.07	1.04	1.18	1.02	1.07	1.09	0.98	1.11	1.12	1.12	
SMP	1.12	1.20	1.02	0.98	1.10	0.93	0.90	0.95	0.90	0.97	0.98	0.99	
Weighted average	1.24	1.31	1.32	1.28	1.32	1.10	1.12	1.14	1.15	1.05	0.98	0.98	

Prices brought closer to world prices

Note: World price references are mainly based on US prices for meat and crops and Oceania for dairy products, except for beef (Australia), Barley (Black Sea) and Sugar (London white sugar 05). Compared to Pacific prices (US and Australia), EU prices were very competitive in 2015 because of the exchange rate effect but also because US demand drove price increases. If the comparison would be made with Brazil for meat especially, the increase in EU competitiveness would be less pronounced.

* The monthly EUR-USD exchange rate as communicated by Eurostat applied to data in USD

Expenditure related outputs

Note: Refers to specific objectives 1 to 3

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Fruit & vegetables: Proportion of the value of production marketed through producer organisations (POs) in value of the total production ¹⁰	05 02 08 03	54,3%	460
Wine: National support programmes–Restructuring: Number of hectares	05 02 09 08	73 500	478
Wine: National support programmes – Investments and promotion: Number of projects and beneficiaries	05 02 09 08	7 000	448
Public intervention: Volume of intervention stocks	05 02 12	330 900 t (ending stock Sept 2018)	9
Private storage: Volume of private storage in tonnes (dairy)	05 02 12	SMP enhanced : residual amounts on 2016/2017 buying-in	0,9
Apiculture: National programmes for the apicultural sector: number of programmes (% of expenditure on available funds previous year)	05 02 15 06	28 (94% in 2016)	35
Horizontal promotion programmes: Number of programmes accepted	05 02 10 01	60 (2016)	83
School fruit scheme: Number of beneficiaries	05 02 08 12	Around 10,28 million children and 68 773 schools (2014/2015 school year)	10
School milk scheme: Number of beneficiaries and quantity of milk and milk products on which aid has been paid	05 02 12 08	Around 20 million children and 309 000 tonnes of milk and milk products (2014/2015 school year)	22
	05 02 18		188

Outputs	Draft Budget 2018						
	2014	2015	2016	2017	2018	2019	2020
Fruit & vegetables: Proportion of the value of production marketed through producer organisations (POs) in value of the total production	44,9%	45,7%	45,4%	48,1%	54,3%		
Wine: National support programmes–Restructuring: Number of hectares	50 000	55 000	81 000	80 000	73 500		
Wine: National support programmes – Investments	5 000	3500	6 500	6 500	7 000		

¹⁰ The budget figure relates to appropriations and is after deduction of the estimated assigned revenue to be available to this budget item at EUR 400 million for 2018.

and promotion: Number of projects and beneficiaries							
Public intervention: Volume of intervention stocks ¹¹	0	Butter : 0 SMP: 29 000	Butter : 0 SMP:353 000	330 900	330 900		
Private storage: Volume of private storage in tonnes (dairy)	Butter:22 000 SMP : 17 000	Butter : 141 000 SMP : 52 000 Cheese : 32 000	Butter:144 000 SMP:89 000 Cheese:53 000	Butter :0 SMP :8 000 Cheese:0	0		
Apiculture: National programmes for the apicultural sector: number of programmes (% of expenditure on available funds previous year)	Not indicator	28	28 (93% in 2015)	28 (94% in 2016)	28 (2017 executi on not availab le yet)		
Horizontal promotion programmes: Number of programmes accepted	34	44	47 (2014)	74 (2015)	60 (2016)		
School fruit scheme: million benefitting children(Approximately)	8,5	8,6	10,28	10,28	10,28 ¹²		
School milk scheme: Number of beneficiaries and quantity of milk and milk products on which aid has been paid (tonnes)	20,4 million and 310 000 tonnes (2011- 2012 school year)childr en	19,5millio n children and 313 000 tonnes (2012- 2013 school year)	19,1 million children and 313000(school year2013-14)	20million children and 309 000(school year 2014-15)	20milli on childre n and 309 000(sc hool year 2014- 15)		

Justification of changes to the financial programming and/or to the performance information

05 02 – Markets	(appropriations – EUR 531 million)
Needs in 2017 budget:	EUR 3 207 million
Appropriations requested in 2017 budget:	EUR 2 807 million
Estimated assigned revenue available in 2017 budget:	EUR 400 million
Needs in 2018 DB:	EUR 2 676 million
Appropriations requested in 2018 DB:	EUR 2 276 million
Estimated assigned revenue available in 2018 DB:	EUR 400 million

The estimated budgetary needs for market expenditure in 2018 are significantly lower than in budget 2017, which was marked by substantial market intervention in the dairy and other livestock sectors triggered by the continued supply pressure on these markets. At present it is assumed that the aforementioned intervention measures for animal products will have a very limited impact on the 2018 budget (only insofar the storage period for milk products overlaps the two budget years). In view of the prolonged Russian import embargo on certain EU agricultural products which still impacts significantly the fruit and vegetables sector, the Draft Budget 2018 includes appropriations for the prolongation of the exceptional support measures in this sector.

The fruit and vegetables, dairy and pig meat markets remain particularly sensitive to a possible prolongation of the Russian embargo or poor global economic performance in general. Overall, the uncertainty regarding the outlook for most agricultural markets remains and especially the doubts concerning the duration of the Russian embargo play a role in the development of the export demand for EU agro-food products. Moreover recent outbreaks of African swine fever and cases of avian influenza in several Member States have caused considerable market disturbance in the affected areas.

Despite the uncertainties, the Commission has based its estimates on a favourable outlook with balanced markets as a reaction to on-going market measures and foresees to update its estimates in an Amending Letter to the Draft Budget 2018 in light of actual developments.

When taking into account an estimated amount of EUR 400 million foreseen to be covered by assigned revenue, the requested appropriations for this chapter become EUR 2 276 million, which is a decrease of EUR 531 million compared to 2017.

Below the main changes in the appropriations requested for 2018 compared to the 2017 budget are presented.

¹¹ Expected ending stocks.

¹² Based on the analysis of Member States' monitoring reports 2014/2015.

05 02 06 – Olive oil	(appropriations - EUR 0,2 million)
Appropriations requested in 2017 budget:	EUR 46,3 million
Appropriations requested in 2018 DB:	EUR 46,1 million

The requested appropriations for the Draft Budget 2018 remain stable and are primarily for the quality improvement measures. No aid for private storage is foreseen in the Draft Budget 2018.

05 02 07 – Textile plants	(appropriations - EUR 6,1 million)
Appropriations requested in 2017 budget:	EUR 6,2 million
Appropriations requested in 2018 DB:	EUR 0,1 million

The requested appropriations for the Draft Budget 2018 decrease since, as of budget year 2018, the amounts in the envelope for the cotton restructuring programme in Spain are transferred to the respective direct payments envelope. Remaining appropriations of EUR 0,1 million are intended to cover residual expenditure.

05 02 08 – Fruit and vegetables	(appropriations - EUR 143 million)
Needs in 2017 budget:	EUR 1 062 million
Appropriations requested in 2017 budget:	EUR 662 million
Estimated assigned revenue available in 2017 budget:	EUR 400 million
Needs in 2018 DB:	EUR 919 million
Appropriations requested in 2018 DB:	EUR 519 million
Estimated assigned revenue available in 2018 DB:	EUR 400 million

The decrease in needs as compared to Budget 2017 is due to several factors, the main reason being that the needs in 2018 for the School Fruit Scheme correspond only to residual amounts for school years 2016/2017 and earlier. Starting from school year 2017/2018, the budget for the school schemes is included in a new dedicated article 05 02 18. Furthermore, the budgetary needs for the aid to producer groups for preliminary recognition are expected to decrease further, in line with the continuing phasing out of this measure in the EAGF. Exceptional withdrawal measures taken in reply to the sustained Russian import embargo are prolonged, albeit budgeted at a smaller amount than in 2017. As regards the operational funds for producer organisations, an increase in needs reflects upward evolution in notifications of plans by Member States and their execution.

In total as the needs for this sector are expected to decline by EUR 143 million and as the amount of assigned revenue estimated to be available for this article remains EUR 400 million in Draft Budget 2018, the appropriations requested in the Draft Budget 2018 also decrease by EUR 143 million.

05 02 09 – Wine	(appropriations - EUR 25 million)
Appropriations requested in 2017 budget:	EUR 1 076 million
Appropriations requested in 2018 DB:	EUR 1 051 million

The appropriations requested for budget article 05 02 09 decrease slightly compared to Budget 2017. The expectations are derived from information provided by the Member States and from the execution profile of previous years. The estimates anticipate a further improvement in the budget execution of the national support programmes in several Member States, taking into account also that 2018 will be the fifth and last year of the current programmes.

05 02 10 – Promotion	(appropriations + EUR 36 million)
Appropriations requested in 2017 budget:	EUR 136 million
Appropriations requested in 2018 DB:	EUR 172 million

Appropriations requested for information and promotion measures (under shared management) for item 05 02 10 01 reflect the need for the financing of the Member States' programmes for which funding has been decided by the Commission before 1 December 2015 and for "simple" programmes¹³ granted after that date. This is based on the expenditure estimated in the financial statement accompanying the Commission proposal for the policy reform, adjusted with the implementation pattern of the recent years. Moreover, the requested appropriations for 2018 take into account the estimated impact of programmes granted in 2015 and 2016 in relation to the specific market situation in respectively the pigmeat and the dairy sectors.

Under item 05 02 10 02, appropriations are requested to finance "multi" programmes¹⁴, granted after 1 December 2015 and information and promotion measures, all managed directly by the Union. As from 2017 these measures include promotion activities entirely delegated to the executive agency CHAFEA. The requested commitment and payment appropriations are in line with the estimates in the financial statement accompanying the Commission proposal.

05 02 11 04 – POSEI	(appropriations - EUR 6 million)
Appropriations requested in 2017 budget:	EUR 237 million
Appropriations requested in 2018 DB:	EUR 231 million

¹³ Simple programmes are programmes submitted by 1 or more proposing organisations from 1 Member State.

¹⁴ Multi programmes are programmes submitted by at least 2 proposing organisations from at least 2 Member States or by 1 or more Union (trade or inter-trade) organisations.

The appropriations requested for this item take into account the programme modifications made by Member States and a continued high level of execution of the overall ceilings. This evolution is also reflected in the budget lines 05 03 02 50 and 05 03 02 52.

05 02 12 – Milk and milk products(excluding 05 02 12 09)	(appropriations - EUR 576 million)
Appropriations requested in 2017 budget:	EUR 608 million
Appropriations requested in 2018 DB:	EUR 32 million

The budgetary needs for the dairy sector in 2018 decline significantly compared to the 2017 budget, as the aid for milk production reduction¹⁵ and the exceptional adjustment aid¹⁶, granted to the sector in 2016, is to be paid in budget 2017. Furthermore, it is not expected that there will be any aid for private storage of cheeses, skimmed milk powder or butter. Expenditure in 2018 for aid for private storage of skimmed milk powder is due to quantities that entered into storage until the end of February 2017. The needs for the School Milk Scheme correspond only to residual amounts for school years 2016/2017 and earlier. Starting from school year 2017/2018 the budget for the school schemes is included in a new dedicated article 05 02 18.

05 02 15 – Pig meat, eggs, poultry meat and beekeeping	(appropriations + EUR 1 million)
Appropriations requested in 2017 budget:	EUR 34 million
Appropriations requested in 2018 DB:	EUR 35 million

The requested appropriations for this article relate to the aid for beekeeping, at EUR 35 million (+ EUR 1 million compared to 2017) in view of past upward execution trend and taking into account the allocation of the 2017-2019 programmes.

05 02 18 – School schemes	(appropriations + EUR 187,8 million)
Appropriations requested in 2017 budget:	EUR 0,2 million
Appropriations requested in 2018 DB:	EUR 188 million

Requested appropriations for this article relate to the School Schemes as the School Fruit Scheme and the School Milk Scheme came under a single legal basis for the period starting 1 August 2017 onwards with a total envelope of EUR 250 million per school year. Appropriations requested for the Draft Budget 2018 are derived from information provided by the Member States and from the execution profile in previous years of the expiring school schemes and relate to the proportionate implementation of the school year 2017/2018 in financial year 2018.

Specific Objective 4: To sustain farmers' income stability by providing direct income support

Indicator 1: Share of direct support in agricultural entrepreneurial income (family farm income)							Target
Former and Latest known results							
2009	2010	2011	2012	2013	2014	2015	To maintain the ratio stable
59 %	48 %	43 %	45 %	41 %	45 %	46%	

Specific Objective 5: To promote a more market oriented agriculture, by ensuring a significant level of decoupled income support

Indicator 1: % of total direct payments which is decoupled		
Former results	Latest known result	Target
Calendar year 2014/budget year 2015: 92,69% Calendar year 2013/budget year 2014: 93,54% Calendar year 2012/budget year 2013: 93,24% Calendar year 2011/budget year 2012: 92,13% Calendar year 2010/budget year 2011: 91,67%	Calendar year 2015/budget year 2016: 88,89% ¹⁷	Calendar year 2017/budget year 2018: 88,65% ¹⁸ Calendar year 2016/budget year 2017: 88,74% ¹⁹

Specific Objective 6: Contribute to the enhancement of the environmental performance of the CAP through the greening component of the direct payments. Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through the cross compliance system. Contribute to preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water through the standards of good agricultural and environmental condition of land.

¹⁵ Regulation (EU) 2016/1612

¹⁶ Regulation (EU) 2016/1613

¹⁷ Execution of the Budget 2016 provisional figures. As from financial year 2016 the figures take into account that in accordance with the methodology for implementation of the Small farmers scheme, as chosen by the Member States, part of the expenditure under that scheme is "decoupled".

¹⁸ Draft Budget 2018, based on estimated needs and excluding the crisis reserve.

¹⁹ Budget 2017, based on estimated needs and excluding the crisis reserve

Indicator 1: % of CAP payments covered by cross compliance		
Former results	Latest known result	Target
2015: 85,7% 2014: 83,5% 2013: 82,4% 2012: 79,4% 2011: 80,2%	2016: 81,6% ²⁰	Maintain the %-age

Indicator 2: Opinion expressed by the public on cross compliance		
Former results	Latest known result	Target
83% support the reduction of direct payments to farmers not complying with environmental rules 84% support the reduction for non-compliance of animal welfare rules 86% support the reduction of direct payment to farmers not respecting food safety rules ²¹	87% support the reduction of direct payments to farmers not complying with environmental rules 87% support the reduction for non-compliance of animal welfare rules 87% support the reduction of direct payment to farmers not respecting food safety rules ²²	Maintain the positive opinion

Indicator 3: Control rate for GAEC		
Former results	Latest known result	Target
100 % - In 2014, all paying agencies fulfilled the mandatory control rate.	100 % - In 2015, all paying agencies fulfilled the mandatory control rate (Sweden and France still pending to notify their data) ²³ .	100% implementation of the minimum regulatory control rate

Indicator 4: The ratio of permanent grassland within a Member State in relation to the total agricultural area		
Former results	Latest known result	Target
Ratio has not decreased beyond the limit of 5%	In 2015: 2 MS and a French region communicated a ratio of permanent grassland above the threshold of 5% even if no MS communicated to have triggered a reconversion obligation. In 2016: 3 MS and a French region communicated a ratio of permanent grassland above the threshold of 5%. 2 of these MS communicated to have also triggered a reconversion obligation ²⁴ .	Maintain the ratio within the limit of 5% in relation to a reference ratio ²⁵

Indicator 5: Share of area under greening practices		
Former results	Latest known result	Target
75%	77% ²⁶	Maintain the share

Expenditure related outputs

Outputs relate to specific objectives 4 to 6

Outputs	Budget line	Draft Budget 2018	
		Number ²⁷	EUR million
Single area payment scheme (number of hectares to be paid in thousands)	05 03 01 02	40 740	4 160
Basic payment scheme (number of hectares to be paid in	05 03 01 10	109 653	16 831

²⁰ Execution of the Budget 2016 provisional figures

²¹ Results of the Special Eurobarometer "Europeans, Agriculture and the Common Agricultural Policy" published in 2007

²² Results of the latest Special Eurobarometer "Europeans, Agriculture and the Common Agricultural Policy" published in 2015

²³ GAEC stands for Standards of Good Agricultural and Environmental Condition. GAECs form part of the requirements under Cross Compliance and apply to anyone receiving direct payments (except under the small farmers scheme) and/or support under certain rural development schemes.

²⁴ Provisional information based on 2015 communications from all MS as the notifications are still under assessment. 2016 notifications sent by 19 MS at the time of preparation of the DB.

²⁵ The maintenance of the ratio of permanent grassland means that there should not be, at national or regional level, a decrease by more than 5% of the current ratio of permanent grassland in relation to the total agricultural area by comparison with a reference ratio reflecting this ratio at a reference period.

²⁶ Year 2015: including notifications from 27 MS (all excluding France), so the indicated share is provisional. Year 2016: Including notifications from 19 MS, so the indicated share is provisional. The share is calculated as total agricultural area for farms with at least one greening obligation on total agricultural area from Farm Statistics Survey 2013.

²⁷ Best estimate based on available information. Sources: For the single area payment scheme, basic payment scheme and the payment for agricultural practices beneficial for the climate and the environment: CATS control data for claim year 2015 (not covering area paid under the Small Farmer Scheme), assumptions needed for certain MS/measures (missing data) (date: 21/12/2016). For Voluntary coupled support: based on notified quantitative limits for claim year 2016.

thousands) ²⁸			
Payment for agricultural practices beneficial for the climate and the environment (number of hectares to be paid in thousands)	05 03 01 11	150 392	11 644
Voluntary coupled support (number of hectares to be paid in thousands)	05 03 02 60	9 644	3 989
Voluntary coupled support (number of heads to be paid in thousands)	05 03 02 60	102 795	

Outputs							
	2014	2015	2016 ²⁹	2017 ³⁰	2018 ³¹	2019	2020
Single area payment scheme (number of hectares to be paid in thousands)	41 347	41 360 ³²	40 740	40 740	40 740		
Basic payment scheme (number of hectares to be paid in thousands)	N/A	N/A	109 653	109 653	109 653		
Payment for agricultural practices beneficial for the climate and the environment (number of hectares to be paid in thousands)	N/A	N/A	150 392	150 392	150 392		
Voluntary coupled support (number of hectares to be paid in thousands)	N/A	N/A	8 740	9 644	9 644		
Voluntary coupled support (number of heads to be paid in thousands)	N/A	N/A	75 887	102 795	102 795		

05 03 – Direct payments	(appropriations + EUR 1481million)
Needs in 2017budget before financial discipline (incl. crisis reserve):	EUR 42445 million
Needs in 2017budget after financial discipline:	EUR 41994 million
Appropriations in 2017budget after financial discipline:	EUR 39662 million
Estimated assigned revenue available in 2017budget:	EUR 2 332 million
Amount of financial discipline in 2017budget (incl. crisis reserve):	EUR 450,5 million

Needs in 2018DB before financial discipline (incl. crisis reserve):	EUR 42 206 million
Needs in 2018DB after financial discipline:	EUR 41 747million
Appropriations requested in the 2018DB after financial discipline:	EUR 41 143 million
Estimated assigned revenue available in 2018DB:	EUR 604 million
Amount of financial discipline in 2018DB (incl. crisis reserve):	EUR 459,5 million

The maximum amount of direct payments which a Member State may pay in a financial year (excluding the amounts covered by Specific Objective 7) is limited by the ceiling set in Annex III to Regulation (EU) No 1307/2013. For calendar year 2017(financial year 2018), the total of Annex III amounts to EUR 41 650million, a EUR 5 million decrease compared to calendar year 2016. The allocation of the national envelopes to the different schemes depends to a large extent on Member States' decisions. Certain changes between schemes have occurred, reflecting Member States' implementation choices.

In the period 2014-2020 the financial discipline adjustment is taken into account in establishing the needs for direct payments in line with the provisions of Regulation (EU) 1306/2013. As there is a margin within the EAGF sub-ceiling of Heading 2 of the MFF, the amount of financial discipline in the Draft Budget 2018relates only to the establishment of the crisis reserve at EUR 459,5 million in budget year 2018,similar to 2017where the crisis reserve amounts to EUR 450,5million. The need for financial discipline will be re-assessed, as appropriate, in the context of the autumn Amending Letter to the Draft Budget2018.

For direct payments (chapter 05 03), the budgetary needs after financial discipline decrease by EUR 247 million to an amount of EUR 41 747 million in 2018. Requested appropriations for this chapter increase however by EUR 1 481 million, as significantly less assigned revenue is expected to be available to finance the Basic payment scheme(BPS) (from EUR 2 332 million in 2017 to EUR 604 million in 2018). As a consequence, the requested appropriations amount to EUR 41 143 million in 2018, including the appropriations for the crisis reserve of EUR 459,5 million which are entered into article 05 03 10.

The decrease in the budgetary needs compared to 2017 reflects in particular a decrease of the assumed execution of the Young farmers scheme (YFS), and a decrease in the estimated needs for residual payments under the pre-reform schemes.

As the financial year 2018(corresponding to calendar year 2017for direct payments) is already the third year after the reform of the direct payments, only two schemes under the repealed Regulation (EC) No 73/2009 are still included in Draft Budget 2018 but only

²⁸ The budget figure relates to appropriations and is after deduction of the estimated assigned revenue to be available to this budget item at EUR 604 million for 2018.

²⁹ Source: CATS control data for claim year 2015 (not covering area paid under the Small Farmer Scheme), assumptions needed for certain MS/measures (missing data) (date: 21/12/2016).

³⁰ As footnote **Error! Bookmark not defined.**

³¹ As footnote **Error! Bookmark not defined.**

³² Agricultural area under SAPS (Annex VIII to Commission Regulation (EC) No 1121/2009).

to cover the needs for residual amounts. A number of items in the 2017 budget covering schemes which were already repealed have been merged into the items 05 03 01 99 and 05 03 02 99 as covering only insignificant residual payments.

05 03 01– Decoupled direct payments	(appropriations +1 477EUR million)
Needs in 2017budget before financial discipline:	EUR 35920 million
Needs in 2017budget after financial discipline:	EUR 35524 million
Appropriations in 2017budget after financial discipline:	EUR 33192 million
Estimated assigned revenue available in 2017budget:	EUR 2 332 million
Needs in 2018DB before financial discipline:	EUR 35675million
Needs in 2018DB after financial discipline:	EUR 35273 million
Appropriations requested in the 2018DB after financial discipline:	EUR 34669million
Estimated assigned revenue available in 2018DB:	EUR604million

As regards decoupled direct payments, the estimated needs (after financial discipline) amount to EUR 35 273 million. Requested appropriations for this article become EUR 34 669 million (+ EUR 1 477 million compared to 2017) after taking into account the reductions due to financial discipline and the expected assigned revenue to be available to this article (EUR 604 million).

The needs after financial discipline for the BPS are estimated at EUR 17 435 million which is EUR 193 million lower than in 2017. This is due to a shift of funds between measures, in particular towards the Voluntary coupled support (VCS) and the Redistributive payment. The needs after financial discipline for the Single area payment scheme (SAPS) amount to EUR 4 160 million and increase by EUR 59 million compared to the budget year 2017reflecting an increase in the annual ceiling.

The needs for the Payment for agricultural practices beneficial for the climate and the environment are estimated at EUR 11 644 million after financial discipline, EUR 52 million lower than2017reflecting a change of the ceiling and taking into account the past execution profile.

For the Redistributive payment, the ceiling increases compared to financial year 2017. Consequently the needs amount to EUR 1 652 million after financial discipline, EUR 43 million more than in 2017.The needs for the YFS are estimated at EUR 357 million after financial discipline, EUR 84 million less than in financial year 2017 as a result of a reduced ceiling on the one hand and taking into account the past level of execution on the other. The ceiling for Payment for areas with natural constraints has slightly increased and the estimated needs after financial discipline are increased to EUR 5 million after financial discipline, EUR 2 million more than in 2017.

05 03 02 – Other direct payments³³	(appropriations - EUR 13 million)
Needs in 2017budget before financial discipline:	EUR 5641 million
Appropriations in 2017budget after financial discipline:	EUR 5591million
Needs requested in 2018DB before financial discipline:	EUR5630million
Appropriations requested in the 2018DB after financial discipline:	EUR 5578million

For the other direct payments, appropriations decrease by EUR 13 million compared to 2017 budget. This decrease in the estimated needs is mainly a net effect of taking into account past execution's profiles and an increase of the ceiling for the VCS. The needs for this scheme are estimated at EUR 3 989 million after financial discipline.

The reform has introduced several mechanisms of cross-financing of schemes. This applies for instance to the Small farmers scheme which is financed from the amounts available for other schemes. Based on the experience with execution in financial year 2016, the needs for this scheme are estimated at EUR 1 334 million, EUR 13 million lower than in 2017.

05 03 10 – Reserve for crises in the agricultural sector	(appropriations + EUR 9 million)
Appropriations requested in the 2017budget:	EUR 450,5 million
Appropriations requested in the 2018DB:	EUR 459,5 million

In accordance with Article 25 of Regulation (EU) No 1306/2013, a crisis reserve has to be established by applying, at the beginning of each year, a reduction to direct payments with the financial discipline mechanism. For financial year 2018, the amount of the crisis reserve corresponds to EUR 459,5million (in current prices).

Appropriations remaining from the 2017budget, up to the limit set out in Article 169(3) of Regulation (EU) No 966/2012, will be carried over to the 2018financial year to be reimbursed to the final beneficiaries, who will be subject to financial discipline in financial year 2018.

Specific Objective 7: To promote local agricultural production and to ensure a fair level of prices for commodities for direct consumption and for processing by local industries in the Outermost Regions of the EU and in the Aegean Islands

³³ Not including measures covered under specific objective 7 (POSEI)

Indicator 1: Support to the Local Production (SLP) to maintain/develop the agricultural production: Utilised agricultural area (variation with respect to the previous year)*

Former results	Latest known result ³⁴	Target
<p>POSEIDOM: Guadeloupe:30965 ha Martinique:23822 ha Guyane:29425 ha Réunion: 43 411 ha</p> <p>POSEICAN: Canaries: 83 221 ha</p> <p>POSEIMA : Madeira: 5 262 ha Azores: 118589 ha</p> <p>Smaller Aegean Islands: 321455ha</p>	<p>POSEIDOM: Guadeloupe:30695 ha(0%) Martinique:23472ha (-1,5%) Guyane:31268ha (+6,3%) Réunion:43061 ha (-0,8%)</p> <p>POSEICAN: Canaries: 85 736 ha (+2,9%)</p> <p>POSEIMA: Madeira: 5 262 ha (-3,1%: with respect to 2009 data) Azores: 118 589 ha (-1,5%:with respect to2009 data)</p> <p>Smaller Aegean Islands:299135 ha (-6,9%)</p>	<p>To maintain and develop the agricultural production</p>

*In their annual implementation reports for 2015, the Member States concerned have communicated data related to the common performance indicators as requested by the Commission services. However, the provided data may not be fully in line with the requirements of the Commission services and thus not mutually comparable. Therefore, these indicators shall be evaluated with due caution.

Indicator 2: Specific Supply Arrangements (SSA) to ensure the supply of essential products: SSA coverage rate (relation between quantities of products benefiting from SSA support and total quantities of the same products introduced in the respective outermost region)

Former results	Latest known result	Target
<p>POSEIDOM (all products): 39%</p> <p>POSEICAN (cereals only): 98,3%</p> <p>POSEIMA Madeira (cereals only): 99,5% Azores (cereals only): 85.7%</p> <p>Smaller Aegean Islands (animal feed stuff only): 100%</p>	<p>POSEIDOM³⁵ (all products): 37%</p> <p>POSEICAN (cereals only): 97,3%</p> <p>POSEIMA Madeira (cereals only): 99,2% Azores (cereals only): 85,7%³⁶</p> <p>Smaller Aegean Islands (animal feed stuff only): 99,4%</p>	<p>SSA coverage rate of 100%</p>

*In their annual implementation reports for 2015, the Member States concerned have communicated data related to the common performance indicators as requested by the Commission services. However, the provided data may not be fully in line with the requirements of the Commission services and thus not mutually comparable. Therefore, these indicators shall be evaluated with due caution

Indicator 3: Specific Supply Arrangements (SSA) to ensure an equitable level of prices for essential products: Price index with respect to the price in the mainland for some representative products or baskets of products

Former result	Latest known result	Target
<p>POSEIDOM : Average of 5 DOM/métropole:18,5%</p> <p>POSEICAN: Canaries: -Wheat (100kg):119% -milking cow's animal feed (100kg): 13% -Beef cattle animal feed (100kg): 20%</p> <p>POSEIMA: Madeira (foodstuffs,indicator2b): 1% Azores: -rice:15% -oil:13% -bread:17%</p> <p>Smaller Aegean Islands³⁷: -Animal feeding stuffs:23% -Flour:16%</p>	<p>POSEIDOM: Average of 5 DOM/métropole:14,7%</p> <p>POSEICAN: Canaries: -Wheat (100kg): 122% -Milking cow's animal feed (100kg): 13% -Beef cattle animal feed (100kg): 19%</p> <p>POSEIMA: Madeira (foodstuffs,indicator2b): 1% Azores: -rice:7% -oil: 13% -bread: 16%</p> <p>Smaller Aegean Islands: -Animal feeding stuffs:27% -Flour:9,8%</p>	<p>Reduction of the gap with mainland prices</p>

³⁴ The Annual Implementation Report (AIR) transmitted by Member States in year N provides data corresponding to year N-1. In this sense, the column "former results" shows data from 2014 extracted from the AIR transmitted in 2015, while the column "latest known result" shows 2015 data from the AIR transmitted in 2016. Yet, Spain's data are gathered late; former results, extracted from the 2014 AIR correspond to 2012, whereas the latest available data included in the 2015 AIR are from 2014. In addition, Portugal's farm structure data are collected every five years (data are available for 2009 and 2013), thus both former data and latest known data refer to year 2013. Nevertheless, the variation is calculated with respect to the previous available data, i.e. 2009.

³⁵ The French authorities used in their annual report for 2013, 2014 and 2015 a different methodology and data source to calculate this indicator (calculation based on value and not quantities, data taken from customs sources and not from SSA operators).

³⁶ Data for 2014. Data for 2015 not available yet.

³⁷ Smaller Aegean Islands' 2014 percentage data for this indicator was only available in the 2015 Annual Execution Report.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Regime for outermost regions of the EU: direct aids for banana reference area /quantities)	05 03 02 50	ES: 420 000 tonnes PT: 19 160 tonnes FR: 319 084 tonnes	276
Other	05 03 02 50 05 03 02 52		161
TOTAL			437

Outputs	2014						
	2014	2015	2016	2017	2018	2019	2020
Regime for outermost regions of the EU: direct aids for banana reference area (quantities: tonnes)	ES: 371 013	ES: 371 013	ES: 420 000	ES: 420 000	ES: 420 000		
	PT: 17 742	PT: 17 742	PT: 19 160	PT: 19 160	PT: 19 160		
	FR: 251 733	FR: 251 733	FR: 319 084	FR: 319 084	FR: 319 084		

Justification of changes to the financial programming and/or to the performance information

05 03 02 50 – POSEI – European Union support programmes	(appropriations + EUR 9 million)
Appropriations requested in 2017 budget:	EUR 411 million
Appropriations requested in 2018 DB:	EUR 420 million

05 03 02 52 – POSEI - Smaller Aegean Islands	(appropriations - EUR 0 million)
Appropriations requested in 2017 budget:	EUR 17 million
Appropriations requested in 2018 DB:	EUR 17 million

For the support to the POSEI and Smaller Aegean Islands, the programmes are divided into two types of measures: specific supply arrangements financed under chapter 05 02 and support for the local products which are split into market aids (chapter 05 02) and direct payments (chapter 05 03). The variations for the market-related expenditure are explained above (see item 05 02 11 04).

For direct payments, the higher level of requested appropriations is due to the updated reallocation for POSEICAN and POSEIMA, as communicated by the Member States concerned, in their programmes shifting some financing from the market measures back to direct payments. The requested appropriations in the 2018 budget similarly to budget 2017 also take into account financial discipline.

Specific Objective 8: To provide the Commission with reasonable assurance that Member States have put in place management and control systems in conformity with EU rules designed to ensure the legality and regularity of the underlying transactions financed by the EAGF, EAFRD, SAPARD and IPARD and, where this is not the case, to exclude the expenditure concerned from EU financing so as to protect the EU's financial interests

Indicator 1: Percentage of expenditure (EAGF+EAFRD) with statistics or 100 % check		
Former results	Latest known result	Target
90.52 % in 2013	94 % in 2014	95 %

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Area of satellite imagery acquired for controls by Remote Sensing ³⁸	05 07 01 02	500 000 km ²	9

Outputs	2014						
	2014	2015	2016	2017	2018	2019	2020
Area of satellite imagery acquired for controls by Remote Sensing	380 000 km ²	380 000 km ²	500 000 km ²	500 000 km ²	500 000 km ²		

³⁸ Figures presented cover only Very High Resolution (VHR) images

Justification of changes to the financial programming and/or to the performance information

05 07 01 02 – Monitoring and preventive measures - Direct payments by the Union	(commitment appropriations – EUR 2 million) (payment appropriations – EUR 0 million)
Commitment appropriations requested in 2017 budget:	EUR 11,3 million
Commitment appropriations requested in 2018 DB:	EUR 9,1 million
Payment appropriations requested in 2017 budget:	EUR 9,9 million
Payment appropriations requested in 2018 DB:	EUR 9,9 million

In order to assist the Member States carrying out on the spot checks on aid applications, the satellite imagery acquired is made available to the national authorities allowing them to determine the area of agricultural parcels, to identify crops and verify their status. Compared to budget 2017, the requested commitment appropriations for the Draft Budget 2018 decrease by EUR 2 million. The requested commitments appropriations covering the costs for the acquisition of satellite images remained the same as in budget 2017. The expenditure for related technical support needed to ensure and strengthen the quality and the technical implementation of the integrated administration and control system (IACS) and the land parcel identification system (LPIS) was committed in 2017 but continues to be paid in 2018.

Specific Objective 9: To inform and increase awareness of the CAP by maintaining an effective and regular dialogue with stakeholders, civil society, and specific target audiences

Indicator 1: Public awareness of CAP

Former results	Latest known result	Target
The Latest Eurobarometer survey (field research November – December 2013) shows that 92% of Europeans believe that agriculture and rural areas play an important role for their future and that 64% have heard about the support that the EU gives farmers through its CAP. There is a broad consensus on the key changes decided in the recent CAP reform.	The Latest Eurobarometer survey (field research October 2015, results published on 6 January 2016) shows that 94% of Europeans believe that agriculture and rural areas play an important role for their future (+ 2 percentage points since the last survey in 2013) and that 69% have heard about the support that the EU gives farmers through its CAP (+ 5 percentage points since the last survey in 2013). There is a broad consensus on the key priorities of the CAP and its contribution to the strategic priorities of the Commission. The next Eurobarometer survey will be conducted in the last quarter of 2017. The results will be published in first quarter of 2018	Maintain and if possible increase awareness of the CAP

Indicator 2: Number of page visits on AGRI Europa website

Former results	Latest known result	Target
January 2015-December 2015: 5,8 million January 2014-December 2014: 5,2million January 2013-December 2013: 4,9 million	January 2016-December 2016: 5,85 million	Maintain and if possible increase the number of page visits with respect to previous year level

Expenditure related outputs

Output	Budget line	DB 2018	
		Number of commitments	EUR million
Grants awarded to third party organisations to implement actions to improve the level of understanding of the CAP among EU citizens	05 08 06	15	3,5
Media and web	05 08 06	26	4,5
conferences, fairs, events	05 08 06		
Networking	05 08 06		
Horizontal activities	05 08 06	1	6,56
Corporate communication	05 08 06		
Total			14,56

Outputs							
	2014	2015	2016	2017	2018	2019	2020
Grants awarded to third party organisations to implement actions to improve the level of understanding of the CAP among EU citizens	12	15	15	15	15		
Media and web	12	9	5	9	26		
conferences, fairs, events	5	6	12	10			
Networking	5	6	10	7			
Horizontal activities	5	6	10	7			
Corporate communication	1	0	1	1	1		

Justification of changes to the financial programming and/or to the performance information

Budget line 05 08 06 Enhancing Public Awareness of the CAP is foreseen to finance the communication efforts of the Commission in relation to the CAP.

The overall needs for Draft Budget 2018 for this article are estimated at EUR 14,56 million. This includes an amount of EUR 3,5 million destined for grants to third party organisations. Other external communication actions in 2018 financed under this budget article, such as conferences, media activities, attendance in fairs, publications, web and social media activities, will focus on the relevance of the CAP in particular in relation with the growth, jobs and investments priority theme and will amount to EUR 4,5 million. The scope, choice and intensity of these communication actions will depend on the final policy direction which, at the moment of the preparation of the Draft Budget 2018, is still to be decided.

In 2018 the EAGF will also contribute to the Corporate communication strategy of the Commission with an amount of EUR 6,56 million.

Specific Objective 10: To facilitate decision making on strategic choices for the CAP and to support other activities of the DG by means of economic and policy analyses and studies

Indicator 1: Representativeness of information about the EU farm economic situation collected by the Farm Accountancy Data Network (FADN)

Baseline	Latest known result	Target
<p>Farm returns collected for accounting year 2013: 86 840</p> <p>Observed coverage of EU agricultural production for accounting year 2013: 1. 96% coverage of the Standard Output; 2. 94% coverage of the Utilised Agricultural Area.</p>	<p>Farm returns collected for accounting year 2014: 82 775</p> <p>Observed coverage of EU agricultural production for accounting year 2014: 1. 99% coverage of the Standard Output; 2. 93% coverage of the Utilised Agricultural Area.</p>	<p>Maximum number of farm returns to be collected for accounting year 2015: 86 905.</p> <p>Coverage of EU agricultural production for accounting year 2015: 1. 90% coverage of the Standard Output; 2. 90% coverage of the Utilized Agricultural Area</p>

Indicator 2: Adequate knowledge of Farm's structure

Baseline	Latest known result	Target
<p>Data of Farm Structure Survey 2013 are expected to be delivered by Member States to Eurostat by December 2014 and made available by Eurostat to users as from first quarter 2015.</p>	<p>Data of Farm Structure Survey 2013 have been published in the Eurostat database. The Farm Structure Survey 2016 has been carried out by Member States. Data will be transmitted to Eurostat by the end of 2017.</p>	<p>All relevant indicators and factsheets updated with FSS 2013 data and published on the Europa website. In-depth use of FSS 2013 data for analyses on farm structural change.</p>

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Data collection on EU Farm Accountancy Data Network (FADN) data: farm returns	05 08 01	86 255	14,9
Restructuring of systems of agricultural surveys	05 08 02		2,8
Technical assistance	05 08 09		4,1
Total			21,8

Outputs							
	2014	2015	2016	2017	2018	2019	2020
Data collection on EU Farm Accountancy Data Network (FADN) data: farm returns	86 905	86 905	86755	87255	86 255		
Data collection on structure of agricultural holdings: farms surveyed(thousands)			1 700 ³⁹				

Justification of changes to the financial programming and/or to the performance information

The Farm Accountancy Data Network data are essential tools for the monitoring of agriculture income and business which are used for the evaluation and the impact analysis of the agricultural measures. They provide support to the decision-making process related to the CAP.

The appropriations requested for 2018 relate to the **Farm Accountancy Data Network** (EUR 14,23 million) and are intended to finance the standard fee for FADN farm returns transmitted by the Member States (86 255 * EUR 165) and the development and maintenance of the information system used for the collection, processing, analysis, publication and dissemination of the farm accountancy data and analysis results (EUR 0,67 million).

Information from **Farm Structure Surveys** is systematically used in extended impact assessments, evaluation and policy conception, particularly regarding the regional situation of specific sectors. The content of the surveys is regularly adapted to answer new needs for agricultural and rural development policy and other policies (in particular regional, social and environmental policy). As the pre-financing of commitments for the Farm Structure Survey of 2016 was paid in 2015, final payments amounting up to EUR 10,48 million are expected in 2018. There are no commitment appropriations requested for 2018 for the maintenance of the Eurofarm IT tool used in the processing of these surveys since the upcoming contract is expected to be signed by the end of 2017 and have an approximate duration of 24 months.

Under 05 08 03 the Draft Budget 2018 request includes an amount of EUR 2 million for the MARS agro-meteorological system used for monitoring crops and forecasting yields of the main crops in Europe and its neighbourhood. EUR 3.2 million in payment appropriations is included for the LUCAS 2018 project to carry out surveys for gathering information on land cover, land use and landscapes. In addition, EUR 0.8 million in commitment appropriations and 2.2 million in payment appropriations is destined for the maintenance, development and use of modelling tools used by the Commission in its agricultural economic and policy analysis.

5. Programme contribution to the Sustainable Development Goals

A summary of the CAP programmes' main contributions to the Sustainable Development Goals is provided in the introductory *part of the programme statements since these are equally applicable to the EAGF and EAFRD*.

III. Performance of the predecessor programme**Implementation (2007-2013)**

The pre 2013-reform measures and schemes under the EAGF were in general smoothly implemented without delay.

Direct payments cover annual payment schemes to farmers which are not under the "programme" approach. Hence the challenges involved are different from those arising from implementation of instruments which work on the basis of multiannual "programmes". The previous reforms of direct payments and various agricultural sectors, such as the "CAP Health Check" of 2008, implied a continued process of decoupling of support. The calculation and allocation of support to farmers following the reforms were challenging implementation tasks in particular for Member States' administrations^{40 41}. The tasks were carried out effectively, as is evidenced partly by sound budgetary execution.

³⁹ The Farm Structure Survey 2016 will cover roughly 1 700 000 farms. Funding for this survey is spread over the budget years 2015-2018

⁴⁰ E.g. in many Member States, the direct payments system operates on the basis of payment "entitlements" giving right to an annual payment and for which the value needs to be adjusted when a reform so provides.

⁴¹ See: http://www.eca.europa.eu/Lists/ECADocuments/SR14_08/SR14_08_EN.pdf

The European Court of Auditors published several special reports⁴² covering the responsibilities of the Commission in the areas of agriculture and rural development. Among other issues, the Court recommended strengthening monitoring and evaluation systems to reduce the risk of weaknesses and errors and to measure progress towards the achievement of the programmes' objectives. This issue has been addressed with the introduction of the strengthened monitoring and evaluation framework for the 2014-2020 period, which will allow a better tracking of the effectiveness and efficiency of the financed policy interventions.

Contribution to policy achievements

The CAP's activity in the period 2007-2013 contributed essentially to viable food production, the sustainable management of natural resources (with climate action) and balanced territorial development. In doing so, it helped to achieve not only sustainable but also smart and inclusive growth in various ways.

In the period 2007-2013, part of the EAGF's contribution to sustainable management of natural resources and climate action came through cross-compliance. More than 80% of total CAP payments were linked to compliance by farmers with basic standards concerning the environment (as well as food safety, animal and plant health and animal welfare)⁴³. Furthermore, by supporting farmers, the EAGF enabled a retreat from potentially harmful intensive practices. Greenhouse gas emissions from the agricultural sector (including soils) continued to decline – falling by 10.1% in the EU-28 between 2000 and 2014, i.e. by an average of 0.8% per year.

The EAGF's contribution to viable food production and to balanced territorial development also helped to achieve smart and inclusive growth. The combination of direct payments and market measures helped to limit job and output losses⁴⁴. This was important for the EU's 11 million farms, their 22 million regular workers and for those linked to farming – e.g. 22 million in food processing, food retail and food services, plus others in upstream or other downstream sectors. At the same time, direct payments were largely decoupled from production and farmers were free to respond to market signals.

The EU's farm sector raised its total factor productivity by 0.9% per year between 2007 and 2013 (and by 1.8% per year in the EU-N13), showing clear evidence of using the factors of production more efficiently.

A complete overview of the evaluations related to the first pillar of the CAP (EAGF) can be found at https://ec.europa.eu/agriculture/evaluation/market-and-income-reports_en. The main results are to be flagged:

- The evaluation of structural effect of direct payments (https://ec.europa.eu/agriculture/evaluation/market-and-income-reports/structural-effects-direct-support-2013_en) indicated that decoupling of support from production has contributed to an increase in the number of specialised farms. This is caused by the greater freedom of production decisions brought about by decoupling which has stimulated part of the holdings to focus more on production activities from which market conditions allowed higher profitability. The evaluation of income effect of direct payments (https://ec.europa.eu/agriculture/evaluation/market-and-income-reports/2011-income_en) points to the importance of direct payments in the farm income and to reduce the gap between average farm income and the average income in the economy, yet the situation for small farms remained difficult.
- The evaluation of Article 68 measures (of Council Regulation (EC) 73/2009) showed that Article 68 helped reduce disadvantages in terms of viability in a number of sectors but had a very limited effect on competitiveness and sustainability of primary production and industries. Concerning environment, varied measures were designed and results were uneven. The most significantly implemented measures were arable crops rotation and diversification, with some positive impacts.
- The impact of the CAP on jobs has also been demonstrated in the 2014 evaluation of CAP measures to the cotton sector (https://ec.europa.eu/agriculture/evaluation/market-and-income-reports/cotton2014_fr). Single payment and coupled aid have contributed effectively to maintaining family income for farms specialised in cotton production. The aid represents an essential proportion of producers' income. Nearly 15,000 jobs ("Full-Time Equivalents") in the agricultural and more than 1100 in the industrial sector have been maintained by the CAP measures applied to the cotton sector; though these jobs remain heavily dependent on EU aid.

EU added value

In the period 2007-2013, the CAP achieved greater effectiveness and efficiency, as well as synergies, essentially in the following ways.

It helped to address a number of challenges which could theoretically have been addressed at national level, but which in practice would have significantly overstrained the finances of at least some of the Member States. Continued investments in the rational

⁴² Special Report 10/1013 "Common Agricultural Policy: Is the specific support provided under Article 68 of Council Regulation (EC) No 73/2009 well designed and implemented?", Special Report n°8/14: "Has the Commission effectively managed the integration of coupled support into the single payment scheme?", Special Report 4/2014 – "Integration of EU water policy objectives with the CAP: a partial success?", Special Report No 9/2014: Is the EU investment and promotion support to the wine sector well managed and are its results on the competitiveness of EU wines demonstrated?, No (25)2016 "The Land Parcel Identification System (LPIS): a useful tool to determine the eligibility of agricultural land, but its management could be further improved", No (26)2016 ""Making cross-compliance more effective and achieving simplification remains challenging".

⁴³ See evaluations: http://ec.europa.eu/agriculture/analysis/external/cross_compliance/index_en.htm as well as http://ec.europa.eu/agriculture/eval/reports/environment-summary/fulltext_fr.pdf

⁴⁴ In the agricultural sector itself, direct payments made up an average of 46 % of farm income between 2005 and 2013, with large variations between Member States and types of farming."

economic development of farming were necessary – especially (though not only) in those Member States which had recently joined the European Union, many of which had experienced considerable upheaval in the farm sector since the fall of Communist regimes. Meeting this challenge would have been financially impossible for many without EU support. The same is true of environmental challenges (e.g. soil-related problems) and general socio-economic challenges (investment in the economic and social fabric of rural areas).

The CAP delivered added value as an EU-level policy by addressing some challenges which, by their nature, crossed borders. This was true of volatility in the single market for agricultural products – e.g. in the case of the e-coli crisis of 2011, whose negative impact on consumer confidence had a strong effect on markets around the EU. The measures taken at that moment under the EAGF – involving support provided via producer organisations - helped farmers get through the crisis. Important cross-border environmental challenges - such as mitigating climate change and caring for water resources – were also addressed by the CAP, for instance through the cross-compliance mechanism.

Finally, an EU-level CAP was better placed to find synergies with other policies operating partly or wholly at EU level – e.g. cohesion policy. Although to some extent co-ordination between the activities of such policies took place at national or regional level, it was also helpful to achieve a certain thematic coordination at EU level: this made it easier to eliminate overlaps and gaps.

HEADING 2: Sustainable growth: natural resources**European Agricultural Fund for Rural Development (EAFRD)****Lead DG: AGRI**

Associated DGs: SRSS

I. Programme update

All 118 rural development programmes (RDP) are up and running and are currently being implemented. In 2016, Member States presented 92 proposals for programme amendments of various nature, including 57 'light' amendments (approval within 42 working days), 15 'substantial' amendments (approval within three months), and 20 'technical' amendments (no need for Commission approval).

Calls for application by beneficiaries have been published at the level of Member States and regions. At the end of 2016, around EUR 31,9 billion has been committed to projects and beneficiaries. This represents 21,3% of the total EAFRD allocation for 2014-2020. As regards payments from EU budget to Member States, Member States' requests received by end 2016 amounted to a total of EUR 10,1 billion, which is 10% of the total commitments.

Implementation Status (2014/2016)

In 2016, the Member States submitted their first Annual Implementation Reports (AIRs) on the implementation of the European Structural and Investment (ESI) Funds in the first two years of the programming cycle i.e. 2014 and 2015. Despite the belated adoption of many programmes, mainly due to the late adoption of the legislative framework, the implementation is on the right track. In fact, in the case of the EAFRD, a smooth transition to the new programming period was ensured through the establishment of transitional rules, the presence of already established paying agencies (i.e. no need for new designation of authorities) and the wide use of multi-annual commitments, including area-based payments.

To facilitate the implementation of the EU funds, in early 2015 the Commission services (Directorate General for Agriculture and Rural Development) started the simplification exercise, which is thoroughly covered in the EAGF Programme Statement. Specifically for the EAFRD, to ease better implementation of the programmes and to reduce red tape, the EAFRD Implementing Act (Regulation (EU) No 808/2014) was modified in April 2016, among others to facilitate the use of Financial Instruments in rural development programming and simplify information requirements on the programmes.

As part of ESIF, the EAFRD is also under the scope of the activities of the High Level Group on simplification, grouping together senior experts on structural funds to discuss simplification possibilities for the implementation of Funds.

Key achievements

As a result of the implementation of rural development programmes the following targets, among others, are expected to be achieved at the level of the Union at the end of the programming period: 11.1 million hectares of agricultural land concerned by investment targeting biodiversity; 24% of the total rural population (69 million inhabitants) living in areas for which local development strategies are implemented by selected LEADER Local Action Groups (LAGs); investments in improved energy efficiency for over 24 000 farms; support for 175 400 young farmers to set up their businesses and for more than 334 400 farmers to modernise and improve their production facilities. As for the rural business outside the farms gate, some 61 000 rural entrepreneurs are to receive support to develop their businesses.

In terms of results achievement to date, the low level observed by the end of 2015 reflects the fact that most of the programmes were approved only in 2015 (9 RDP were approved in 2014). Therefore the 2015 reported results and outputs are not representative of what is expected from the implementation. After a slow start necessary for setting up the policy, a significant acceleration is expected in the coming years. Nevertheless, some results can already be pointed out, such as more than 33% of the 2020 targets achieved in terms of *% of agricultural land under management contracts contributing to biodiversity* or 39 % achieved of the final target for *% of rural population covered by local development strategies*.

For the 2014-2020 rural development programming period, a number of initiatives have been launched which are expected to improve efficiency and effectiveness of EAFRD expenditure:

- Examples include the enhanced recourse to simplified costs options, for example for the coverage of indirect costs (NL, BE-VL, FR), use of lump sums in for environmental measures (DK) and small in budgetary terms LEADER projects (AT), different options of SCOs for investment costs (ES-Canary Islands), etc.
- Financial instruments (FI) are the key tool for leveraging and revolving the rural development budget. EAFRD is well on track to meet the target of doubling the use of FI as compared to 2007-2013. By end 2016, in total 28 managing authorities have completed their ex-ante assessments and another 16 are progressing with this obligatory legal requirement. FI are fully programmed in 11 RDPs in 7 MS. 10 cases of targeted coaching on financial instruments for EAFRD managing authorities' were launched in 2016. The Commission with the European Investment Bank identified and developed the FI schemes that can be used by farmers, foresters and related rural businesses.

- As regards selection criteria, the ranking of the applications and the prioritization of funding against the objectives established in the rural development programme, the Member States successfully defined them for all relevant measures.
- An increased awareness of implementation feasibility of certain measures and their impact on errors is guaranteed by Member States' ex-ante assessment of the measures aiming to ensure they are verifiable and controllable and taking into account the results of controls in the previous programming period.

Evaluations/studies conducted

Rural development policy and its programmes have been under the scope of the study on "Mapping and analysis of the implementation of the CAP" of which the final report was published in November 2016. The study provides a comprehensive analysis about the choices that the Member States have taken in view of implementing the CAP in the current programming period in the two pillars of the CAP as well as a qualitative analysis of the potential impact of these choices. It confirms that the new flexibilities in the CAP resulted in a more diversified implementation, with measures being used in many different ways and in wide array of combinations. Key findings of the study refer to the limited coordination between pillar 1 and pillar 2 implementation choices by Member States, and the fact that implementation choices are considered especially relevant for the general CAP objective of viable food production. The Member States' implementation choices with respect to viable food production were assessed as being in general more tailored to local needs than in the previous CAP. In addition, Member States' choices are generally coherent, but opportunities for synergies could be better exploited, and the lack of appropriate tailoring and targeting of pillar 1 instruments and pillar 2 measures raises concern about the impact of Member States' choices.

The evaluation study of the implementation of the European Innovation Partnership (EIP) for Agricultural Productivity and Sustainability is also relevant for rural development. Its report was finalised in November 2016. Although the study could not provide full-fledged conclusions due to the early implementation stage of the EIP, the evidence collected from the first analysis shows the internal coherence and relevance of the EIP. Relevant applicants can be effectively attracted by EIP funding, but it is too early to judge how effective support is likely to be. Furthermore, the pan-European approach of EIP and the ability to share lessons and form partnerships across countries and regions are seen as distinctive and potentially powerful aspects of the initiative. The study reckons that there is a solid basis for external coherence between the EIP and other policies (Horizon 2020, environmental and regional policies), but at this stage there is a widespread lack of awareness of the joint opportunities and synergies between the EIP and related EU funding and initiatives..

Moreover, an evaluation of forestry measures under the rural development is currently under progress, as well as a study on the risk management tool-kit under the scope of rural development and a pilot project initiated by the European Parliament on smart and eco-social villages. The Commission will also prepare in 2017 a synthesis of RD ex-post evaluations 2007-2013 and an evaluation of the EU quality schemes is foreseen in 2017.

Besides the above EAFRD specific evaluations and studies, a number of evaluations will assess the impact of both EAFRD and EAGF in areas such as viable food production and climate change and greenhouse gas emissions. These will feed into the Commission report to the European Parliament and the Council on the first results of the performance of the CAP, to be submitted by 31 December 2018 (Article 110 of Regulation (EU) No 1306/2013). Also an evaluation on the impact on the internal market of certain State aid measures in the agriculture and forestry sectors scheduled for 2017 will cover both funds.

As part of ESI Funds, the EAFRD is involved and financially contributing to a number of currently on-going studies concerning those funds, notably in the fields of a) simplification, b) coordination and harmonisation of Funds, and c) possible alternative delivery modes. Preliminary findings for these studies are not available yet.

In 2016, the European Court of Auditors issued the following 3 special reports related to rural development:

- **Special Report No 3/2016: Combating eutrophication in the Baltic Sea: further and more effective action needed** - With regard to rural development, the Court pointed out to the low uptake of agri-environmental measures in the areas of intensive agriculture and the overall little effect on rural development measures on reducing nutrient pollution in water. The Commission considers to have addressed these concerns in the 2014-2020 programming period by introducing stricter baseline requirements which resulted in more targeted agri-environment measures and by introducing a specific measure linked to the implementation of the Water Framework Directive.
- **Special Report No 31/2016: Spending at least one euro in every five from the EU budget on climate action: ambitious work underway, but at serious risk of falling short** - With regard to rural development the Court is of the opinion that there has been no significant shift towards climate action and there is a serious risk that the target of spending at least 20 % of the budget for 2014-2020 on climate-related action will not be met without more effort. The Commission considers that a significant shift towards more climate action took place in the 2014 – 2020 programming period where the climate change adaptation and mitigation are the cross-cutting objectives. The EAFRD contains a flexible toolkit of measures which MS can adapt to their local context to address climate change needs in agriculture and rural areas in the most relevant way.
- **Special Report 34/2016 Combatting food waste: an opportunity for the EU to improve the resource-efficiency of the food supply chain** - With regard to rural development, the Court concluded that EAFRD's potential to combat food waste has not been exploited. However, it recognized that policy changes in the CAP have had a positive impact. The Court recommended better alignment of the different EU policies which can combat food waste, which has been accepted by the Commission.

Forthcoming implementation (2017/2018)

It is expected that in 2017 the implementation of the rural development programmes will further accelerate. In terms of expected achievements, the numerous targets are linked to EAFRD 2014-2020 expenditure (see also the Open Data Platform <https://cohesiondata.ec.europa.eu/funds/eafrd>).

In the year 2017 the Member States will have to submit more extended annual implementation reports, which in addition to the standard information about realized spending in the MS, output, targets, as well as some qualitative information on RDP implementation, will also refer to the level of fulfilment of ex-ante conditionalities and to the description of the implementation of any sub-programmes. As regards ex-ante conditionalities applying to EAFRD, a number of them were subject to the implementation of specific action plans in view of reaching full compliance by the end of the year 2016.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Total	5 285,0	18 169,8	18 676,3	14 365,5	14 381,0	14 330,4	14 333,3	99 541,3

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	18 677,298	99,99 %	7 833,106	99,92 %	14 365,516	94,13 %	9 929,602	39,92 %
Authorised appropriation excluding external earmarked revenue	18 677,298	99,99 %	7 833,082	99,89 %	14 365,516	94,13 %	9 929,602	39,92 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Under the second pillar of the CAP, rural development programmes make a vital contribution to the economic, social and environmental performance of EU in rural areas.

Rural development programmes are designed to deliver towards six common EU priorities while taking into account national and regional specificities. This ensures a consistent, coherent and result-oriented approach to a number of cross-border issues: biodiversity, water, climate change, European growth and jobs, poverty reduction and open innovation. The EAFRD works as a

catalyst, delivering results also in areas related to other EU policies such as environment, climate, food safety, health, research and innovation, Digital Single Market and Energy Union.

It invests in the development of rural businesses and holdings, improving competitiveness whilst ensuring sustainable management of natural resources. Support for interactive innovation projects under the European Innovation Partnership for Agriculture (EIP) as well as support for training and diversification aims to deliver on the Europe 2020 objectives as they encourage innovation and entrepreneurship, promote inclusiveness and increase the impact of EU funded research projects in the real economy. The EAFRD performance and results are enhanced by the European Network for Rural Development which allows for exchange of experience and best practices amongst national and regional authorities.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	438,7	439,0
Sustainable Growth (competitiveness, climate, energy and mobility)	11 280,2	11 287,9
Inclusive Growth (employment and skills, fighting poverty)	2 600,4	2 602,2
Total	14 319,3	14 329,1

Smart growth: 3,06% of 05 04 60 01

Sustainable growth: 78,68% of 05 04 60 01

Inclusive growth: 18,14% of 05 04 60 01

Contribution to mainstreaming of climate action

Relevant objective/output ¹	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
1. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	8 264,0	8 270,0
2. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		

Calculation based on the value of commitments respectively for Budget 2017 and DB 2018 indicative annual allocation to focus areas based on all 118 adopted rural development programmes.

In its Special Report nr 31/2016 the Court of Auditors flagged that the climate relevant share of agriculture spending could be overestimated. The Commission considers that its estimates of the overall climate contribution of both CAP funds are based on an EU wide agreed methodology. The method used by the Commission is sound, it has been prepared in a transparent and coordinated manner; it is based on Rio markers and it was communicated to the European Parliament and the Council. The Commission takes note of the Court's simulations using different methodologies and general principles agreed by international aid organisations, but reiterates its commitment to the EU approach. The Commission does not consider a set of principles developed by a group of international aid organisations in 2015 for mitigation tracking of their operations to be a relevant point of reference for the approach agreed at EU level. The Commission underlines that the Court's calculations used in the report differ from the ones agreed at EU level which are sufficiently conservative.

The tracking methodology for EAFRD is a reasonably reliable estimate for climate related expenditure and minimizes administrative burden. It currently represents 57.5% of EAFRD expenditure. Attributing a Rio marker of 100% to measures which enhance ecosystems strengthens their resilience/ capacity to adapt to climate change and is therefore justified. The tracking methodology has to remain stable during the current MFF but could be fine-tuned post-2020.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
3 034,0	10 461,0	10 749,0	8 264,0	8 270,0	8 240,0	8 242,0	57 260,0

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

¹ In accordance with Annex II to Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds.

Contribution to financing biodiversity

Relevant objective/output ²	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
1. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	4 253,0	4 255,0
2. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
1 561,0	5 383,0	5 532,0	4 253,0	4 255,0	4 240,0	4 241,0	29 466,0

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

Rural development policy contributes to gender equality as the gender perspective has to be considered during the preparation and implementation of the rural development programmes (RDPs). Moreover, all rural development measures have the potential to contribute to gender equality to a various extent, e.g. by providing support to improve skills, facilitate business development, access to broadband, basic services in rural areas, etc. Besides that, contribution to gender equality is specifically sought in the rural development policy through:

- the possibility to submit thematic sub-programmes on women in rural areas,
- the possibility to target rural development support to women through the application of selection criteria and,
- the obligation to respect an ex ante conditionality on gender equality.

It is not possible to know the actual budgetary contribution to gender issues because this would require an in-depth analysis of the implementation of the RDPs. With the information available in the RDPs, it would only be possible to know the budget allocated to thematic sub-programmes on women in rural areas, but so far none of the RDPs has made use of this possibility. However, qualitative information on the actions taken to ensure equality between women and men and the integration of the gender perspective in the implementation of the programmes will be provided in the enhanced annual implementation reports (AIR) on RDPs, to be submitted in June 2017 and 2019.

4. Performance information

Specific objectives

Introduction

For the 2014-2020 rural development programmes, for each of the specific objectives, the Commission has defined result-type "Target Indicators" in the rural development (RD) Common Monitoring and Evaluation System (CMES), in accordance with Title VII of Regulation (EU) No 1305/2013. At least one target indicator is available for each of the 18 RD focus areas³. The application of each of these indicators is mandatory for all the rural development programmes including the corresponding focus area. For each indicator target levels are established ex-ante for year 2023 and actual achievements will be assessed regularly during the implementation period. It is therefore possible to aggregate at the level of the Union both their planned levels for the year 2023 and, through regular monitoring and reporting, their actual levels of achievement year by year. Therefore, these CMES Target Indicators represent an optimal way to monitor and report on the performance of the policy.

However, the RD CMES does not prescribe the Member States to define milestones at the year 2018 in relation to target indicators, while such milestones are requested to be made available in relation to a number of output-type indicators to be included in a Performance Framework (PF) in accordance with Annex II of Regulation (EU) No 1303/2013. Although the latter Annex recommends the Member States to make use of common indicators for the purpose of establishing the PF, this choice is not mandatory. Therefore, the Commission wishes to emphasise that the aggregation at the level of the Union of these indicators is not fully representative.

In the following tables, milestones for the year 2018 are estimated and presented only in relation to those target indicators for which, due to their specific nature, a specific correspondence could be established with respect to relevant PF indicators.

The baseline is 0 at the start of the programming period. The information concerning the latest known results reflecting 2014 and 2015 implementation became available to the Commission as of the first annual implementation reports submitted by 30 June 2016.

² Starting from Draft Budget 2016, the methodology for the calculation of the contribution to biodiversity is the following: 100% of the annual commitments in the Priority Area 4 with exception of the amounts for the areas facing natural constraints plus 40% of the annual commitments in the focus area 5E. Calculation based on the value of commitment respectively for Budget 2017 and Draft Budget 2018 and indicative annual allocation to focus areas based on 118 rural development programmes.

³ The 6 rural development specific objectives (priorities) are further broken down into 18 strategic Focus Areas in Article 5 of Regulation (EC) No 1305/2013.

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

The generally low values reached by the reported indicators are mainly due to the fact that those indicators refer to the situation at the end of 2015. In fact, the majority of the programmes were approved during 2015. Furthermore, the first months after approval are mainly devoted by the Managing Authorities to put in place management and working structures. Some measures require preparatory actions and therefore some time before the starting of their actual implementation on the ground, for example due to the application of public procurement procedures.

Specific Objective 1: Fostering knowledge transfer and innovation in agriculture forestry and rural areas (Priority 1)

Indicator 1: % of expenditure for the three measures Knowledge transfer & information action, advisory services and cooperation in relation to the total expenditure for the RDP (Focus area 1A: Fostering innovation and the knowledge base in rural areas)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				Not applicable*			3.9%
	Actual results						
	0% ⁴						

109 programmes include this Focus Area and are concerned by this quantified target

Indicator 2: Number of cooperation operations planned under the cooperation measure (groups, networks/clusters, pilot projects) (Focus area 1B: strengthening the links between agriculture and forestry and research and innovation)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				Not applicable*			15 260
	Actual results						
	105						

107 programmes include this Focus Area and are concerned by this quantified target

Indicator 3: Total number of participants trained (Focus area 1C: fostering lifelong learning and vocational training in agriculture and forestry sectors)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				Not applicable*			3 848 363
	Actual results						
	12 333						

101 programmes include this Focus Area and are concerned by this quantified target

* For the Specific Objective 1 the indicators as set in the rural development common monitoring and evaluation system are identified and presented with targets for 2023. The common performance framework does not apply to Specific Objective 1, because no EAFRD budget is allocated to that cross cutting Priority. Therefore no information on the milestones is collected from the Member States. Nevertheless, as in case of the remaining specific objectives, the Commission will be able to collect and present the real outputs for these indicators in the future.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of beneficiaries supported to benefit from the use of advisory services	N/A	Target 2023: 1 420 000 ⁵	No EAFRD financing is allocated to cross-cutting Priority 1

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of beneficiaries supported to benefit from the use of advisory services	F	NA	NA	NA	NA	NA	NA	NA
	P	10 700						

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

⁴ The three measures under the scope of this indicator have reached non-significant level of expenditure at the end of the year 2015 due to the fact that the majority of the programmes were approved during the year 2015, that the first year of implementation is mainly devoted to put in place management and working structures, as well as to the fact that they generally implemented through the application of public procurement procedures. The latter imply a relatively long period between the starting of the procedures and the first payments to selected beneficiaries.

⁵ Target level has been updated to reflect relevant changes introduced by programmes modifications

Specific Objective 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests (Priority 2)

Indicator 1: % of agricultural holdings with RDP support for investment in restructuring (Focus area 2A: facilitating the restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				23% of the target for 2023*			2.7%
	Actual results						
	0.1%						

109 programmes include this Focus Area and are concerned by this quantified target

Indicator 2: % of agricultural holdings with RDP supported business development plan for young farmers (Focus area 2B: facilitating generational renewal in the agricultural sector)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				23% of the target for 2023*			1.5%
	Actual results						
	0.06%						

93 programmes include this Focus Area and are concerned by this quantified target

*The indicative milestone, which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: number of agriculture holdings with RDP support for investment in restructuring or modernisation and number of agricultural holdings with RDP supported business development plan/investment for young farmers. This non mandatory indicator concerns 106 RDPs.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Agricultural holdings with RDP support for investments in restructuring or modernisation	05 04 60 01	Target 2023: 335 242	2 909,34
agricultural holdings with RDP supported business development plan/investments for young farmers		Target 2023: 175 557	

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Agricultural holdings with RDP support for investments in restructuring or modernisation	F	NA	NA	NA	NA	NA	NA	NA
	P	14 900						
agricultural holdings with RDP supported business development plan/investments for young farmers	F	NA	NA	NA	NA	NA	NA	NA
	P	6 500						

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (Priority 3)

Indicator 1: % of agricultural holdings supported under quality schemes, local markets and short supply circuits, and producer groups (Focus area 3A: better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				34% of the target for 2023*			2.6%
	Actual results						
	0.01%						

85 programmes include this Focus Area and are concerned by this quantified target

* The indicative milestone is based on the application of Performance Framework proxy indicator: number of agricultural holdings supported under quality schemes, local markets/short supply circuits, and producer groups. This non mandatory indicator concerns 59 RDPs.

Indicator 2: % of agricultural holdings participating in risk management schemes (Focus area 3B: supporting farm risk management)

Baseline	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				90% of the target for 2023*			7.6%
	Actual results						
	0.04%						

37 programmes include this Focus Area and are concerned by this quantified target

* The indicative milestone is based on the application of Performance Framework proxy indicator: number of agricultural holdings participating in risk management schemes. This non mandatory indicator concerns 28 RDPs.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	05 60 04 01	Target 2023: 296 810	1 393,55
Agricultural holdings participating in risk management schemes		Target 2023: 644 487	
Total			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	F	NA	NA	NA	NA	NA	NA	NA
	P	1 000						
Agricultural holdings participating in risk management schemes	F	NA	NA	NA	NA	NA	NA	NA
	P	3 466						

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (Priority 4)

Indicator 1: a) % of agricultural land under management contracts contributing to biodiversity b) Percentage of forest area under management contracts contributing to biodiversity (Focus area 4A: Restoring and preserving biodiversity, including Natura 2000 area and high nature value farming, and the state of European landscapes)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
a) 0				70% of the target for 2023*			17,7%
	Actual results						
	6.3%						
b) 0	Not applicable**						3,5%
	Actual results						
	0.2%						

a) Out of the 111 programmes which include this Priority, 109 are relevant for this sub-indicator

b) Out of the 111 programmes which include this Priority, 75 are relevant for this sub-indicator

Indicator 2: a) % of agricultural land under management contracts improving water management b) percentage of forest area under management contracts improving water management (Focus area 4B: improving water management)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
a) 0				70% of the target for 2023*			15,1%
	Actual results						
	5%						
b) 0	Not applicable**						4,3%
	Actual results						
	0.4%						

a) Out of the 111 programmes which include this Priority, 108 are relevant for this sub-indicator

b) Out of the 111 programmes which include this Priority, 36 are relevant for this sub-indicator

Indicator 3: a) % of agricultural land under management contracts preventing soil erosion and improving soil management b) Percentage of forest area under management contracts preventing soil erosion and improving soil management (Focus area 4C: improving soil management)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
a) 0				70% of the target for 2023*			14,3%
	Actual results						
	5.1%						
b) 0				Not applicable**			3,6%
	Actual results						
	0.2%						

a) Out of the 111 programmes which include this Priority, 108 are relevant for this sub-indicator

b) Out of the 111 programmes which include this Priority, 55 are relevant for this sub-indicator

*The indicative milestone, which represents an average for the three Target Indicators, is based on the application of Performance Framework proxy indicator: Agricultural land under management contracts contributing to biodiversity (ha) + Agricultural land under management contracts improving water management (ha)+ Agricultural land under management contracts improving soil management and/preventing soil erosion (ha). This non mandatory indicator concerns 94 RDPs.

**No milestones are available because there is no equivalent common Performance Framework Indicators in the RD

Performance Framework

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Million hectares of agricultural land under management contracts supporting biodiversity	05 04 60 01	Target 2023: 31,1	6 324,03
Million hectares of agricultural land under management contracts to improve water management		Target 2023: 26,5	
Million hectares of agricultural land under management contracts to improve soil management and/or prevent soil erosion		Target 2023: 25,2	
Million hectares of forest or other wooded areas under management contracts supporting biodiversity		Target 2023: 4,0	
Total			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Million hectares of agricultural land under management contracts supporting biodiversity	F	NA	NA	NA	NA	NA	NA	NA
	P	11.1						
Million hectares of agricultural land under management contracts to improve water management	F	NA	NA	NA	NA	NA	NA	NA
	P	8.9		*				
Million hectares of agricultural land under management contracts to improve soil management and/or prevent soil erosion	F	NA	NA	NA	NA	NA	NA	NA
	P	8.9		*				
Million hectares of forest or other wooded areas under management contracts supporting biodiversity	F	NA	NA	NA	NA	NA	NA	NA
	P	0.2		*				

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors (Priority 5)

Indicator 1: % of irrigated land switching to more efficient irrigation systems (Focus area 5A: increasing efficiency in water use by agriculture)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				Not applicable*			15,3%
	Actual results						
	0,2%						

51 programmes include this Focus Area are concerned by this quantified target

Indicator 2: Total investment in energy savings and efficiency (Focus area 5B: increasing efficiency in energy use in agriculture and food processing)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				30% of the target for 2023**			2 893660 214
	Actual results						
	66 653 500						

39 programmes include this Focus Area and are concerned by this quantified target

Indicator 3: Total investment in renewable energy production (Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for purposes of the bio-economy)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				30% of the target for 2023**			2 667 704 017
	Actual results						
	2 173 000						

68 programmes include this Focus Area and are concerned by this quantified target

Indicator 4: a) % of LU concerned by investments in life-stock management in view of reducing the GHG and ammonia emissions
b) % of agricultural land under management contracts targeting reduction of GHG and ammonia emissions (Focus area 5D: Reducing nitrous oxide and methane emissions from agriculture)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
a) 0				Not applicable*			2,4 %
	Actual results						
	0.2%						
b) 0				49% of the target for 2023***			7,7 %
	Actual results						
	2.4%						

a) Out of the 53 programmes which include this Focus Area, 25 are relevant for this sub-indicator

b) Out of the 53 programmes which include this Focus Area, 34 are relevant for this sub-indicator

Indicator 5: % of agricultural and forest area under management to foster carbon sequestration (Focus area 5E: Fostering carbon sequestration in agriculture and forestry)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				48% of the target for 2023***			1,8%
	Actual results						
	0.5%						

74 programmes include this Focus Area and are concerned by this quantified target

*No milestones are available because there is no equivalent common Performance Framework Indicators in the RD Performance Framework

**The indicative milestone, which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Number of investment operations in energy savings and efficiency (€) (5B) + Number of investment operations in renewable energy production (€) (5C). This non mandatory indicator concerns 66 RDPs.

***The indicative milestone, which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (5D) + Irrigated land switching to more efficient irrigation system (ha) (5A). This non mandatory indicator concerns 79 RDP. Although this Performance Framework Indicator also takes into account part of the Focus Area 5A operations, this milestone is not representative for indicator 1 which has a particular implementation process compared to other operations taken into account in this indicator.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Million hectares of irrigated land switching to more efficient irrigation systems	05 04 60 01	Target 2023: 1,3	
Million hectares of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions		Target 2023: 5,2	
Live-stock Units concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions		Target 2023: 1 114 442	
Million hectares agricultural and forest land under management contracts contributing to carbon sequestration or conservation		Target 2023: 4,0	

Number of investment operations in physical assets in view of increasing efficiency in energy use in agricultural and food processing		Target 2023: 18 589	
Number of investment operations in physical assets in view of facilitating the supply and use of renewable sources of energy		Target 2023: 8 363	
Total			1 116.3

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Million hectares of irrigated land switching to more efficient irrigation systems	F	NA	NA	NA	NA	NA	NA	NA
	P	16 000						
Million hectares of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	F	NA	NA	NA	NA	NA	NA	NA
	P	1.6						
Live-stock Units concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions	F	NA	NA	NA	NA	NA	NA	NA
	P	104 500						
Million hectares agricultural and forest land under management contracts contributing to carbon sequestration or conservation	F	NA	NA	NA	NA	NA	NA	NA
	P	1.1						
Number of investment operations in physical assets in view of increasing efficiency in energy use in agricultural and food processing	F	NA	NA	NA	NA	NA	NA	NA
	P	757						
Number of investment operations in physical assets in view of facilitating the supply and use of renewable sources of energy	F	NA	NA	NA	NA	NA	NA	NA
	P	39						

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 6: Promoting social inclusion poverty reduction and economic development in rural areas (Priority 6)

Indicator 1: Number of jobs created through supported projects (outside LEADER) (Focus area 6A: Facilitating diversification, creation of new small enterprises and job creation)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0	Not applicable*						79 370
	Actual results						
	17						

77 programmes include this Focus Area and are concerned by this quantified target

Indicator 2: a) % of rural population covered by local development strategies b) % of rural population benefiting from new or improved services / infrastructures c) Number of jobs created through supported projects (LEADER) (Focus area 6B: Fostering local development in rural areas)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
a) 0	98% of the target for 2023**						54,4%
	Actual results						
	21%						
b) 0	24% of the target for 2023***						22,6%
	Actual results						
	1%						
c) 0	Not applicable**						44 057
	Actual results						
	8						

a) Out of the 110 relevant adopted programmes, 108 are relevant for this sub-indicator

b) Out of the 110 relevant adopted programmes, 77 are relevant for this sub-indicator

c) Out of the 110 relevant adopted programmes, 109 are relevant for this sub-indicator

Indicator 3: % of rural population benefiting from new or improved IT infrastructures (Focus area 6C: Enhancing accessibility to use and quality of information and communication technologies (ICT) in rural areas)

Baseline 2013	Milestones foreseen						Target 2023
	2014/2015	2016	2017	2018	2019	2020	
0				24% of the target for 2023***			13.8%
	Actual results						
	0%						

49 programmes include this Focus Area and are concerned by this quantified target

*No milestones are available because there is no equivalent common Performance Framework Indicators in the RD Performance Framework

**The indicative milestone is based on the application of Performance Framework proxy indicator: Population covered by Local Action groups (LEADER). This non mandatory indicator concerns 107 RDPs.

***The indicative milestone, which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Number of operations supported to improve basic services and infrastructures in rural areas. This non mandatory indicator concerns 71RDPs.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agricultural activities in rural areas	05 04 60 01	Target 2023: 54 298	2 228,77
Million rural area inhabitants benefitting from improved services and/or infrastructures		Target 2023: 50,4	
Million rural area inhabitants covered by a local development strategy		Target 2023: 153,3	
Million rural area inhabitants benefitting from new or improved services/infrastructure		Target 2023: 18,0	
Total			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agricultural activities in rural areas	F	NA	NA	NA	NA	NA	NA	NA
	P	39						
Million rural area inhabitants benefitting from improved services and/or infrastructures	F	NA	NA	NA	NA	NA	NA	NA
	P	2.1						
Million rural area inhabitants covered by a local development strategy	F	NA	NA	NA	NA	NA	NA	NA
	P	60.9						
Million rural area inhabitants benefitting from new or improved services/infrastructure	F	NA	NA	NA	NA	NA	NA	NA
	P	0.001						

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Justification of changes to the financial programming and/or to the performance information

For rural development programmes, commitment appropriations for budget line 05 04 60 01 (programming period 2014-2020) in 2018 amount to EUR 14 347 million. Total payment appropriations amount to EUR 11 822 million, all relating to the programming period 2014-2020. It represents an increase of 16,2% compared to the voted budget 2017.

As regards 2007-2013 programming period, no payment appropriations are requested. In November 2016, the first closure decision was adopted, closing 66 out of 92 RD programmes and the balance payments for those programmes were executed in 2016.

For the 2014-2020 programmes it is foreseen that around 54% of total EAFRD payment appropriations in 2018 will be used for annual measures and around 46% for multi-annual type measures. The appropriations for annual measures have been calculated based on total programming period's annual part. For the multi-annual type measures the estimated evolution of payments is based on past experience over the 2007-2013 programming period and taking into account the rhythm of implementation of the 2014-2020 programmes.

Programmes' implementation 2014-2020 (Common Strategic Framework)*

Thematic objectives of the Common Strategic Framework	Commitments 2014-2020 EUR million (1)	Cumulative payments declared by Member-states at end 2016 (2)	(2)/(1) %
1. Strengthening research, technological development and innovation Outputs:	2 608,1	33,3	1%
2. Enhancing access to, and use and quality of, information and communication technologies Outputs:	909,3	7,9	1%
3. Enhancing the competitiveness of the agricultural sector Outputs:	27 929,0	2 023,0	7%
4. Supporting the shift towards a low-carbon economy Outputs:	5 149,0	369,4	7%
5. Promoting climate change adaptation, risk prevention and management Outputs:	20 690,1	3 406,4	16%
6. Protecting the environment and promoting resource efficiency Outputs:	24 704,5	3 839,7	16%
8. Promoting sustainable and quality employment and supporting labour mobility Outputs:	2632,4	79,6	3%
9. Promoting social inclusion and combating poverty Outputs:	11 472,7	264,3	2%
10. Investing in education, training and vocational training for skills and lifelong learning Outputs:	1 134,2	21,9	2%
TOTAL	97 227,3	10 045,6	10%

The above allocation of commitments into thematic objectives is indicative based on the Member States' programmes, situation end 2016. The breakdown can be subject to changes due to possible modification of the RDPs. The cumulative amounts of payments declared by Member States are provided until Q3 2016. The amounts for Technical Assistance Measures and Discontinued Measures are not included as they do not contribute to any of the thematic objectives.

5. Programme contribution to the Sustainable Development Goals

A summary of the CAP programmes' main contributions to the Sustainable Development Goals is provided in the introductory *part of the programme statements since these are equally applicable to the EAGF and EAFRD.*

6. Information about financial instruments financed by the Programme

Financial instruments (FI) are the key tool for leveraging and revolving the rural development financing. The EAFRD is well on track to meet the target of doubling the use of FI as compared to 2007-2013. By end 2016, in total 28 managing authorities have completed their ex-ante assessments and another 16 are progressing with this obligatory legal requirement. FI are fully programmed in 11 RDPs in 7 MS. Under the EAFRD and at the end of 2016, the planned financing for financial instruments in rural development programmes 2014-2020 is EUR 423.1 million, with EUR 22.8 million of expenditure already declared to the Commission. In 2016 three Funding Agreements have been signed by the EAFRD Managing Authorities, with one of these financial instruments starting operations already in 2016. Additional programme modifications introducing financial instruments are ongoing (e.g. Italian regions and Romania).

The Commission with the European Investment Bank identified and developed the FI schemes that can be used by farmers, foresters and related rural businesses. It has also launched a specific EAFRD – EFSI Initiative, based on the Omnibus proposal. The Commission services also launched a specific advisory activity 'targeted coaching on financial instruments for EAFRD managing authorities'. This advisory activity, only in 2016, was taken up by ten managing authorities, of which six coaching cases were already completed that year.

The use of the financial instruments (expenditure declared to the Commission) under the EAFRD by end 2016:

Rural Development Programme	Name of the FI	Total amount of public expenditure declared to the Commission (EUR)	Rural Development Focus Areas to which the FI contributes	Thematic Objectives to which the FI contributes
Estonia	Financial instrument of Estonian Rural Development Plan for 2014–2020	16,556,775	2A, 3A, 5C, 6A	TO3, TO4, TO8
FR Languedoc Roussillon	FOSTER TPE-PME (FEADER)	3,750,000	2A, 3A, 5E	TO3, TO4
DE Mecklenburg-Vorpommern	Errichtung und Betreuung eines Darlehensfonds zur Markteinführung	2,500,000	2A	TO3

III. Performance of the predecessor programme

Implementation (2007-2013)

The monitoring system on rural development policy 2007-2013 provides a picture of its main outputs. More specifically, in Axis 1 around 3 million of farmers were successfully trained and over EUR 44.8 billion invested to support 430 000 modernization projects in farm holdings. In axis 2, measures targeting environmental issues have been implemented on 47 million hectares so far. In axis 3 more than 40 000 projects of village renewal and development and rural population are completed and nearly 70 000 micro-enterprises have been supported or created. Finally, 178 000 LEADER projects (axis 4) have been supported so far. This picture will be completed by the ex-post evaluation which will assess the overall impacts of the rural development policy. Individual ex-post evaluations at the level of the programmes were due to be submitted by the Member States to the Commission at the end of the year 2016. Based on those reports, the Commission will finalise in 2017 an overall synthesis at the level of the Union.

All individual programmes were subjected to many corrective modifications based on the difficulties encountered in the first years of implementation, taking into account the recommendations from the mid-term evaluations and incorporating additional funds addressing new challenges (Health Check) and the economic crisis (European Economy Recovery Package). Most of the changes observed have been shifts of financial allocations between measures of the same of different axis, adaptation of targeted beneficiaries and eligibility criteria. The main reasons for budget changes were changes in strategic priorities, low absorption rate as well as the need to overcome unforeseen problems or issues arising due to changed economic or wider policy/legislative contexts.

Until 2015 the European Court of Auditors carried out five special reports directly related to rural development. The topics covered by the Court were:

- The contribution of technical assistance to agriculture and rural development
- Financial instruments as a successful and promising tool in the rural development area
- The cost-effectiveness of EU Rural Development support for non-productive investments in agriculture
- EU support for rural infrastructure: potential to achieve significantly greater value for money
- The EU priority of promoting a knowledge-based rural economy

The key recommendations of the Court have been addressed by the Commission. In particular, the recommendations related to improving guidance and reducing obstacles to the uptake of financial instruments, were addressed in the context of the simplification modification of the EAFRD Implementing Act (Regulation (EU) No 808/2014) in April 2016 and the Commission proposal for the regulation modifying the sectorial basic acts (COM(2016) 605 final).

In 2016 the European Court of Auditors (ECA) issued **Special report N°36/2016: An assessment of the arrangements for closure of the 2007-2013 cohesion and rural development programmes**. The ECA examined whether the rules and procedures for the closure provide a basis for the Commission and the Member States to close programmes in an efficient and timely manner. It concluded that Commission's closure guidelines concerning rural development were timely and comprehensive and provided an adequate basis for Member States to prepare effectively for closure. In addition, the Commission delivered efficiently additional support addressing Member States' needs. As regards the closure of the current programming period, the Court recommended paying more attention to the results achieved and further aligning of the rules between the cohesion and rural development areas. The Commission was unable to accept the recommendations on the post 2020 framework because it cannot commit itself to any

proposals at this stage. Moreover, the Commission considers that alignment of arrangements in rural development and cohesion must not undermine the consistency of implementation of the CAP.

Contribution to policy achievements

Given that ex-post evaluations on the performance of the 2007-2013 RD programmes were only submitted by Member States to the Commission at the end of 2016⁶, the Commission is planning a high level synthesis report for 2017. Consequently the achievements reported below are based mainly on available monitoring information on programme implementation.

The CAP has continued to promote the sustainable management of natural resources and climate action through dedicated rural development measures such as agri-environmental measures, including support for organic farming. The expansion of the surface under agri-environmental schemes during the 2007-2013 programming period (46.8 million ha, representing more than 25% of the EU-27 Utilised Agricultural Area in 2013) has played an important role in the improvement of the environmental performance of EU farming. Emissions from the agricultural sector have continued to decline, showing an average annual rate of decrease of 0.8% between 2001 and 2012. The share of agriculture in total net emissions reached 9.6% in 2012.

The CAP also promoted a balanced territorial development in the EU through its various instruments. For instance, the payments resulting from application of various RD measures provided to the vast majority of the 12 million agricultural holdings and its associated 25 million people is a crucial element for maintaining employment. In this context, rural development supported almost 53 000 operations improving basic services in rural areas in the period 2007-2013.

In addition, innovation support has so far been channelled to 156 600 farms that have introduced new products or technologies in their farm businesses and 430 000 farms have received modernisation support. On the developmental side, around 2 000 cooperation projects focussing on developing new products or new techniques have received support in the 2007-2013 period.

EU added value

The EAFRD is the key tool to deliver results in rural areas in a number of EU priority areas. The 2007-2013 programmes helped to modernize and restructure the agricultural sector, ensuring improved input for the EU food industry, the biggest employment sector in the Union. Through widely implemented agri-environment schemes, the programmes improved the environmental performance and carbon foot print of farming whilst taking into account local specificities.

Through the European Network for Rural Development (ENRD) and national networks the best practices, experience and innovative solutions were shared amongst Member States, effectively improving the impact of the fund. The common approach to local development (through LEADER) improved territorial cohesion, social innovation and capacity building in the rural economy at the local level.

LEADER is an established methodology, applied mandatory in all MS. The knowledge exchange, mutual learning and best practice development realised through networking and cross border cooperation projects, could not occur without an EU contribution. The integrated, bottom-up dimension of LEADER creates a sense of ownership of the community projects. In addition, since LEADER funding is limited, good practices developed under LEADER can often be scaled up using other funds, again creating EU added value. An example of such activities could be 35 EAFRD Projects on Migrants and Refugees: investing in the integration and welfare of immigrants, refugees and asylum seekers through a series of LEADER projects.

⁶ Some evaluations are still incomplete or missing: BG, RO, ES (Galicia), FR (Hexagone only draft)

HEADING 2: Sustainable growth: natural resources**European Maritime and Fisheries Fund (EMFF)**

Lead DG: MARE

I. Programme update**Implementation status (2014-2016)**

Expenditure supporting the Fisheries and Maritime Policies is financed through a single fund, the EMFF, either directly or in the context of shared management with Member States. Shared management with Member States applies to measures to support fisheries, aquaculture and community-led local development, processing and marketing, compensation for the outermost regions, control and data collection activities as well as the IMP. Direct management is used to implement scientific advice, specific control and enforcement measures, voluntary contributions to regional fisheries management organisations, Advisory Councils, market intelligence, operations for the implementation of the IMP and communication activities.

Shared management (2014-2020 envelope of EUR 5749 million):

Although the EMFF implementation started officially in January 2014, the late adoption of the EMFF Regulation (May 2014) has entailed a delay in the adoption of EMFF Operational Programmes (OPs), with the last two years of work being dedicated to the completion of the negotiation process of these programmes (see table of adoption dates below) and to preparatory work for implementation such as the setting up of the EMFF Monitoring Committees. In April 2017, 13 Member States have notified to the Commission the designation of authorities for the management of the fund, which is a prerequisite for the submission of interim payments (art.123 of the ESIF Common Provisions Regulation).

Table showing the date of adoption and the reference number of EMFF OPs:

MS	FIRST OFFICIAL SUBMISSION	ADOPTION DATE	COM number
AT	12/12/2014	25/02/2015	c(2015)1279
BE	30/06/2015	02/12/2015	c(2015)8766
BG	16/10/2014	13/11/2015	c(2015)8065
CY	21/10/2014	02/07/2015	c(2015)4605
CZ	11/12/2014	02/06/2015	c(2015)3755
DE	20/10/2014	18/08/2015	c(2015)5926
DK	12/03/2015	18/08/2015	c(2015)5927
EE	15/10/2014	17/08/2015	c(2015)5898
EL	21/10/2014	23/10/2015	c(2015)7417
ES	16/02/2015	13/11/2015	c(2015)8118
FI	11/12/2014	24/03/2015	c(2015)2065
FR	07/04/2015	03/12/2015	c(2015)8863
HR	26/02/2015	05/11/2015	c(2015)7776
HU	29/06/2015	07/12/2015	c(2015)8978
IE	25/06/2015	03/12/2015	c(2015)8855
IT	30/04/2015	25/11/2015	c(2015)8452
LT	12/11/2014	17/08/2015	c(2015)5897
LV	05/08/2014	17/12/2014	c(2014)10068
MT	19/09/2014	03/03/2015	c(2015)1455
NL	11/12/2014	25/02/2015	c(2015)1278
PL	22/05/2015	22/10/2015	c(2015)7386
PT	17/04/2015	30/11/2015	c(2015)8642
RO	20/04/2015	25/11/2015	c(2015)8416
SE	01/04/2015	17/08/2015	c(2015)5896
SI	29/10/2014	22/07/2015	c(2015)5168
SK	30/09/2014	15/07/2015	c(2015)4969
UK	27/04/2015	30/11/2015	c(2015)8628

Direct management (2014-2020 envelope of EUR 647 million):

The value of the work programmes for procurements and grants for 2014, 2015, 2016 and 2017 amounted to EUR 68 million, EUR 76 million, EUR 74 million and EUR 76 million respectively.

From end 2014 EASME has taken over implementation of part of the actions in the area of Integrated Maritime Policy (Specific Objective n°2), scientific advice and knowledge and fisheries control (Specific Objective n°4). A slightly smaller share of the work programmes is implemented by DG MARE or, for actions relating to the MSFD (Marine Strategy Framework Directive), by DG ENV.

The execution of the work programmes is globally satisfactory with the exception of the action for chartering/purchase of joint fisheries control means. With an annual allocation of some EUR 10 million, calls for applications were published in 2014 and 2015 with a very limited response. Alternative options for the use of these funds, for 2016 and subsequent years are currently being examined.

Key achievements

Shared management:

Since EMFF implementation was still at an early stage. Little information on achievements was provided by the Member States in the first Annual Implementation Reports (AIRs) which were due by 31 May 2016. The AIRs for the year 2016 due by the end of May 2017 should prove much more informative in comparison.

As provided for in the Common Provision Regulation for the ESI Funds, the first common annual summary report was presented by the Commission to the other institutions covering information on all ESI Funds. The main conclusions for the EMFF are as follows:

- Around 80% of the EMFF projects, foreseen over the period, aim to strengthen SMEs and increase the competitiveness of the fleet and of aquaculture enterprises. The start of implementation has been relatively slow as only 10% of the projects selected until end-2015 focus on SME development.
- Around 90% of all projects selected for EMFF support by end-2015 promote resource efficiency and the protection of the environment. Most of those projects aim at protecting and restoring marine biodiversity by substantially increasing physical control of landings and lowering the volume of unwanted catches thereby supporting the implementation of the Common Fisheries Policy.
- The EMFF invests in employment, social inclusion and education. For instance, in the period of 2014-2015 projects were selected in Denmark and Sweden supporting employability and labour mobility in coastal communities.

Direct management:

Some of the actions build on initiatives launched in the previous programming period. For instance, the Commission is further improving marine knowledge, building on EMODnet which groups together more than 100 organisations working to observe the sea, process the data according to international standards and make that information freely available. There are several pertinent examples of value added, such as an improved data flow, leading to increased productivity, innovation and development of new commercial products.

In the current context, contributions to develop Integrated Maritime Surveillance (development of CISE) and enhancement of European coastguards' co-operation and development of sectoral qualifications and training are particularly worth mentioning.

Evaluations/studies conducted

For 2014-2020 a stronger emphasis is placed on the need to evaluate the effects of the policies co-financed through the ESI Fund programmes. By end-2015 there were few evaluations of the results and impacts linked to the 2014-2020 period, largely due to an insufficient volume of completed projects¹. For the EMFF, evaluations plans were adopted as part of the operational programmes. Evaluation plans are now largely in place to deliver on this obligation. The Commission has examined the evaluation plans received until 30 June 2016 which confirm that unprecedented work is under way in the programmes to provide more robust evaluation of the implementation and achievements.

A study supporting the ex-post evaluation of the EFF 2007-2013 was completed at the end of 2016

Forthcoming implementation (2017-2018)

Shared management:

The EMFF implementation is expected to reach a cruising speed in 2018 after delayed implementation of the operational programmes in the first years of the current programming period.

Direct management:

The amount allocated to actions in the 2017 Work Programme (WP) for procurement and grants totals EUR 75.6 million. The intention is to amend the 2017 WP to align it with a delegated act adjusting the percentages set out in Annex III of the EMFF regulation (indicative distribution of funds between objectives).

¹ More information on the evaluations can be found in SWD(2016)447

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council	2014 - 2020	6 396,6

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	3,3	3,4	3,7	3,7	3,5	3,7	3,7	25,0
Operational appropriations	116,9	1 617,3	885,1	905,1	926,8	935,2	953,3	6 338,9
Executive Agency	0,8	1,9	2,6	2,9	3,0	3,2	3,3	17,8
Total	120,3	1 622,6	891,4	911,7	933,4	942,2	960,3	6 381,7

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	891,370	99,66 %	266,228	95,80 %	911,756	70,45 %	567,812	4,89 %
Authorised appropriation excluding external earmarked revenue	891,370	99,66 %	266,164	95,51 %	911,756	70,45 %	567,812	4,86 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU has exclusive competence for the conservation of marine biological resources², both in EU waters and in relation to the international obligations deriving from UNCLOS³ and from other UN agreements to which the EU is a Party. The exclusive competence equally applies to the bilateral fisheries agreements signed with third countries. All these areas are regulated by the Common Fisheries Policy (CFP).

The CFP also includes areas of shared competences between the EU and its Member States⁴, where the subsidiarity principle⁵ applies. For aquaculture, the EU's added value resides in finding solutions to the sector's most common problems; in market policy, Member States and economic actors maintain a high degree of autonomy in applying the various market policy instruments at their disposal.

Our Integrated Maritime Policy (IMP) provides a coherent approach to all other maritime issues through close coordination and cooperation across sectors and between international, national, regional and local decision makers. Similarly, our Blue Economy policy encourages EU governments, industry and stakeholders to develop joint approaches to drive growth, while safeguarding the marine environment and Europe's unique maritime assets.

The financial instrument to support the implementation of the CFP and certain actions under IMP is the European Maritime and Fisheries Fund (EMFF) 2014-2020. This is one of the five European Structural and Investment (ESI) funds⁶ operating under the Common Provision Regulation. It covers funds both under direct management and under shared management with the Member States.

Each Member State details the use of the funds received in shared management in an operational programme, covering the period 2014-2020, which has to contribute to four of the eleven thematic objectives⁷ of the ESI funds and translate the Europe 2020 strategic objectives into investment priorities. The EMFF is not only directed to fisheries and innovation in fisheries, aquaculture

² 3 (1) (d) of the Treaty on the Functioning of the European Union (TFEU).

³ United Nations Convention for the Law of the Sea

⁴ Article 4 (2) (d) TFEU.

⁵ Article 5 (3) of the Treaty on the European Union

⁶ The ESI funds are the following: EMFF (European Maritime and Fisheries Fund), ERDF (European Regional Development Fund), ESF (European Social Fund), CF (Cohesion Fund) and EAFRD (European Agricultural Fund for Rural Development).

⁷ Thematic objectives (TO):

TO 3: competitiveness of SMEs in the fisheries sector;

TO 4: supporting the shift towards a carbon-free economy;

TO 6: preserving and protecting the environment and promoting resources efficiency;

TO 8: promoting sustainable and quality employment.

and processing, but also to support diversification and promote the economic development of fisheries dependent areas. The Blue Growth agenda of IMP can be mainly supported through the other ESI funds.

The control and management of EMFF expenditure is aligned to that of the cohesion funds, with some limited differences due to the proportionality principle⁸ and the specificities of the CFP.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	48,2	49,3
Sustainable Growth (competitiveness, climate, energy and mobility)	342,7	350,7
Inclusive Growth (employment and skills, fighting poverty)	377,9	386,7
Total	768,8	786,7

These forecasts are based on the total EMFF allocation to the Europe 2020 priorities as per data provided by the MS in the Annual Implementation Reports (EUR 5 401 million for the whole programming period). The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
1. Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture	144	147
2. Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy		
3. Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas		
4. Fostering the implementation of Common Fisheries Policy		

These forecasts are based on the total EMFF allocation to climate objectives in EMFF OPs (EUR 1 011 million for the whole programming period). The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
139	140	142	144	147	148	151	1 011

These forecasts and amounts are based on the total EMFF allocation to climate objectives in EMFF Operational Programmes (EUR 1 011 million for the whole programming period). The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
1. Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture	134	137
2. Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy		
3. Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas		
4. Fostering the implementation of the Common Fisheries Policy		

These forecasts are based on the allocation in the Operational Programmes to Thematic Objective 6 - "Preserving and protecting the environment and promoting resource efficiency" (Rio marker of 40 % of the total applied to budget line 11 06 60). The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

In addition, 40% of the relevant funding in direct management (scientific advice and knowledge, control and enforcement and voluntary contributions to Regional Fisheries Management Organisations) is included.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020**
2014	2015	2016	2017	2018	2019	2020	
130	133	132	134	137	138	141	945

⁸ The EMFF operational programmes are in most cases smaller than those under cohesion policy.

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

While setting up their Operational Programmes (OPs), responsible Managing Authorities are required to consult bodies promoting gender equality⁹. They should also consider, whether the EMFF measures targeting women in fishing/aquaculture¹⁰) are to be included in their OPs and they must¹¹ "ensure publicity for the operational programme by informing among other bodies involved in promoting equality between men and women, of the possibilities offered by the programme as well as¹² "examine actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for disabled persons".

Finally, once the OPs are approved and when setting up the monitoring and evaluation system thought should be given to what specific data needs arise in order to be able to evaluate the actions taken to promote equality between men and women, equal opportunities and non-discrimination, including accessibility for disabled persons.

Access to a legal status for all assisting spouses will constitute the formal recognition of their contribution to fisheries enterprises and it will give visibility to women’s participation in the fisheries sector. But some MS have yet to given this status to fisherwomen despite claims of fisherwomen organizations and the available EU directives (2010/41/EU of the European Parliament and of the Council).

4. Performance information

Specific objectives

Specific Objective 1: Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture

Indicator 1: Labour productivity (in terms of gross value added per employee) in the EU fisheries sector							
Baseline 2011	Milestones foreseen						Target 2023
	2014	2015	2016	2017	2018	2019	
- EU fishing fleet: 38,700 €/employee. - EU aquaculture: 44,000 €/employee. - EU fish processing: 53,500 €/employee. Employment is measured in full time equivalents.	Increase in fisheries sector's productivity: (%) equals or exceeds that of the EU economy (%).						Increase in fisheries sector's productivity: (%) equals or exceeds that of the EU economy (%).
	Actual results						
	- EU fishing fleet: 41,300 €/employee. - EU aquaculture: 49,600 €/employee. - Data for EU fish processing will be available in December 2017*	*	*				

*The data is made available for fishing fleet and aquaculture in the month of August of year N+2 after the approval of the Scientific Technical and Economic Committee for Fisheries (STECF). In the case of fish processing it becomes available later.

Indicator 2: Profitability of the EU fishing fleet by fleet segment							
Baseline 2012	Milestones foreseen						Target 2023
	2014	2015	2016	2017	2018	2019	
Net profit margin of the EU fishing fleet: average 6%. By main segment category: - small scale fleet 8.0% - large scale fleet 5.3% - long distant water fleet 5.6%	Net profit margin of the EU fishing fleet: average 6-9%.						Net profit margin of the EU fishing fleet: average 10-12%.
	Actual results						
	Average EU fishing fleet 11% By main segment category: - small scale fleet 4% - large scale fleet 8% - long distant water fleet 24%	*	*				

⁹ Art 5 of (EU) Reg. 1303/2013
¹⁰ Art 29 (b) and 50 (C) of EU Reg. 508/2014
¹¹ Art 97 (EU) Reg. 508/2014
¹² Art 113 (EU) Reg. 508/2014

*The data is made available for fishing fleet and aquaculture in the month of August of year N+2 after the approval of the Scientific Technical and Economic Committee for Fisheries (STECF). In the case of fish processing it becomes available later.

Indicator 3: Fuel efficiency of fish capture							
Baseline 2011	Milestones foreseen						Target 2023
	2014	2015	2016	2017	2018	2019	
Ratio catches to fuel consumption: ca. 2.05 kg of fish for 1 litre of fuel ¹³				Reduce fuel consumption by 5%			Reduce fuel consumption by 10%
	Actual results						
	2.20 kg fish/ 1 litre	*	*				

*The data is made available for fishing fleet and aquaculture in the month of August of year N+2 after the approval of the Scientific Technical and Economic Committee for Fisheries (STECF). In the case of fish processing it becomes available later.

Indicator 4: Volume of discards of commercially exploited species							
Baseline 2010	Milestones foreseen						Target 2023
	2014	2015	2016	2017	2018	2019	
23% of the catches is discarded		21%		10%		Max 5%	Discarding eliminated, and unwanted catches reduced
	Actual results						
	*	*	*				

Due to lack of comprehensive and reliable data, the Commission has not been able to report on this indicator. This was discussed with the MS in March 2017.

Indicator 5: Value of aquaculture production in the EU							
Baseline 2013	Milestones foreseen						Target 2023
	2014	2015	2016	2017	2018	2019	
EUR3,85billion				+2.25% annual growth compared to 2016			At least + 27% compared to the baseline 2013
	Actual results						
	3.92						

* Latest figure from Eurostat (2017).

Indicator 6: Relative value or volume of products placed on the market by Producers Organisations (POs), associations of POs or inter-branch organisations

Baseline				Milestones foreseen						Target 2023
				2014	2015	2016	2017	2018	2019	
Member States	% production in value	Value of production placed on the market by POs (in euros)	% production in volume				The expected evolution will be set in the course of 2016, on the basis of the information communicated by MS in their operational programmes and of the outcome of the interim assessment of the implementation of production and marketing plans which shall be carried out in 2016			Continuous upward trend up to 2023 and increasing share of products from members of POs.
BEL	100	73.100	100							
DNK	85	285.235	74							
DEU	45	176.419	79							
EST	76	1.900	80							
IRL	70	171.426	91							
GRC	0,01	45	0,01							
ESP	57	1.342.243	71							
FRA	43	653.288	46							
ITA	76	165.468	27							
LVA	90	8.794	95							
LTU	66	317.916	-*							
NLD	100	419.723	100							
POL	71	46.080	86	**	**	**				

¹³ These values are an approximation varying on the fishing techniques used (from 0.2 to 5 litres per kg of fish).

PRT	58	146.826	68						
ROM*	-	-	-						
SWE	79	776.649	83						
GBR	75	424.665	79						

* Data not available

** The 2016 AIRs contain too little information to provide reliable actual results for the year 2014 and 2015. The data for the year 2016 will be available in the second half of 2017 after the validation and analysis of the data transmitted by MS in May 2017 in the context of the 2017 AIR.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Conservation, reduction of the fishing impact on the marine environment and fishing adaptation to the protection of species (UP1-SO1-measure 3)		Target 2023: 283	
Energy efficiency, mitigation of climate change (UP1-SO5-measure 3)	11 06 60	Target 2023: 757	141
Productive investments in aquaculture (UP2 SO2-measure 1)		Target 2023: 4 610	
Limiting the impact of aquaculture on the environment (UP2-SO4-measure 1)		Target 2023: 1 248	
Producers organisations or associations of producers organisations supported for production and marketing plans (UP5- SO1-measure 1)		Target 2023: 265	
Processing projects (UP 5- SO2-measure 1)		Target 2023: 1 926	
Total			

Based on the total EMFF allocation for the above mentioned measures as per the EMFF annual implementation reports due by the end of May 2016 (970 EUR Million for the whole programming period). The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Conservation, reduction of the fishing impact on the marine environment and fishing adaptation to the protection of species	F	NA	NA	NA	NA	NA	NA	NA
	P	0	0	**				
Energy efficiency, mitigation of climate change	F	NA	NA	NA	NA	NA	NA	NA
	P	0	0	**				
Productive investments in aquaculture	F	NA	NA	NA	NA	NA	NA	NA
	P	0	29	**				
Limiting the impact of aquaculture on the environment	F	NA	NA	NA	NA	NA	NA	NA
	P	*	31	**				
Producers organisations or associations of producers organisations supported for production and marketing plans	F	NA	NA	NA	NA	NA	NA	NA
	P	0	2	**				
Processing projects	F	F	NA	NA	NA	NA	NA	NA
	P	P	1	**				

* Due to late start of EMFF implementation, MS have only very limited selected operations by end 2015

** Data on selected operation for funding in 2016 to be sent by MS to the Commission by 31 March 2017

*** According to an interim assessment, 208 POs had adopted 193 Production and Marketing Plans with EMFF support in 2015

Specific Objective 2: Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy

Indicator 1: Marine knowledge 2020 initiative: Degree of use of the European Marine Observation and Data Network (EMODnet) measured by the number of users downloading data

Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1 212 unique visitors per month to the central portal.				5 000 unique visitors per month.			17 000 unique visitors per month.
	Actual results						
	2 290	4 451	7 490				

Indicator 2: Maritime Surveillance: Percentage of available cross-sectorial and/or cross-border data, as a percentage of the total information gap identified in the Impact Assessment on CISE (Common Information Sharing Environment)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0% of the data gap closed.					Between 10% and 20% of the data gap closed		Between 20% and 40% of the data gap closed
	Actual results						
	No quantifiable results	No quantifiable results	No quantifiable results				

*The relevant information for calculating this indicator is not available. In order to objectively measure this indicator, a large-scale assessment is necessary to monitor the progress of all EU and MS systems implemented via CISE. It is planned to perform an overarching evaluation of the CISE process in 2018 which should touch on this aspect.

Indicator 3: Percentage of the surface area of marine waters conserved through spatial protection measures in the context of Article 13.4 of MSFD

Result 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
In the Exclusive Economic Zone, coverage of 5,9%. In the 0-12 nm zone, coverage of 10% of the surface has been exceeded in some marine regions or sub-regions (Baltic sea, Greater North Sea, West Mediterranean).				Exclusive Economic Zone: coverage of 8%*			Coverage (including all different kinds of protected sites) of 10% of surface in the Exclusive Economic Zone, 20% in the 0-12 nm zone
	Actual results						
	Not available	Not available	8%				

*Commission report required by MSFD art. 16 and the related assessment of European MPA networks (to be published in 2017)

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Number of contracts concluded to construct European Marine Observation and Data Network (EMOD net)	11 06 61	1	5.0
2. Actions supporting the exchange of information flows relevant to the 'Common Information Sharing Environment (CISE) for the surveillance of the EU maritime domain'.	11 06 61	7	6.1
3. Actions supporting the development of the Blue Economy in European Sea Basins (studies, pilot project, business cases)	11 06 61	9	22.5
4. Studies, pilot projects and expert support for the implementation of Maritime Spatial Planning in Member States and across European sea basins	11 06 61	3	2.8
5. Actions supporting the implementation of Marine Strategy Framework Directive (MSFD)	11 06 61	1	4.4
Total		21	40.8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of contracts concluded to construct EMOD net	F	6	6	8	4	6	8	4
	P	5	3	4*				
Actions supporting the exchange of information flows relevant to the CISE for the surveillance of the EU maritime domain.	F(direct management)	2	2	13	12	12	6	5
	F(shared management)	Actions in 23 MS throughout the programming period						
	P	12	3	4				
Actions supporting the development of the Blue Economy in European Sea Basins (studies, pilot project, business cases)	F	2	2	2	15	8	6	2
	P	7	3	16*				
Studies, pilot projects and expert support for the implementation of Maritime Spatial Planning in Member States and across European sea basins	F	5	5	5	5	5	5	5
	P	5	0	6*				
Actions supporting	F	5	5	5	5	5	5	5

the implementation of MSFD	P	8	4	7*			
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* The difference between produced and foreseen outputs are due to the fact that in the years 2014-2015 more emphasis was laid on the implementation of actions related to marine knowledge and cross-sectoral tools (such as CISE) whereas from 2016 the emphasis shifted towards the blue economy (blue growth).

Specific Objective 3: Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas

Indicator 1: Employment created/maintained in the fisheries and aquaculture sectors with support from the EMFF

Baseline	Milestones foreseen						Target 2023
	2014	2015	2016	2017	2018	2019	
Employment created 0	Actual results						4.624
	*	*					
Employment maintained -	Actual results						26.550
	*	*					

* By the end of 2015 MS had only selected 819 operations (compared to an average of 11 175 operations/year under the EFF) representing less than 2.1% of the EMFF budget available to them. Therefore, there is no visible impact on employment yet.

Indicator 2: Number of local strategies selected by Fisheries Local Actions Groups (FLAGs)

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	Actual results						276 The target is to keep approximately the status quo compared to the milestone since there will be some evolution and merging with Leader in some Member States.
		*	277*				

* By the end of 2016, 277 FLAGs had been formally approved and a further 81 were still in process of being approved.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of operations supported by the Fisheries Local Actions Groups	11 06 60	2 300*	75**

* This figure is based on the average number of operations selected per year by FLAGs active under the EFF

** This figure is based on the total EMFF allocation to this Union Priority in the EMFF OPs. The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of operations supported by the Fisheries Local Actions Groups	F	NA	NA	NA	NA	NA	NA	NA
	P	0	0	*				

* The information concerning latest known results is not yet available.

Specific Objective 4: Fostering the implementation of the Common Fisheries Policy

Indicator 1: Number of apparent infringements of CFP rules by operators found in the framework of specific control and inspection programmes (SCIPs), divided by the number of inspections conducted

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of apparent infringements/number of inspections (ratio): 18 %	Actual results						10 %
	5.38%	4.11%	3.49%				

Indicator 2: Number of Member States with an effective control system							
Baseline December 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of Member States having been subject to or under an action plan to overcome shortcomings in their fisheries control system: 6				Max. 5 Member States are under an action plan.			No Member States are under an action plan meaning that all Member States have an effective control system.
	Actual results						
	6	9	9				

Indicator 3: Proportion or number of stocks that are fished at MSY levels														
Baseline 2013	Latest known results	Target: by 2020 at the latest												
<p>Stock status</p> <p>Northeast Atlantic & adjacent waters: Proportion (%) of stocks fished at MSY rate</p> <table border="1"> <tr> <th>Year</th> <th>Proportion (%)</th> </tr> <tr> <td>2010</td> <td>49</td> </tr> <tr> <td>2011</td> <td>58</td> </tr> <tr> <td>2012</td> <td>42</td> </tr> <tr> <td>2013</td> <td>57</td> </tr> <tr> <td>2014</td> <td>53</td> </tr> </table> <p>Average fishing mortality compared to MSY values (=1 for F=FMSY), for stocks in the Mediterranean Sea, GSAs 1,5-11, 15-20, 22, 23 and 25. Redrawn from Figure 15 of the STECF-16-05 report, as updated by STECF 51st Plenary Meeting Report.</p>	Year	Proportion (%)	2010	49	2011	58	2012	42	2013	57	2014	53	<p>According to the latest available information (end of 2016) 31 out of 59 assessed fish stocks in the Northeast Atlantic and adjacent waters are fished at or below the rate corresponding to MSY. In the Mediterranean and Black Seas stocks were on average fished between 2 and 3 times the rate corresponding to MSY between 2010 and 2014. In 2015, 87 stocks in the Mediterranean and Black Seas had a scientific advice on MSY (or proxy) of which 8 stocks were assessed as being above MSY. These figures have been validated in the STECF spring 2016 plenary (16-01). New figures from STECF based on the 2016 stock assessments will be available in March 2017.</p> <p>No interim milestones have been set in EU legislation.</p>	<p>Exploitation at MSY rate for all commercially exploited stocks.</p> <p>Target set by Article 2 of Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the CFP</p>
Year	Proportion (%)													
2010	49													
2011	58													
2012	42													
2013	57													
2014	53													

Indicator 4: Degree of adequate responses to data calls under the data collection framework (100% minus failures to deliver the full data set required)							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
92 %				96 %			100 %
	Actual results						
	91%	81%	*				

* The 2014 and 2015 response to data calls exercises are almost finalised. The percentages given are expected to increase still.
 ** The 2016 response to data calls exercise starts at the end of the first quarter of 2017.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects related to the establishment and validation of databases on control	11 06 60	Target 2023: 1 119*	83.0**
Number of vessels equipped in new control technologies (CCTV and electronic devices) or subject to measurement of engine power	11 06 60		
Projects on traceability of all fisheries products	11 06 60		
Support to operational costs incurred in the context of Specific Control and Inspection programs or coordinated control deployments or in the context of action plans	11 06 60		
Number of studies related to CFP	11 06 62 01	16	5.5
Support to the national programmes for collection of biological, technical, environmental and socio-economic data concerning the fisheries sector	11 06 60	27	76.0*
Grants to Regional fisheries management organisations (RFMOs) and other International Bodies needed to achieve their objectives of sustainable development of fisheries resources and sustainable ocean governance through, inter alia, funding of capacity building and scientific research	11 06 62 03	35	12.3
Grants to Advisory Councils, allowing them to provide advice to the Commission and Member States	11 06 62 04	11	3.3
Operational fully-fledged Market Observatory	11 06 62 05	1	4.1
Total			184.2

* The related data for the different outputs (as shown in the table above) is not made available to the Commission by the MS. As a consequence, a target to be achieved by end of 2023 has been shown. The target in the operational programmes relates to the number of projects in the area of control to be implemented by end of 2023. The operational programmes do not split the target across the different outputs.

** This figure is based on the total EMFF allocation to this Union Priority in the EMFF OPs. The annual EMFF contribution is calculated in proportion to the EMFF tranche in the annual budget.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects related to the establishment and validation of databases on control*	F	50	56	42	42	42	42	42
	P	0	83	**				
Investments in new control technologies (number of vessels equipped)*	F	5 000	4 250	4 750	6 750	7 500	8 750	10 000
	P	0	62	**				
Projects on traceability of all fisheries products*	F	120	130	140	150	180	170	170
	P	0	0	**				
Support to operational costs incurred in the context of Specific Control and Inspection programs or coordinated control deployments*	F	10	10	12	12	12	12	12
	P	0	0	**				
Number of studies related to CFP	F	12	8	18	14	16	16	18
	P(direct management only)	8	7	9				
Support to the national programmes for collection of biological, technical, environmental and socio-economic data concerning the fisheries sector	F	27	27	27	27	27	27	27
	P	27	27	27				
Grants to RFMOs needed to achieve their objectives of sustainable development of fisheries resources through, inter alia, funding of capacity building and scientific research	F	16	24	32	32	32	32	32
	P(direct management only)	16	30	34				
Grants to Advisory Councils, allowing them to provide advice to the Commission and Member States	F	11	11	11	11	11	11	11
	P(direct management only)	7	7	10				
Operational fully-fledged Market Observatory	F	1	1	1	1	1	1	1
	P(direct management only)	1	1	1				

* The difference between outputs foreseen and produced is explained by the fact that, by the end of 2015, the MS had only selected 819 operations (compared to an average of 11 175 operations/year under the EFF) representing less than 2.1% of the EMFF budget available to them.

** The information concerning outputs is not yet available and is only due mid-2017.

5. Programme contribution to the Sustainable Development Goals

The main objective of the EMFF is to support the implementation of the Common Fisheries Policy (CFP) and of the Integrated Maritime Policy (IMP) thereby contributing first and foremost to SDG 14 (Conserve and sustainably use the oceans, seas and marine resources for sustainable development). In addition, by contributing to the improvements of the economic results of the EU fisheries sector and to the improvements of the living standards of the coastal populations depending on that sector and by allowing operators to modernise their productive tools, to diversify their sources of income or to switch to alternative economic activities, the EMFF also contributes to SDG 1 (End poverty in all its forms everywhere).

By promoting the conservation of the marine living resources and the protection of the marine ecosystem, the EMFF contributes to the sustainability of the production of the EU fisheries sector of healthy quality food thus to SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) and SDG 3 (Ensure healthy lives and promote well-being for all at all ages).

Finally the EMFF can contribute to lifelong education and training (thereby contributing to SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all) in particular of the life partners of the fisheries operators and of the members of their coastal communities (thereby contributing to SDG 5. Achieve gender equality and empower all women and girls)

6. Information about financial instruments financed by the Programme

Member States have the flexibility to contribute resources from programmes to financial instruments set up at national, regional level and managed by or under the responsibility of the managing authority. So far no financial instrument was implemented under EMFF by the Member States.

7. Programme related additional information

Programmes' implementation 2014-2020 (Common Strategic Framework)*

Thematic objectives of the Common Strategic Framework	Commitments(1) 2014-2020 EUR million (1)	Cumulative payments declared by Member- states at end 2016 (2)**	(2)/(1) %
3.Enhancing the competitiveness of small and medium-sized enterprises Outputs:	2 598,6	13,3	0.2%
4.Supporting the shift towards a low-carbon economy in all sectors Outputs:	114,6		
6.Preserving and protecting the environment and promoting resource efficiency Outputs:	2 164,1		
8.Promoting sustainable and quality employment and supporting labour mobility Outputs:	580,4		
TOTAL	5 457,7	13,3	0.2%

*The data presented cover all adopted MS' Partnership Agreements, as well as all operational programmes.

** In EMFF payment applications submitted by the MS there is no requirement to report on the amounts spent with regard to a given thematic objective. The amounts spent are reported by the MS at the level of priorities that might be made up of several thematic objectives. Information on the amounts spent by the MS with regard to the thematic objectives is therefore not available.

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

HEADING 2: Sustainable growth: natural resources**Programme for the Environment and Climate Action (LIFE)****Lead DG: ENV**

Associated DGs: CLIMA

I. Programme update***Implementation status (2014-2016)***

Launched in 1992, LIFE is the only EU programme exclusively dedicated to the environment nature conservation and climate action, all areas of growing public concern.

The LIFE Programme for the period 2014-2020 introduced for the first time some new activities (such as the financial instruments) and new types of grants (integrated projects, technical assistance projects and capacity building projects) while the bulk of the activities (traditional projects, operating grants and procurement) continue to be as they were under the previous LIFE+ programme.

The first Multi Annual Work Programme (MAWP) 2014-17 was adopted at the beginning of 2014 with the favourable opinion of the LIFE Committee.

The externalisation of the major part¹ of the grants to the Executive Agency for Medium and Small Enterprises (EASME) was successfully completed for both DG ENV and DG CLIMA and a close collaboration was built up to ensure continuity in programme implementation.

Following the calls for proposals launched in 2014 and 2015 for traditional projects, about 2400 proposals were received leading to the financing of 240 (grant) projects. Considering that the average duration of these projects is 4-5 years, only very few projects are expected to be finished by 2017, thus making it difficult to assess results at this early stage.

More than 300 project applications for traditional projects focused on climate action objectives have been received, and 65 financed, following the first two calls for proposals (2014 and 2015).

Beneficiaries of the traditional projects are a wide range of different organisations: from small to large enterprises (enterprises receive 44% of the total, out of which 33% are SMEs), to private non-commercial organisations (24%), to public bodies (32%). Beneficiaries must co-finance the project for which EU funding has been awarded. Data on this co-financing show that total EU financing under LIFE of about 438 million EUR mobilised an additional EUR 329 million in external co-financing (43% of the total project cost).

The new types of grants (integrated, technical assistance, capacity building and preparatory projects) introduced by the LIFE Regulation were successfully put in place and the related calls for proposals launched regularly since 20014.

For the integrated projects, out of the 66 concept notes, 15 projects were financed in 10 different Member States.

According to the proposals received, for a total financing of EUR 283 million, the integrated projects should facilitate the coordinated use of about EUR 3.6 billion EUR in total, as it is shown in the below table. For each euro the LIFE programme finances, it is expected that a further 23 euros will be financed from other sources for environment and climate objectives.

For the capacity building projects, which are aimed at enabling countries under represented in the LIFE programme to participate more effectively, 14 out of the 15 countries² eligible for support - under the first MAWP - received a grant.

Technical assistance projects provide financial support to help applicants prepare integrated projects: seven projects were financed in 2014-2015 and three of them have already led to the successful submission of an integrated project.

A system for tracking the performance indicators at project level was developed in 2014-2015. Project-level information has been collected since 2015 on the basis of a list of indicators and related descriptors as soon as the project is awarded the grant, indicating the baseline and the expected project outcomes. A team of monitoring experts validates these data and follow up their progression during the project implementation.. The tracking system is expected to be fully operational for the second LIFE Multi-annual work programme 2018-2020.

For the financing of European NGOs working in the environment and/or climate action fields, the Commission succeeded:

- in avoiding delays in the award of the operating grants, which had been experienced in 2007, at the beginning of the 2007-2013 MFF, because of the late adoption of the legal base, by funding their 2014 work programme on the former LIFE+;
- in fully introducing since 2015 multiannual partnership agreements conceived to provide the partner NGOs with a more forward looking and stable funding framework.

Two innovative financial instruments were established at the end of 2014:

¹ About 90% of the grants and 57% of the programme overall amount for the period 2014-2017.

² One eligible country did not submit a proposal.

- the Natural Capital Financing Facility (NCF), conceived to provide loans and investments in funds to support projects which promote the preservation of natural capital, including adaptation to climate change. This represents an innovation which, if successful, could drive the architecture of natural capital financing across the world, and
- the Private Finance for Energy Efficiency (PF4EE) aimed at addressing the limited access to adequate and affordable commercial financing for energy efficiency investments.

Following an ex ante assessment analysing the potential demand and defining the best possible conditions for its financing, the Commission and the European Investment Bank (EIB) developed and signed delegation agreements.

Information on the state of play of the financial instruments is available below.

At the beginning of 2016 an external mid-term evaluation of the LIFE programme (hereinafter the "external study"³) started. The results will be accompanied by a report of the Commission, which will be transmitted to the other institutions by June 2017, as required by the LIFE Regulation.

Key achievements

The high level of demand for projects coupled with the relatively low level of co-financing⁴ compared with other programmes, underlines the continued interest in LIFE and its capacity to address existing needs.

The wide range of beneficiaries of LIFE projects demonstrates that the programme is capable of addressing different demands and attracting a wide range of stakeholders of climate/environmental policies.

According to the external study, stakeholders are extremely supportive of what the LIFE programme does, because they see it as responding to their needs and providing concrete results. The results of the open public consultation undertaken in the framework of the mid-term evaluation⁵ show that an overwhelming majority of respondents (between 94 % and 99 %) acknowledges that the LIFE programme addresses environment and climate action needs and that the programme is necessary.

In this line a recent opinion of the Committee of the Regions confirms **the relevance of the programme** (see the box).

The Committee of the Regions also 'believes'⁶ that the LIFE programme plays an important role in developing new solutions in the area of environmental protection and climate, promoting eco-innovation and building capacity for new instruments such as green infrastructure and nature-based solutions. It encourages the Commission to continue this approach both under the current multiannual programme and after 2020⁷.

In order to assess **the effectiveness of the programme**, the external study analysed the values of the anticipated results of the projects awarded in 2014 and compared them with the milestones indicated as target for 2017 in the first MAWP.

Based on their anticipated results, the 2014 projects⁷ already address 70% of the milestones included in the first MAWP⁸.

According to the results of the external study, the anticipated results of the on-going projects are expected to contribute to the shift towards a resource efficient, low carbon and climate resilient economy and to the protection of the environment including biodiversity and Natura 2000 by, inter alia:

Extract from European Economic and Social Committee on the Mid-term evaluation of the LIFE programme - NAT/689¹

"Over the last 25 years, the LIFE programme has been instrumental in European environmental policy, and increasingly in sustainability policy as well. It is fair to say that it has become part and parcel of the EU's environmental policy, which it has strengthened considerably. [...] LIFE projects have

- directly contributed to achieving direct and tangible successes: for example, certain endangered species that are protected under EU law have been protected from outright extinction thanks to projects funded by LIFE;
- given local people an illustration of the positive concepts underlying the EU's environment policy, and the benefits of this policy for people, nature and the environment. LIFE has thus become a kind of "bridge" between EU policy and the "Europe of citizens and regions", which is particularly important at a time when the added value of Europe is increasingly being called into question.

The LIFE programme, which is particularly appreciated for its constant adaptation to new challenges, has also demonstrated that there is within civil society great deal of potential and a real willingness to get involved in implementing and developing the EU's environmental and sustainable development policies. The implementation of EU law is far more than just a legislative act that the Member States have to put into effect. Environmental and sustainable development policy stands and falls on public acceptance; it must be publicised and made transparent, which is another area where LIFE can make an extremely valuable contribution."

³ More information on the scope and coverage of the mid-term evaluation are available in the section "Evaluation/studied concluded" ..

⁴ LIFE finances a maximum of 60 % of eligible costs for all projects for the duration of the first multiannual work programme (MAWP 2014-2017). This rate will be reduced to 55 % in the second MAWP (2018-2020). Exceptions will be made for the nature and biodiversity projects for priority habitats or species (up to 75 %) and capacity-building projects (up to 100 %).

⁵ N. 256 respondents answered to the public consultation, out of which 35% of private individuals, 32% of private organisations, 22% of public authorities and 11% of 'other respondents'.

⁶ *Ibid.*

⁷ Only the data related to the anticipated results of the projects of the call for proposals 2014 had been validated at the time of the evaluation.

⁸ The targeted milestones are considered to being achieved if the difference between the actual results and the milestone value is ≤ 5% of provisional results.

improving the conservation status of 59 habitats, 114 species and 85 Natura 2000 sites spread on over 17 million hectares;

reducing adverse effects of chemicals on health and environment for about 1.6 million people over 5 years;

reducing energy consumption (about 600 000 MWh/year) by best practice solutions;

increasing the production of energy from renewable sources (about 500 000 MWh/year from different sources);

equipping 35 million hectares with climate adaptation measures as well as developing best practice solutions for adaptation in various areas.

It has to be noted that, because of its limited size, the LIFE programme is not meant to solve environmental and climate problems. Rather, it is meant to act as a catalyst for developing and exchanging best practices and knowledge. The programme's role is to build up and improve capacity, speed up the implementation of EU legislation, and help private players, in particular businesses, to test small-scale technologies and solutions, and leverage other funds.

**Implementation of air quality plan for
Malopolska Region - Malopolska in a healthy atmosphere
(LIFE14 IPE/PL/000021)**

The aim of this project is the implementation of an air quality plan in the Malopolska region of Poland, and regional and local air quality policies the province of Silesia, and adjacent regions in Slovakia and the Czech Republic. Malopolska province struggles with very poor air quality. It is one of the most polluted regions in the EU, particularly for low-stack emission (combustion of solid fuels in obsolete household boilers).

At the national level, the Anti-Smog Law passed in October 2015 allows local governments to adopt their own local air quality regulations, and set parameters for the stoves allowed to be used in particular areas and for the fuels used (including coal).

The fundamental barrier hindering the effective implementation of the MAQP is a lack of human resources, organisational capacities and necessary know-how, insufficient financial resources dedicated to the elimination of low-stack emissions in individual houses and for energy-efficiency improvements in buildings.

In addition to the IP budget itself, the project will facilitate the coordinated use of EUR 799 million complementary funding.

Although final results from integrated projects are not yet available in this early stage of implementation, preliminary evidence shows that some of them are having an important catalytic effect on the ground, i.e. one of the strictest regulations for solid fuels boilers in the EU was adopted unanimously in the Malopolska region in January 2017 as a result of a LIFE integrated project (see the Box) and other regions. Marshals in Silesia, Lower Silesia, Mazovia, Lodzie and Opolskie announced plans to adopt similar regulations.

See also the par. 3 below for the contribution of the Programme to the Europe 2020 Strategy.

According to the public consultation undertaken in the framework of the mid-term evaluation, very little of what LIFE projects have achieved would have been possible without the programme's support, in particular on nature and biodiversity. Discontinuing the LIFE programme would have major consequences. It would reduce Member States' capacity — and in some cases commitment — to pursue the EU's objectives on environmental protection and climate action and would affect related economic growth and employment. It would also reduce the support in Member States to the development of innovative environmental solutions. LIFE is **complementary** to and works in combination with other funding sources (thus producing synergies), in particular the Horizon 2020 programme, the European Regional Development Fund (ERDF), the European Agriculture Fund for Rural Development (EAFRD). As confirmed by the analysis of areas with similar objectives, the fact that the different programmes do not have the same primary focus means that there is little possibility of overlapping. Moreover, initial findings also show that the LIFE programme has encouraged using the results of the projects financed by research programmes. It has also encouraged taking advantage of the European Structural and Investment Funds, in particular through the integrated projects.

LIFE is seen to have an **EU added value** that almost all stakeholders and the general public recognise. This is because the LIFE programme ensures that the application of EU environmental and climate legislation and policies is consistent across the EU. It also responds to cross-border challenges which a Member State is unlikely to address alone. It allows a better sharing of responsibility and promotes solidarity for the management/conservation of EU environmental assets, and it represents an EU-level platform for sharing best practice and demonstration activities (see below under par.3 for further information).

In order to provide elements for the analysis of **the efficiency of the programme**, the external study made an estimate of the value for money of the anticipated results of some of the on-going LIFE projects related to the 2014 call for proposals.

The estimated value for money was compared to the overall cost of the Programme.

In particular the external study estimated the benefits derived from the conservation of 17 million hectares of existing Natura 2000 sites and the reduction of 489,000 tonnes of CO₂ (including methane and the reduction of electricity consumed) based on the Social Cost of Carbon (SCC) approach⁹ and calculated the quota attributable to the LIFE co-financing (i.e. 75% for Nature projects and 60% for Climate Change Mitigation projects on the basis of the related EU co-financing rates).

⁹ The social cost of carbon calculates the economic cost of the negative consequences of the climate change and estimates the damage done by each ton of carbon dioxide that is spewed into the air. It is used in benefit-cost analyses to compare the monetary benefits of measures that reduce greenhouse gas emissions with the costs of climate change.

On the basis of this estimate, the benefits derived from the LIFE 2014 financing for the conservation of Natura 2000 sites would reach EUR 1.5 billion and the ones from the reduction of CO₂ would lead to a benefit of EUR 0.2 billion to the society.

The relevant projects selected under the 2014 calls for proposals would therefore contribute to a total societal benefit of EUR 1.7 billion, which would represent four times the cost of the overall LIFE budget for 2014 (405 million EUR).

In terms of utilisation of funds in the projects, the results of ex-post controls on LIFE+ and on-site monitoring of LIFE projects shows that the 'error rate' — namely the amount that is considered at risk — is well below the materiality benchmark threshold of 2 % and is declining: it was EUR 2.27 for every EUR 100 spent in 2012, falling to EUR 1.24 in 2015 and even further to 0.44 EUR in 2016.

A recent report¹⁰ shows that on average 83 % of projects are sustainable¹¹ after the end of LIFE funding. This analysis is based on LIFE+ projects and does not take into account the improvements in the current LIFE programme. Also, responses collected during the survey reveal that for the majority (78 %) there is either good or very good potential for demonstrating and transferring the results of LIFE projects.

The majority of projects analysed in the external study are planning a follow-up by transferring project activities into new entities or projects, new sectors or different geographical areas. As for the related funds, the external study interviews of about 70 project beneficiaries revealed that 40 % of them report that they will/already have attract(ed) funding to further develop project results after the end of EU funding.

Respondents to the public consultation were also asked whether projects under LIFE have led to long-term positive effects. Over 80 % of the respondents felt that projects had medium or great positive long-term effects.

Evaluations/studies conducted

Under the general guidance of the better regulation guidelines¹², a mid-term evaluation¹³ is being undertaken to explore whether the LIFE programme continues to be relevant in tackling the issues it seeks to address. It compares the actions of the programme to Member States acting alone to see if the programme is providing EU added value. In addition, the evaluation assesses whether LIFE is operating in an effective and efficient manner and whether its provisions are consistent with other programmes.

Furthermore pursuant to Article 27(2)(a) of the LIFE Regulation, the mid-term evaluation addresses:

- the extent to which synergies between the objectives have been reached;
- the programme's contribution (measured in a quantitative and qualitative analysis) to the conservation status of habitats and species listed under Directives 92/43/EEC and 2009/147/EC;

the success (or expected success) of integrated projects in leveraging other EU funds.

The mid-term evaluation comes at an early stage of the programme's implementation: most projects have yet to start and few projects have finished, given that the average duration of a LIFE project is between 4 and 5 years. The first actual results are expected in 2019-2020.

This is why it has focused mainly on the processes put in place to reach the programme's objectives, the ongoing activities (such as contracts/projects already financed) and, where relevant, their anticipated results.

Despite these limitations, the external independent evaluation provides reasonable assurance that the programme's implementation is on track and that the LIFE programme is relevant, fulfilling its objectives and successfully contributing to EU environment and climate policy and legislation.

Information on the existing evaluations of the previous LIFE programme is available on line: see <http://ec.europa.eu/environment/life/publications/lifepublications/evaluation/index.htm#mte2010> and <http://ec.europa.eu/environment/life/about/index.htm#evaluation>. Information on the on-going evaluation will be published after its finalisation expected for June 2017.

Economic re-use and reduction of CO₂ emissions: the LIFE RESTORE project

The LIFE Restore project (LIFE14 CCM/LV/001103) aims to promote sustainable management and the re-use of degraded peat lands in Latvia. The project will define a methodology for accounting GHG emissions from managed wetlands in Latvia and develop a decision-support tool to optimise restoration for biodiversity, economic growth, and the long-term mitigation of climate change impacts. In addition it will provide an inventory and database of degraded peat lands in Latvia and will provide support to policymakers. Project actions are expected to directly reduce CO₂ emissions by some 2 227 tonnes per year, and a CO₂ storage capacity of 838 tonnes per year in Latvia.

¹⁰ Report on LIFE past, present and future contribution to employment and economic growth: LIFE effectiveness and replicability. NEEMO 2016.

¹¹ Sustainability is perceived as the ability to continue or to follow up on the activities performed during the project's life; i.e. it is the viability of the project after the end of LIFE financing — the continuation or follow-up is ensured by the beneficiary itself, its partner or successor. .

¹² SWD(2015) 111 final, Commission Staff Working Document, Better Regulation Guidelines.

¹³ "Support for an external and independent LIFE mid Term Evaluation Report". 2017. Ecorys and AA, hereinafter referred to as 'the external study'.

Forthcoming implementation (2017-2018)

The forthcoming implementation of the LIFE Programme will focus on the finalisation of the mid-term evaluation and the follow up of its results in view of the preparation of the next MAWP for the years 2018-2020.

In particular, as a result of the mid-term evaluation, **some areas for improvement** have been identified

1. Further flexibility in the programme's strategic focus in the framework of the sub-programme for Environment.

LIFE has supported in the last years the definition, agreement and development of new emerging priorities – such as the circular economy and the 2030 climate and energy framework targets, the implementation of the Paris Agreement ratified in 2016 as well as the EU's adaptation strategy - which, for importance and dimensions, were unknown at the time of the adoption of the LIFE Regulation.

Taking into account the bottom up approach which cannot pre-empt the quantity and the quality of the proposals received, the programme is coping with the dimensions and limitations of the financial envelope, which was defined at the time of adoption of the Regulation, with the risk that not all the objectives and priority areas could be covered adequately by projects.

Moreover, both the recently published results of the 'fitness check' evaluation¹⁴ of the EU Birds and Habitats Directives (the 'Nature Directives') and the mid-term review of the EU biodiversity strategy to 2020, conclude that "the LIFE programme remains a small but highly effective funding source for nature and biodiversity"¹⁵. However substantial financial efforts are needed to improve their implementation and - as underlined in the consultation activities undertaken in the framework of the external study-LIFE remains the only EU programme devoted to nature protection and biodiversity conservation.

On this basis, having the conditions included in the LIFE Regulation materialised, an increase of the present 55% ceiling devoted to projects for the conservation of Nature and Biodiversity, will be proposed for adoption.

Even if it is premature to draw conclusions from the first years of implementation, the risk is that the scope of the priorities is too broad for a critical mass to trigger change on all the environmental and climate issues.

To avoid an excessive dispersion of the resources there is the need to further focus the programme's action and, in particular, the grants which are selected on the basis of a bottom up approach. In this respect the situation is different in the framework of the sub-programme for Climate Action and the sub-programme for Environment

Under the Climate Action Sub-programme the Commission can define EU policy priorities considered to be most important for reaching EU climate objectives for each call for proposals. For example, the calls for proposals could be made in view of contributing to the objectives of the Paris Agreement and the EU's climate targets stipulated in the EU's 2030 Climate and Energy Framework, as well as the 2050 low-carbon economy roadmaps.

Under the Environment Sub-programme, the thematic priorities are defined in the LIFE Regulation and further detailed into project topics described in the MAWP and applied for all the duration of the MAWP. The possibility to introduce a mechanism to increase the strategic focus of the demand-driven part of the programme i.e. by targeting key priority topics or topics not sufficiently addressed by the projects awarded during previous years, should be explored in the next MAWP.

2. Simplification in grant management.

Some of the measures to simplify grant management that were planned¹⁶ have not been introduced:

- the proposed increased use of lump-sums and flat rates has not materialised because the definition of such simplified cost options could not be implemented given the LIFE programme's wide range of beneficiaries, on the one hand, and the need to ensure equality of treatment, on the other;
- The initial proposal for the LIFE programme¹⁷ envisaged the ineligibility of staff and VAT expenditure, offset by an increase of the co-financing rate. This proposal was not agreed upon in the co-decision process.

Other simplification measures were successfully introduced by streamlining the system for the electronic submission of proposals (e-proposal), introducing a two-step award procedure for the integrated projects, waiving in some cases the need to submit an external audit certificate and/or the VAT certificate.

However, despite these measures, there is still a widespread demand to simplify LIFE procedures for grants. This came through in the interviews with project beneficiaries undertaken during the mid-term evaluation.

¹⁴ 'Fitness check' evaluation of the EU Birds and Habitats Directives'.

¹⁵ The LIFE programme is not meant to finance the on-going management of Natura 2000 sites. LIFE is conceived to act as a catalyst for developing and exchanging best practices and knowledge. The projects financed in the framework of the nature and biodiversity priority area focus on Natura 2000 and nature legislation (the Birds and Habitats Directives). The evidence gathered in the recently finalised evaluation of the Directives (fitness-check) confirmed the strategic role that the LIFE programme plays in supporting the implementation of the Directives.

¹⁶ Proposal for a Regulation of the European Parliament and of the Council on the establishment of a programme for the Environment and Climate Action (LIFE).COM(2011) 874 final).

¹⁷ Ibid.

Some possible measures envisaged by the external study which will be considered for the new MAWP include:

- enabling all applicants to avoid submitting a complete proposal by introducing a two-step award procedure for traditional projects for priority areas where the demand is particularly high;
- adapting reporting requirements to the length and complexity of projects and the value of the grant. This would reduce the administrative burden for small projects or for projects of a limited duration. A more supportive role of the monitoring experts could also be envisaged here;
- simplifying the project topics and the indicators database, which project beneficiaries see as particularly cumbersome.

3. Further opportunities to increase the programme's effectiveness

The mid-term evaluation underlined the following

- The network of the national players — the National Contact Points (NCP) — which provides institutional support to prepare and implement projects is appreciated. Nevertheless, the results of the consultations carried out for the external study show that there need to be minimum standards for all Member States when providing assistance for the submission of proposals. Many NCPs also need to adopt a more proactive approach.

In this context, the role of the NCPs in promoting the two financial instruments could be improved by helping and encouraging them to better identify and inform potential stakeholders at national and local level.

- Several measures to increase the project replicability and transferability have been introduced in recent years. However, the consultations revealed, that obstacles to a project's continuation after its end are related to the lack of beneficiaries' financial resources. This is combined, in some cases, with a lack of capacity/human resources for planning an investment (including possible loans), a lack of interest and sense of urgency from decision-makers and a lack of information and communication within the programme.

Although 'After-LIFE' plans are seen as a positive improvement, a systematic follow-up of all projects to identify best practices and cost-saving measures and a comprehensive customised support for the most promising ones could allow the replication/sustainability potential to further materialise.

- For LIFE communication activities, the external study found that the mix of actions is reasonably appropriate at project level. Moreover, project beneficiaries rate the LIFE communication activities as 'good' or 'very good', in particular the LIFE website (75 %) and the LIFE best project publications and awards (72 %).

However, it appears that there is some room for improvement, especially when it comes to the Commission's social media activities, press releases and best practice events.

Among the shortcomings identified there are: reliance on passive one-way communication tactics, vague definition of target audiences, lack of objective-specific and target-specific key messages, lack of an approach based on results-driven communication, and emphasis on the type and number of activities rather than on the importance of results-driven communication.

These strategic weaknesses potentially reduce the value of all communication activities and risk limiting their potential contribution to the LIFE programme's policy objectives and will be addressed in 2017.

As far as the on-going management of the programme is concerned, in 2017 the second step of the externalisation process - the transfer of the integrated projects under the environment sub-programme to EASME - will be prepared with a view to ensuring that the Agency will take over the related activities starting from 2018.

The usual activities related to the launching of the calls for proposals for action and operating grants will be undertaken in close collaboration with EASME.

For the financial instruments, the Commission will continue to monitor their implementation, delegated to the EIB, to provide guidance for the assessment of the contribution to the LIFE objectives and, in particular in the case of the NCFE, intervening to approve the operation on the basis of an eligibility checklist.

Technical assistance, communication and logistic activities financed by LIFE will continue to support the implementation and enforcement of Union environmental and climate policy and legislation

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007	2014 - 2020	3 456,7

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	18,2	5,0	4,9	4,9	4,9	5,2	5,3	48,3
Operational appropriations	381,7	424,5	453,4	483,6	514,0	544,2	568,9	3 370,3
Executive Agency	3,5	5,6	4,5	5,3	3,9	5,1	5,6	33,4
Total	403,4	435,1	462,8	493,7	522,8	554,4	579,8	3452,1
<i>Of which contribution to European Solidarity Corps</i>					1,5	1,5	1,5	4,5

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	464,767	99,96 %	191,731	90,83 %	493,764	3,90 %	261,956	8,73 %
Authorised appropriation excluding external earmarked revenue	464,739	99,96 %	191,624	89,19 %	493,737	3,90 %	261,928	8,20 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The LIFE programme has an EU added value because, compared with action at national level, it ensures:

- A more effective knowledge-sharing: as the EU platform to exchange practices and knowledge on implementing EU legislation and policies (in example by financing peer reviews, by coordinating cooperation between judges, by pooling resources and expertise, etc.), LIFE enables players across the EU to learn from each other's experience in addressing specific environmental and climate problems more effectively and efficiently (in example by making more green technologies available and known, by financing capacity building, research, information and data gathering).
- A better distribution of solidarity and responsibility sharing: environmental assets are often of a public good nature and are unevenly distributed across the EU¹⁸. By assisting Member States that have the most valuable EU natural capital, LIFE allows for a better distribution of responsibility and solidarity in preserving the EU environmental common good.
- A better response to trans-boundary or transnational environmental problems, which cannot be adequately addressed by Member States acting alone: for example, by financing the preparation of international conferences (i.e. the Paris agreement), LIFE has helped to reach important commitments at international level on the environment/climate and to avoid coordination failures.
- An increased coherence of EU action: LIFE ensures the coherence of EU environmental and climate legislation and policies. LIFE helps to analyse problems and issues with a comparative view by defining common targets and developing policies and legislation. It assists Member States in progressing towards these common targets through positive incentives (i.e. by financing peer reviews, helping to enforce environmental and climate legislation and policies in Member States, etc.) and negative incentives (fines).
- A catalyst and leverage effects: LIFE acts as a catalyst for action, providing one-off investment needed in a specific area, eliminating initial barriers to the implementation of EU environmental and climate policy and testing new approaches for future scaling-up. LIFE helps Member States and stakeholders to accelerate and improve the implementation of EU legislation by creating complementarity across EU Funds and national funds while leveraging additional public and private sector resources (i.e. integrated projects). LIFE also raises the visibility of EU environmental and climate action and brings the EU closer to citizens by showing the EU's commitment to environmental and climate objectives and making those objectives more relevant at national and local level.

In the case of action grants, EU added value is ensured at all the stages of the project life cycle:

- The EU added value is analysed and scored (50/60 points out of 100) when the project is awarded the grant.
- During implementation, monitoring experts check the project's added value. Platform meetings and other initiatives are also organised to invite the projects to share their experience.
- At the end of the projects, "After LIFE" plans are also drawn up to ensure that the results are sustainable and to define how the project will continue to disseminate the achieved results.

¹⁸ Article 8 of the Habitats Directive explicitly links the delivery of conservation measures to the provision of EU co-financing.

The EU added value of the LIFE programme is largely confirmed by the results of the public consultation. The overwhelming majority of the respondents confirm that the programme has an important EU added value because it:

- responds to European and global environment and climate challenges, which are unlikely to be addressed by a Member State alone (98 % of the respondents); supports the coherent development, implementation and enforcement of EU environment and climate policy and legislation, (98 % of the respondents);
- tackles environmental and climate problems more efficiently (98 % of the respondents);
- preserves EU environmental resources which, even if unevenly distributed across the EU, benefit the EU as a whole (94 % of the respondents);
- helps to leverage the funds for environmental protection and climate action (97 % of the respondents),
- contributes to EU-wide sharing of ‘best practices’, knowledge transfer, demonstration, and awareness raising (99 % of the respondents).

Contribution to Europe 2020 headline targets

The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility)	483,6	512,5

100% of the budget lines 07 02 01; 07 02 02; 07 02 03; 34 02 01; 34 02 02 and 34 02 03.

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Contributing to the reduction of greenhouse gas emissions	53,3*	73,1*
Contributing to increased resilience to climate change	51,7**	38,0**
Support better climate governance and information	14,2***	15,3***
Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation	49,0****	46,9****
Halting and reversing the biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems	60,7*****	73,9*****
Total	228,9	247,2

*Estimated to be the total operational budget for the priority areas climate change mitigation (budget article 34 02 01);

** Estimated to be the total operational budget for the priority areas climate change adaptation (budget article 34 02 02);

*** Estimated to be the total operational budget for the priority area climate governance and information (budget article 34 02 03);

**** Estimated to be 40% of the projects financed under the priority area resource efficiency (budget article 07 02 01 total budget for 2018 is EUR 140,8 million, out of which EUR 117.1 million are devoted to projects);

***** Estimated to be 40% of the projects financed under the priority area nature and biodiversity (budget article 07 02 02 – total budget for 2018 is 200,1 million EUR, out of which EUR 184,8 million are devoted to projects).

The above data are up-dated on the basis of the most recent figures available. The tracking methodology remained stable, compared with 2016 and 2017, being translated into the above mentioned percentages of allocations by budget lines.

Some expenditure under the LIFE sub-programme for environment and the LIFE sub-programme for climate action contribute to both biodiversity and climate objectives, especially given the desired synergies between them. Thus each of the tracking exercises has to be seen separately, and the total funds tracked as being related to one of the objectives has to be seen independently and cannot be added to the funds related to the other objective.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
186,0	199,7	213,5	228,9	247,2	262,0	273,9	1611,3

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation	49,0	46,9
Halting and reversing the biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems	165,6	200,1

Support better environmental governance and information at all levels	12,0	5,0
Contributing to increased resilience to climate change	16,2	13,7
Total	242,8	265,6

* Estimated to be 40% of the projects financed under the priority area resource efficiency (budget article 07 02 01 – total budget for 2017 is EUR 139,3 million, out of which EUR 123,7 million are devoted to projects);

** Estimated to be the 100% total operational budget for the priority area nature and biodiversity (budget article 07 02 02);

*** Estimated to be 100% of the projects focused on nature and biodiversity financed under the priority area governance and information (budget article 07 02 03 - total budget for 2017 is EUR 59,4 million, out of which EUR 22,1 million are devoted to projects, out of which EUR 12 million are for projects focused on nature and biodiversity);

**** Estimated to be 40% of the total operational budget for the priority areas climate change adaptation devoted to projects and 100% of the amount for the financial instrument Natural Capital Financing Facility (NCF), since the interventions financed by it will contribute at the same time to climate adaptation and biodiversity objectives (budget article 34 02 02 - total budget for 2017 is EUR 51,7 million, out of which EUR 45,4 million are devoted to projects, including EUR 5 million for the NCF).

Biodiversity related expenditure is tracked pursuant to Article 27 and Recital 40 of the LIFE Regulation (Regulation N.1293/2013). At present a system for tracking biodiversity related expenditure has been developed at project level. It is expected that project-level information will be available starting from this year and the system will be fully operational for the second LIFE Multi-annual work programme 2017-2020. The tracking methodology remained stable compared with 2016 and 2017 and is largely based on an existing OECD methodology ('Rio markers'), adapted to provide for quantified financial data. Expenditures have been thus marked in one of the three categories: biodiversity related only (100 %); significantly biodiversity related (40 %); and not biodiversity related (0 %). Some expenditure under the LIFE sub-programme for environment and the LIFE sub-programme for climate action, such as the expenditures for the NCF, can contribute to both biodiversity and climate objectives, especially given the desired synergies between them. Thus, each of the tracking exercises has to be seen separately and the total funds tracked as being related to one of the objectives has to be seen independently and cannot be added to the funds related to the other objective.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
195,1	217,1	227,6	242,8	265,6	282,2	295,0	1725,3

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (total amounts by programme in EUR Million).

4. Performance information

General objectives

General Objective 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

Indicator 1: Attributable environmental and climate improvements

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				80% of ongoing/ finalised projects progress towards environmental and/or climate improvements			≥ 80% of ongoing projects progress towards/ of finalised projects achieved environmental and/or climate improvements
Actual results							
	98% (*)						

(*) Percentage of ongoing projects progressing towards environmental and/or climate improvements.

Indicator 2: Percentage of the Natura 2000 network targeted by LIFE projects restored or brought to adequate management							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				10% of the Natura 2000 network targeted by ongoing/ finalised projects are progressing towards restoration/ adequate management			12% of the Natura 2000 network targeted by ongoing projects are progressing towards/ of finalised projects achieved restoration/ adequate management
Actual results							
	26% (*)						

(*) Percentage of the Natura 2000 network targeted by ongoing projects and progressing towards restoration/ adequate management.

Indicator 3: Percentage of surface and type of ecosystems targeted by LIFE projects restored							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				10% of ecosystem surfaces and type targeted by ongoing/ finalised projects are progressing towards an improvement/ restoration			≥ 10% of ecosystem surfaces and type targeted by ongoing projects are progressing towards/ of finalised projects achieved an improvement/ restoration
Actual results							
	45% (*)						

(*) Percentage of ecosystem surfaces and type targeted by ongoing projects and progressing towards improvement/ restoration.

Indicator 4: Percentage of types of habitats and of species targeted with improving conservation status							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				10% of ecosystem surfaces and type targeted by ongoing/ finalised projects are progressing towards an improvement/ restoration			≥ 10% of ecosystem surfaces and type targeted by ongoing projects are progressing towards/ of finalised projects achieved an improvement/ restoration
Actual results							
	51% (*)						

(*) Percentage of ecosystem surfaces and type targeted by ongoing projects and progressing towards an improvement/ restoration.

General Objective 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

Indicator 1: Number of interventions developed or undertaken that implement plans, programmes or strategies pursuant to Union environmental or climate policy or legislation

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				27 IPs			70 IPs
Actual results							
	15 IPs						

*Although many LIFE interventions will implement plans, programmes or strategies pursuant to Union environmental or climate policy or legislation, integrated projects (IPs), which are new under the LIFE programme, are specifically designed for this and are therefore used as the reference de minimis indicator.

Indicator 2: Number of LIFE interventions (projects, measures, approaches) suitable for being replicated or transferred

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			360 of ongoing/finalised projects implement replicable/transferable actions (*)			≥ 900 of ongoing projects/ of finalised projects implement replicable/transferable actions
Actual results							
	280 (*)						

(*) Projects within the meaning of Articles 2 and 18 (a), (b), (c) and (h) Regulation No 1293/2013 will be specifically assessed for their potential replicability/transferability and are therefore used as the reference indicator. It is expected that 80% of these projects implement replicable/transferable actions.

(**) number of ongoing projects implementing replicable/transferable actions

Indicator 3: Number of interventions achieving synergies with or mainstreamed into other Union funding programmes, or integrated into public or private sector practice

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				27 IPs (*)			70 IPs (*)
Actual results							
	15 IPs						

(*) Although all projects should to a certain degree promote synergies and integration into practice, integrated projects (IPs), which are new under the LIFE programme, are specifically designed for this and are therefore used as the reference indicator

General Objective 3: To support better environmental and climate governance at all levels, including better involvement of civil society, NGOs and local actors

Indicator 1: Number of interventions to ensure better governance, dissemination of information and awareness of environmental and climate aspects

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				420 interventions*			800 interventions*
Actual results							
122 interventions	252 interventions	324 interventions					

(*)Although all interventions contain an information, dissemination and/or awareness raising component, the interventions financed to "support better environmental and climate governance and information" (budget item 07 02 03 and 34 02 03), whether funded through grants or procurement, are specifically designed to address this objective and are therefore used as the reference indicator. They include the operating grants. The figures are cumulative

General Objective 4: To support the implementation of the 7th Environment Action Programme

Indicator 1: Number of interventions to support the implementation of the 7th Environment Action Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				1 300 interventions*			1 700 interventions*
Actual results							
	970 interventions						

* All LIFE interventions, whether funded through grants, procurement or financial instruments, support the implementation of at least one of the priority objectives of the 7th Environment Action Programme.

Specific objectives

Introduction

As stated in the Multi Annual Work Programme 21014-2017, the 2017 targets have been based on the evaluation of the estimated impact of the LIFE programme and defined considering the following:

- the number and scope of successful projects within a priority area mainly depends on the number of eligible applications submitted, that comply with the selection and award criteria, and on technical and socio-economic factors outside the influence of the Commission;
- the environmental or climate objectives to be reached by each project will have to be at least equivalent to or surpass the objectives set by the relevant Union legislation;

Moreover, given no project was expected to be finished by 2017, the milestones refer to on-going projects and "consist in having set up the projects in such a way that they can reach the targets by 2020¹⁹".

While it is too early to assess the ambition of the targets, the fact that the planned milestones are in some cases exceeded is a positive finding showing that the programme is well on track towards its expected results.

Except if otherwise indicated, the data provided below are based on data of the anticipated results of 2014 projects. The projects financed in 2014 started in 2015 and last, on average, 4-5 years. Data on expected results per project are available and progressively validated/analysed by an external monitoring team. At the time of the mid-term evaluation, only data on anticipated results of 2014 projects had been validated, thus offering a reasonable assurance that the results indicated are realistic and could be reached in the timeframe of the project.

Specific Objective 1: Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation (Environment and Resource Efficiency priority area)

Indicator 1: Number of water bodies covered by projects and thus progressing towards or having reached an improved ecological status

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				100 water bodies are covered by ongoing or finalised projects and progress towards an improved ecological status			170 water bodies are covered by ongoing projects which progress towards or finalised projects which achieved an improved ecological status
Actual results							
	70 (**)						

(*) LIFE contribution is calculated taking into account an estimated total of 138 000 water bodies and the fact that 43% of water bodies already achieved good ecological status according to the Commission Communication, A Blueprint to Safeguard Europe's Water Resources. COM(2012) 673 final of 14th November 2012.

(**) Number of water bodies covered by ongoing projects and progressing towards an improved ecological status

Indicator 2: Population benefiting from improved air quality

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				1 million persons are covered by ongoing/ finalised projects which progress towards improved air quality			1.4 million persons are covered by ongoing projects which progress towards or finalised projects which achieved improved air quality
Actual results							
	370 000 (*)						

(*) Number of persons covered by ongoing/ finalised projects which progress towards improved air quality

¹⁹ See annex page 58. Commission Implementing Decision C(2014)1709 of 19 March 2014 on the adoption of the LIFE multiannual work programme for 2014-2017.

Indicator 3: Percentage of regions covered by waste IPs and thus progressing towards or having reached adequate waste management

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 management				2% of regions Union wide are covered by waste IPs and progress towards adequate waste management			3% of regions are covered by waste IPs and progress towards or achieved adequate waste management
Actual results							
	n. a. (*)						

(*) only one IP has been financed on waste covering 5 regions, in which the project activities have started

Indicator 4: Percentage of River Basin Districts (RBD) covered by IPs and thus progressing towards or having reached adequate management

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 management				3% of RBD are covered by IPs and progress towards adequate management			5% of RBD are covered by IPs and progress towards or achieved adequate management
Actual results							
		2% (*)					

(*) Percentage of RBD covered by IPs and progressing towards adequate management. No. 4 integrated projects cover river basin management plans (RBMP) have been financed.

Indicator 5: Number of interventions to improve the knowledge base for Union environmental policy and legislation, and for assessing and monitoring factors, pressures and responses having an impact on the environment

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				300 interventions			680 interventions
Actual results							
	120 interventions	285 interventions					

(*) Estimated to be 100% of the interventions financed by 07 02 01. Cumulative figures.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Action grants (projects)	07 02 01	58	117,2
Public Procurement (contracts)	07 02 01	58	23,6
Total		116	140,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Action grants (projects)	F	0	50	57	60	65	69	74
	P	0	54	55				
Public Procurement (contracts) *	F	47	49	49	51	58	60	70
	P	55	33**	69***				

* Above 100 000 EUR.

** The average contract value was bigger than the one initially foreseen and this resulted in a number of contracts lower than initially planned. If the trend will continue the number of outputs foreseen will be adjusted.

*** The average contract value was lower than the one initially foreseen and this resulted in a bigger number of contracts than initially planned.

Justification of changes to the financial programming and/or to the performance information

A mid-term evaluation of the Programme is on-going but not all the data on the performance of the programme are available at this early stage.

According to the LIFE Regulation, a new multiannual programming period will start in 2018.

Two main changes have therefore been included in the financial programming starting in 2018:

- Having the conditions included in Art 9.4 of the LIFE Regulation materialised, the percentage of the budgetary resources allocated to action grants supporting projects for the conservation of nature and biodiversity will be increased with the adoption of a delegated act. This increase from 55% to 60,5% has been reflected in the above figures and has been reallocated from the other LIFE lines related to the environment sub-programme (07 02 01 and 07 02 03).
- The average dimension of the project/contracts per budget line for 2018 has been revised according with the experience acquired in the first three years of implementation of the programme.

Specific Objective 2: Halting and reversing the biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems (Biodiversity priority area)

Indicator 1: Percentage of surface and type of ecosystems targeted by LIFE projects restored

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				10% of ecosystem surfaces and types are targeted by ongoing/ finalised projects which progress towards improvement/ restoration			≥ 10% of ecosystem surfaces and types targeted by ongoing projects progress towards/ by finalised projects achieved improvement/ restoration
Actual results							
	51% (*)						

(*) Percentage of ecosystem surfaces and types targeted by ongoing projects and progressing towards improvement/ restoration.

Indicator 2: Percentage of habitats targeted progressing towards or improving conservation status as a consequence of LIFE interventions

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				10% of habitats targeted by ongoing/ finalised projects progress towards improved conservation status			≥ 10% of habitats targeted by ongoing projects progress towards/ of finalised projects achieved improved conservation status
Actual results							
	46%*						

(*) Percentage of habitats targeted by ongoing projects and progressing towards improved conservation status.

Indicator 3: Percentage of species targeted progressing towards or improving conservation status as a consequence of LIFE interventions

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				10% of species targeted by ongoing/ finalised projects progress towards improved conservation status			≥ 10% of species targeted by ongoing projects progress towards/ of finalised projects achieved improved conservation status
Actual results							
	66% (*)						

(*) Percentage of species targeted by ongoing projects progressing towards improved conservation status

Indicator 4: Percentage of the Natura 2000 sites covered by nature IPs and thus progressing towards the implementation of prioritised actions frameworks

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				4% of the Natura 2000 sites are targeted by nature IPs and progress towards the implementation of prioritised actions frameworks			6% of the Natura 2000 sites are targeted by nature IPs and progress towards or achieved the implementation of prioritised actions frameworks
Actual results							
		n. a. (*)					

(*) At present n.6 integrated projects (IPs) are supporting the implementation of Prioritized Action Frameworks developed in Belgium, Finland, Italy, Germany and Spain, pursuant to Article 8 of the Habitats Directive²⁰

Indicator 5: Number of interventions to improve the knowledge base for Union nature and biodiversity policy and legislation and for assessing and monitoring factors, pressures and responses having an impact on nature and biodiversity

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				300 interventions (*)			700 interventions (*)
Actual results							
	19 interventions	80 interventions	214 interventions				

* Estimated to be 100% of the interventions financed by the 07 02 02 plus the number of “Nature” projects and 1/3 of the operating grants financed under 07 02 03. Cumulative figures.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Action grants (projects)	07 02 02	61	184,8
	07 02 03	2	5,0
Public Procurement (contracts) *	07 02 02	30	15,3
Total		93	205,1

* Above 100.000 EUR

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Action grants (projects)	F	0	64	65	70	75	80	90
	P	0	49***	87****				
Financial instrument operations (projects) *	F	0	1	1.5	2	0	0	0
	P	0	0	0				
Public Procurement (contracts) **	F	20	22	22	25	29	34	39
	P	19	5***	20				

* The financial instrument Natural Capital Financing Facility (NCFF) is funded half through 07 02 02 and half through 34 02 02. Half of the operations financed under the instrument are included here.

** Above 100.000 EUR

*** The project proposals received/contracts awarded were bigger than expected.

**** Few contracts bigger than initially planned were concluded in 2015.

***** The project proposals received/awarded were lower than expected.

Justification of changes to the financial programming and/or to the performance information

The main changes are underlined under paragraph 4.2.1.3.

²⁰ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

The signature of operation under the NCFE is delayed. This instrument represents an important innovation in the panorama of the existing financial instruments.

Several operations have been scrutinised according to the criteria jointly defined by the Commission and the EIB in the delegation agreement. They have not been found to provide sufficiently contribute to biodiversity protection and climate adaptation and / or not to be mature enough for bank financing. The difficulties related to assessment of this kind of operations were effectively underestimated.

At the time of writing, in March 2017, eight new operations with an overall budget of EUR 47.5 million EUR were under EIB screening and the first loans/equity investments are expected to be granted in 2017.

Specific Objective 3: Support better environmental governance and information at all levels (Environmental Governance and Information priority area)

Indicator 1: Number of stakeholders and citizens participating in awareness raising activities in the framework of LIFE interventions

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				500 000 stakeholders or citizens			1 000 000 stakeholders or citizens
Actual results							
	n. a.						

(*) The data collected are not available in the form required by this indicator. The external study reported that almost 63 million individuals have visited the projects websites, with an average duration of the visits of about six minutes. A total of almost 271 thousand project documents and communication material has been downloaded by interested users. More than 48 thousand individuals, over 1,400 companies, and over 1,500 NGOs and 1,300 public bodies have been interviewed.

Indicator 2: Number of interventions to support communication, management and dissemination of information in the field of environment and to facilitate knowledge sharing

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				420 interventions			800 interventions
Actual results							
	101 interventions	294 interventions					

* Although all interventions contain an information, dissemination and awareness raising element, governance and information interventions, whether funded through grants or procurement, are specifically designed to address this objective and are therefore used as the reference indicator. Cumulative figures.

Indicator 3: Percentage of projects promoting and contributing to a more effective compliance with and enforcement of Union environmental law

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				5% (*) of governance and information projects progress towards improved compliance and enforcement of Union environmental law			≥ 5% (*) of ongoing governance and information projects progress towards/ of finalised projects achieved improved compliance and enforcement of Union environmental law
Actual results							
		39% (**)					

(*) It is expected that information and governance projects focusing on enforcement and compliance promotion will significantly increase awareness of relevant public bodies and civil society, leading in some projects that progress towards or reach actual improvements.

(**) Percentage of governance and information projects progress towards improved compliance and enforcement of Union environmental law

Indicator 4: Percentage of increase in the participation of NGOs in consultations on EU environmental policy							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				12% increase (*)			≥12% increase (*)
Actual results							
		n. a. (**)					

*All NGO's funded by operating grants are expected to increase their participation in consultations on EU environmental policy.

** All the beneficiaries of NGO operating grants interviewed during the mid-term evaluation declared that their participation increased but were not able to provide a percentage. This indicator should be modified.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Action grants (projects) (*)	07 02 03	8	11,9
2. Public Procurement (contracts) (**)	07 02 03	48	24,0
3. Operating grants (work programmes of non-profit making entities/NGOs)	07 02 03	24	9,0
Total		88	44,9

(*) Excluding the action grants on nature included under the indicators for the specific objective 2.

(**) Above 100.000 EUR

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Action grants (projects)*	F	0	15	8	9	10	11	12
	P	0	14	6				
2. Public Procurement (contracts)	F	44	50	57	60	64	51	40
	P	44	43**	48**				
3. Operating grants (work programmes of non-profit making entities/NGOs)	F	0	16	16	16	16	16	16
	P	0	19***	19***				

* Excluding the action grants on nature included under the indicators for the specific objective 2.

** The average contract value was bigger than the one initially foreseen and this resulted in a number of contracts slightly lower than initially planned.

*** additional funds were made available to financed operating grants in 2014-2015.

Justification of changes to the financial programming and/or to the performance information

See information included under par. 4.2.1.3.

Specific Objective 4: Reduction of EU greenhouse gas emissions and development and implementation of EU climate policy and legislation (Climate Change Mitigation priority area)

Indicator 1: Number and coverage of climate change mitigation strategies or action plans developed or implemented through LIFE								
Baseline	Milestones foreseen						Target 2020	
	2014	2015	2016	2017	2018	2019		
In 2012 less than 10% of the climate mitigation project proposals submitted in LIFE+ concerned development of mitigation strategies and action plans. implementation of at least 1 climate change mitigation strategy or action plan per Member Stat				Support development and/or implementation of at least 1 climate change mitigation strategy or action plan in 13 different geographical regions			Support development and/or implementation of at least 1 climate change mitigation strategy or action plan per Member Stat	
	Actual results							
			n. a. (*).					

(*) Development and implementation of 1 climate change protection plan in 1 German state (lander)

Indicator 2: Tons of greenhouse gases reduced by new technologies, systems, methods or instruments and/or other best practice approaches developed and taken up following LIFE examples

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Data not available 80% of the projects funded in climate change mitigation priority area 2014-2017 should promote innovative technologies and/or other best practice solutions for the reduction of greenhouse gas emissions 80% of the projects funded in climate change mitigation priority area should promote innovative technologies and/or other best practice solutions for the reduction of greenhouse gas emissions				Relative reduction in tons of greenhouse gasses per project of at least 20% compared to project baseline. 80% of the projects funded in climate change mitigation priority area 2014-2017 should promote innovative technologies and/or other best practice solutions for the reduction of greenhouse gas emissions			Relative reduction in tons of greenhouse gasses per project of at least 20% compared to project baseline. 80% of the projects funded in climate change mitigation priority area should promote innovative technologies and/or other best practice solutions for the reduction of greenhouse gas emissions
	n. a. (*) 80% (**)						

(*) It is too early to measure the outcome.

(**) Percentage of the projects funded in climate change mitigation priority area that promote innovative technologies and/or other best practice solutions for the reduction of GHG emissions.

Indicator 3: Number of interventions to improve the knowledge base for Union climate policy and legislation, and for assessing and monitoring factors, pressures and responses having an impact on the climate (cf. Article 14(b) Regulation 1293/2013)

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Data not available 30% of the traditional projects funded in climate change mitigation priority area 2014-2017				80% of IPs and 30% of the traditional projects funded in climate change mitigation priority area 2014-2017			100% of IPs and 25% of the traditional projects funded in climate change mitigation priority area
	Actual results						
		100% of the IPs and 34% of the climate change mitigation traditional projects (*)					

(*) No 10 out of 29 projects.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Action grants (projects)	34 02 01	12	38,9
2. Financial instrument operation (projects)	34 02 01	400	25,0
3. Public Procurement (contracts)	34 02 01	28	9,2
Total		440	73,1

Estimated to be 100% of the interventions financed by the 34 02 01

For the financial instrument Private Finance for Energy Efficiency (PF4EE), the number identifies the interventions at final recipients' level.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Action grants (projects)	F	0	15	16	18	26	27	27
	P	0	13	17				
2. Financial instrument operation (projects)	F	0	50	350	400	400	400	100
	P	0	n.a.*	n.a.*				
3. Public Procurement (contracts)	F	22	18	16	18	22	14	17
	P	27	13**	32***				

* No 8 agreements with financial intermediaries were signed. Financial intermediaries are developing their own loan proposals and this is taking more time than expected.

** The average contract value was bigger than the one initially foreseen and this resulted in a number of contracts slightly lower than initially planned.

*** The average contract value was lower than the one initially foreseen and this resulted in a bigger number of contracts than initially planned.

Justification of changes to the financial programming and/or to the performance information

In addition to the information included in par. 4.2.1.3., the amounts per budget-line in the climate sub-programme have been rebalanced for 2018-2020 reflecting the needs of the target audience and the experience with reception of viable projects.

Specific Objective 5: Increased resilience of the EU to climate change (Climate Change Adaptation priority area)

Indicator 1: Number and coverage of climate change adaptation strategies or action plans developed or implemented

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
February 2014: 16 Member States have adopted an adaptation strategy.				All MS have adopted a national adaptation strategy			All MS are effectively implementing their national adaptation strategies.
	Actual results						
			21 MS (*)				

(*) MS that have adopted a national adaptation strategy

Indicator 2: Attributable climate resilience, broken down by sector, due to the demonstrated new technologies, systems, instruments and/or other best practice approaches developed and taken up following LIFE examples

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Under the 2012 call of the LIFE+ regulation, only 15% of climate project proposals submitted were on adaptation. 80% of funded projects promoting innovative policy approaches and/or other best practice solutions for more climate resilience.				Increased climate resilience due to LIFE funded projects in vulnerable areas as identified in the EU adaptation strategy. 80% of funded projects promoting innovative policy approaches and/or other best practice solutions for more climate resilience			Increased attributable climate resilience per sector. 80% of funded projects promoting innovative policy approaches and/or other best practice solutions for more climate resilience.
		73% (*)					

(*) Percentage of the projects for climate adaptation promoting best practice solutions.

Indicator 3: Number of interventions to improve the knowledge base for Union climate policy and legislation, and for assessing and monitoring factors, pressures and responses having an impact on the climate resilience (cf. Article 15(b) Regulation 1293/2013)

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Data not available 30% of the traditional projects funded in climate change adaptation priority area 2014-2017				80% of IPs and 30% of the traditional projects funded in climate change adaptation priority area 2014-2017			100% of IPs and 25% of the traditional projects funded in climate change adaptation priority area
Actual results							
	100% of IPs (*) and 37% (**)						

(*) No 1 IP is funded under the climate adaptation policy area and it addresses the creation of climate-resilient cities in a climate-resilient region by drawing up with local stakeholders a common, long-term strategy.

(**) Percentage of the traditional projects funded in climate change adaptation priority area 2014-2017: No 10 out of 27 traditional projects on climate change adaptation.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Action grants (projects)	34 02 02	15	34,2
2. Financial instrument operation (projects)	34 02 02	2	0
3. Public Procurement (contracts)	34 02 02	7	3,8
Total		24	38,0

Estimated to be 100% of the interventions financed by the 34 02 02.

For the financial instrument Natural Capital Financing Facility (NCFE), the number identifies the interventions at final recipients' level.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Action grants (projects)	P	0	16	19	22	27	28	28
	F	0	11*	16*				
2. Financial instrument operation (projects) **	P	0	1	1,5	2	0	0	0
	F	0	0	0				
	F	8	10	11	12	12	13	13
	P	8	8	8				
3. Public Procurement (contracts)	F	0	16	19	22	27	28	28
	P	0	11*	16*				

* The project proposals awarded were slightly bigger than the average amount of the proposals submitted.

** The financial instrument Natural Capital Financing Facility (NCFE) is funded half through 34 02 02 and half through 07 02 02. Half of the operations financed under the instrument are included here.

Justification of changes to the financial programming and/or to the performance information

See information under par. 4.2.1.3, 4.2.2.3 and 4.2.4.3.

Specific Objective 6: Support better climate governance and information at all levels (Climate Governance and Information priority area)

Indicator 1: Number of stakeholders and citizens participating in awareness raising activities in the framework of LIFE interventions

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				70 000 stakeholders or citizens			140 000 stakeholders or citizens
Actual results							
	n.a.						

(1) The data collected are not available in the form required by this indicator. The independent study for the mid-term evaluation reported that almost 63 million individuals have visited the projects websites, with an average duration of the visits of about six minutes. A total of almost 271 thousand project documents and communication material has been downloaded by interested users. More than 48 thousand individuals, over 1,400 companies, and over 1,500 NGOs and 1,300 public bodies have been interviewed.

Indicator 2: Number of interventions to support communication, management and dissemination of information in the field of climate change mitigation and adaptation and to facilitate knowledge sharing

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
In 2012 less than 5% of the traditional climate project proposals submitted related to climate awareness raising activities at local, regional, national or cross-border levels* All LIFE projects under the priority area climate governance and information achieve knowledge sharing				10% of climate projects are targeted to specific climate governance, awareness raising or information activities at local, regional, national or cross-border levels. All LIFE projects under the priority area climate governance and information achieve knowledge sharing			To be set in the second MAWP. All LIFE projects under the priority area climate governance and information achieve knowledge sharing.
		13% (**) All LIFE projects under the priority area climate governance and information include knowledge sharing					

(*) Although all interventions contain an information, dissemination and awareness raising element, governance and information interventions, whether funded through grants or procurement, are designed to address this objective and are therefore used as the reference indicator.

(**) Percentage of climate projects targeted to specific climate governance, awareness raising or information activities at local, regional, national or cross-border levels. No 9 out of 65 climate projects are governance and information projects.

Indicator 3: Share of projects promoting and contributing to a more effective compliance with and enforcement of Union climate law

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				5% of governance and information projects progress towards improved compliance and enforcement of Union climate law			More than 5% of governance and information projects progress towards improved compliance and enforcement of Union climate law
Actual results							
		11% (*)					

(*) Percentage of governance and information projects progress ING towards improved compliance and enforcement of Union climate law : No 1 projects out of 9 on governance and information targets improved compliance and enforcement of the Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.

Indicator 4: Number of interventions emanating from NGOs funded by LIFE with an impact on EU policy							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Under the 2012 call of the LIFE + Regulation, the work programme of 6 specific climate NGO's proposals plus a number of environmental NGO's that also have a climate focus were co-funded.				Stable level of operating grants to NGO's with climate related work programmes.			Stable level of operating grants to NGO's with climate related work programmes.
	Actual results						
		5 operating grants with climate action NGOs	6 operating grants with climate action NGOs				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Action grants (projects)	34 02 03	7	7,0
2. Public Procurement (contracts)	34 02 03	20	5,3
3. Operating grants (work programmes of non-profit making entities/NGOs)	34 02 03	6	3,0
Total		33	15,3

Estimated to be 100% of the interventions financed by the 34 02 03

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Action grants (projects)	F	0	4	5	6	7	7	7
	P	0	7*	6				
2. Public Procurement (contracts)	F	10	11	21	22	17	25	27
	P	8	9	26*				
3. Operating grants (work programmes of non-profit making entities/NGOs)	F	0	6	6	6	6	6	6
	P	0	5	6				

* The project proposals/contracts awarded were smaller than initially planned. More of them were financed..

Justification of changes to the financial programming and/or to the performance information

See information included under par. 4.2.1.3 and 4.2.4.3.

5. Programme contribution to the Sustainable Development Goals

LIFE is at the heart of the SDGs, taking into account their strong environmental and climate dimensions.

The LIFE programme supports **SDG 2. "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture"** because it encourages an environmentally friendly agriculture, in view of the protection, preservation and improvement in the quality of water, air and soil and the protection of bio-diversity.

To improve resource efficiency in food production and reduce impact on water resources, LIFE is also promoting sustainable nutrients management in agriculture.

Moreover, the National Emission Ceilings Directive for air pollutants, the Member States' targets to reduce Greenhouse Gas emissions as well as the proposal to integrate the land use sector into the EU 2030 Climate and Energy Framework are aimed at incentivising Member States to take additional sustainable action in their agriculture sectors.

On **SDG 3 "Ensure healthy lives and promote well-being for all at all ages"**, with environmental stressors having significant impacts on health, LIFE complements Member States' action through legislation and other initiatives on environment related health problems, which are linked to air quality, industrial emissions, chemicals, waste and water.

Examples include the 7th Environment Action Programme, the EU Biodiversity Strategy to 2020, or the rules on the sustainable use of pesticides which underline the link with health policy aspects.

The EU Chemicals Policy also covers regulation on persistent organic pollutants; trade in hazardous chemicals; fluorinated gases; and hazardous waste. The so-called "REACH" framework aims to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.

In view of **SDG 6** "*Ensure availability and sustainable management of water and sanitation for all*", the EU water policy is a cornerstone of the LIFE Programme and provides for a framework to address water protection and achieve good ecological status for inland surface waters, transitional waters, coastal waters and groundwater. It comprises regulation including on drinking water, bathing water and urban waste water, prevention of pollution caused by nitrates, industrial emissions, pesticides and persistent organic pollutants.

The transition to a circular economy should also lead to greater resource efficiency for example by improving the conditions for water re-use in several sectors.

Through the circular economy package, LIFE addresses economic and environmental concerns by maximizing efficiency in the use of resources, and thus contributes to **SDG 8** "*Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*".

Moreover, the 7th Environment Action Programme confirms that EU prosperity and healthy environment stem from an innovative, circular economy where nothing is wasted and where natural resources are managed in a sustainable way, and biodiversity is protected, valued and restored.

LIFE also contributes to **SDG 9** "*Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*":

The 2030 Climate and Energy Policy Framework strives for a competitive low-carbon and climate-resilient economy and the EU Strategy on Adaptation to Climate Change identifies resilient infrastructure as a priority action area under the strategic objective of mainstreaming adaptation measures.

The circular economy fosters eco-innovation and sustainability objectives.

As regards **SDG 11** "*Make cities and human settlements inclusive, safe, resilient and sustainable*", the 7th Environment Action Programme has as a horizontal priority objective to make the Union's cities more sustainable.

Other environmental and climate policies and legislation are vital for sustainable urban development such as Noise Legislation, the EU's Biodiversity and Green Infrastructure Strategies, Drinking Water and Urban Wastewater Treatment, the framework on energy performance of building, the strengthen of the resilience of urban settings through climate related risks.

Urban energy consumption generates about three quarters of global carbon emissions. Therefore, cities play a crucial role in terms of energy and climate policy (the Clean Air Package, Air Quality, etc.). The EU Covenant of Mayors for Climate and Energy is a bottom-up local and regional action for tackling in an integrated manner climate change mitigation and adaptation, and access to secure, sustainable and affordable energy.

Moreover, the circular economy package contributes to this SDG under many aspects, such as by addressing sustainable waste sorting and recycling and by shifting energy consumption onto more sustainable pathways.

In view of reaching **SDG 12** "*Ensure sustainable consumption and production patterns*", resource efficiency and circular economy actions aim to decouple economic growth from resource use and environmental degradation. By covering the whole cycle from production and consumption to waste management, they are at the core of the LIFE actions under the priority areas Environment and Resource Efficiency.

Moreover, the 7th Environment Action programme has as a key objective to turn the Union into a resource-efficient, green, and competitive low-carbon economy. Another related key objective is to safeguard EU citizens from environment-related pressures and risks to health and wellbeing.

Concerning **SDG 13** "*Take urgent action to combat climate change and its impacts*", climate change mitigation and climate change adaptation are two priority areas of the LIFE programme. The 2015 Paris Agreement is a historically significant landmark in the global fight against climate change; a success for the world and a confirmation of the EU's path to a low-carbon and climate resilient economy. With the support of LIFE, ambitious 2020 and 2030 targets²¹ have been set up to reduce greenhouse gas emissions, improve energy efficiency and increase the share of renewable energy. Renewable energies and energy efficiency play an increasingly important role in tackling climate change.

The EU Emissions Trading System (ETS) is a key tool for cutting greenhouse gas emissions from large-scale facilities in the power and industry sectors, as well as the aviation sector.

The EU Strategy on Adaptation to Climate Change provides a framework and mechanisms to improve the preparedness of the EU for current and future impacts of climate change, thus contributing to a more climate-resilient society.

²¹ For the period up to 2020, the Europe 2020 Strategy aims at cutting greenhouse gas emissions by 20%, at meeting 20% of the EU's energy demand with renewables, and at increasing energy efficiency by 20% by 2020. The 2030 Climate and Energy Policy Framework aims to achieve a greenhouse gas emissions reduction of 40%, a renewables' share of at least 27% in the EU's energy mix, and an increase of energy efficiency by at least 27% (with a view to 30%) for 2030.

On **SDG 14** "*Conserve and sustainably use the oceans, seas and marine resources for sustainable development*", the 7th Environment Action Programme sets the objective to protect the Union's natural capital to, inter alia, reduce the impact of pressures on marine waters, in order to achieve or maintain good environmental status.

The Birds and Habitats legislation complement the Marine Strategy Framework by protecting 5% of the EU sea area through a network of Marine Protected Areas part of 'Natura 2000'.

Moreover, to tackle marine litter and pollution, LIFE supports a wide set of instruments, including regulation on waste management and prevention, port reception facilities for ship generated waste and cargo residues.

As regards as **SDG 15** "*Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss*", the environmental *acquis* provides a high level of protection in areas such as water quality and nature conservation, though the development and implementation of the Birds and Habitats Directives and of the Natura 2000 network.

The EU Forest Strategy has as one of its key principles global forest responsibility, promoting sustainable production and consumption of forest products.

The circular economy offers an opportunity for modernising the economy, making it more green and competitive. It also contributes to lower carbon dioxide emission levels and energy savings as well as decreased air, soil and water pollution. It focuses on resource efficiency and minimising waste and has a strong potential in terms of new jobs and growth and for stimulating sustainable consumption and production patterns.

Finally, by supporting the compliance and enforcement of environmental and climate legislation and the access to justice on environmental matters in Member States, LIFE is contributing to **SDG 17** "*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*".

6. Information about financial instruments financed by the Programme

Two pilot financial instruments have been put in place to test innovative approaches:

- the Private Finance for Energy Efficiency (PF4EE) supports investments for the implementation of Member States' Energy Efficiency Action Plans through financial intermediaries;
- the Natural Capital Financing facility (NCF) is designed to demonstrate that natural capital projects can generate revenues or save costs. It intends to establish a pipeline of replicable, bankable operations that will serve as a "proof of concept" and that will demonstrate to potential investors the attractiveness of such operations directly addressing biodiversity and climate adaptation objectives.

Following an ex ante assessment analysing the potential demand and defining the best possible conditions for their financing, delegation agreements between the Commission and the European Investment Bank (EIB) were developed and signed.

Subsequently, in the case of the PF4EE, the EIB has started to make agreements with financial intermediaries, which then have to develop their own portfolio to provide loans for energy efficiency investments.

By the end of 2016, six agreements with financial intermediaries were signed in Czech Republic, Spain, France, Belgium, Portugal and Italy.

In 2017, additional deals could be signed in Croatia, the United Kingdom, Greece and Cyprus.

While operations on the ground have been implemented only in the Czech Republic and Spain so far, the strong interest by banks indicates the underlying market demand and thus the potential for scaling up. In fact, PF4EE is contributing to creating a new financial product in the market targeting energy efficiency and consequently directly contributing to the decarbonisation of our economy, in line with the COP21 goals.

At the outset of PF4EE, support of total investment up to EUR 540 million was expected. However, following the operations signed in 2015 and 2016 and in view of the pipeline, the EIB now targets to achieve EUR 1 billion of new investments in energy efficiency during the 2014 – 2017 pilot phase (EUR 430 million from EIB and EUR 570 million from financial intermediaries), covering 10 Member States.

The other instrument NCF supports the financing of loans and equity for investments contributing to biodiversity and/or climate change adaptation objectives.

This represents an innovation which, if successful, could drive the architecture of natural capital financing.

Several operations have been scrutinized according to the criteria jointly defined by the Commission and the EIB in the delegation agreement. They have not been found not to provide sufficient contributions to biodiversity protection and climate adaptation and/or not to be mature enough for bank financing. At the time of writing, in March 2017, eight new operations with an overall budget

of EUR 47.5 million EUR were under EIB screening and the first loans/equity investments are expected to be granted in 2017.

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

Compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and other international organisations and Sustainable Fisheries Partnership Agreements (SFPAs)

Lead DG: MARE

I. Programme update

Implementation status (2014-2016)

At the end of 2016, a total number of 14 SFPA protocols¹ were in force, compared to 10 in 2013 and 14 in 2015. A new SFPA with Cook Islands provisionally applies from May 2016 onwards. Moreover, negotiations have been successfully completed for the renewal of the protocol with Comoros (its signature being dependent on improvements to be made by this country regarding conformity with IUU legislation) while negotiations have started with Mauritius and Tanzania and have been on-going with Gabon. In addition, a mandate for a new protocol with Kenya was adopted by the Council in July 2016 and preliminary steps have been taken to renew protocols with Guinea Bissau and to engage in negotiations for new SFPAs with Ghana and Equatorial Guinea. For these three countries, external evaluations have been completed as a preliminary step to the negotiation process.

RFMOs are international bodies set up to ensure the conservation and sustainability of straddling and highly migratory fish stocks. The EU has a strong presence in all of the world's oceans through its fleets and is obliged under The Convention on the Law of the Sea to co-operate with other parties by participating in these Organisations. The RFMOs are the main vehicle for multilateral cooperation, providing a legal framework that can take into account the specific features and characteristics of each zone and species concerned. The EU is paying membership contributions to 13 RFMOs² and 3 other International Bodies in view of the EU's membership to them (i.e. CMS, ITLOS, ISBA)

Key achievements

In addition to providing access to EU fishing vessels, SFPAs also contribute to the development of the fisheries sector in the partner country and to better governance of the sector. To this end each SFPA is constituted of a financial contribution for access and one for sectoral support. The projects funded under sectoral support are varied: the small port infrastructure in the Seychelles extending its operations capacity and therefore its attractiveness in a very competitive environment, the landing facilities and laboratory in Guinea-Bissau enhancing their export capacity, equipment for small scale fishermen in Sao Tomé and Príncipe helping to increase their catches and the safety of their activities, etc.

In ensuring the sustainable exploitation of surplus marine biological resources, SFPAs are of mutual benefit to the EU and the partner country by contributing to providing jobs and growth on both sides. They constitute a benchmark for the management of international fishing policies and therefore also contribute to foster the EU position as a global and leading actor in the field of international fisheries.

Evaluations/studies conducted

Given the high level of continuity in the actions undertaken, the results of the evaluations carried out in 2016 (Guinea Bissau, Mauritius and Comoros) are taken on board in the negotiations for the renewal of agreements, more notably in relation to the level of fishing opportunities agreed upon, the relevant technical provisions applicable and the rules regarding the implementation and monitoring of the multiannual sectoral programmes.

The main conclusions of the evaluations were as follows:

Mauritius

- there was a good cooperation between the EU and Mauritius, both under the SFPA and in the wider regional context of the Indian Ocean – with benefits being gained by both partners,
- the sectoral support contributed to supporting the artisanal sector and implementation of an electronic catch reporting system,
- the protocol was evaluated to be coherent with the CFP and IOTC resolutions and management measures,
- the challenge facing Mauritius will be to develop its institutions, build the capacity of its staff and endure the efficient and effective running of all aspect of its fisheries management system to achieve the long-term sustainability of its fisheries.

¹ 10 tuna agreements: Cape Verde, Ivory Coast, Sao Tomé and Príncipe, Madagascar, Senegal, Comoros, Seychelles, Mauritius, Liberia and Cook Islands; and 4 multi-species (mixed) agreements: Mauritania, Morocco, Greenland and Guinea-Bissau.

² There are 4 organizations targeting the conservation of tuna (CCSBT, IATTC, ICCAT and IOTC), 1 targeting the conservation of salmon (NASCO) and 8 targeting general fisheries aspects (CCAMLR, GFCM, NAFO, NEAFC, SEFAO, SIOFA, SPRFMO and WCPFC)

Comoros

- the protocol was assessed consistent both with the EU and Comoros policy as well as with the IOTC conservation and management measures,
- the protocol ensured sustainable exploitation of tuna stocks in the Indian Ocean,
- the protocol was relevant for the EU in that that it ensured the continuity of EU vessels' fishing activities targeting tunas and tuna-like species in the Southwest Indian Ocean region.

Guinea-Bissau

- the protocol was assessed as effective ensuring sustainable exploitation of the surplus of fish stocks in the Bissau-Guinean waters,
- the protocol was coherent with the CFP measures as well as with the recommendations of ICCAT,
- the protocol yielded a positive cost-benefit ratio (out of EUR 1 invested by the EU, EUR 2.02 worth value added was generated).

Forthcoming implementation (2017-2018)

In 2017/2018, the Commission intends to conclude negotiations in view of the renewal of the SFPAs protocols with Cap Verde, Gabon, Madagascar, Mauritius and Guinea-Bissau and start negotiations with Morocco, São Tomé and Príncipe and Ivory Coast. It might also engage or resume negotiations with Tanzania, Kenya, Mozambique and Ghana

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	
Operational appropriations	80,0	135,6	135,7	138,4	141,1	142,6	142,6	916,1
Total	80,0	135,6	135,7	138,4	141,1	142,6	142,6	916,1

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	138,750	96,77 %	135,345	91,20 %	140,655	20,70 %	135,655	21,05 %
Authorised appropriation excluding external earmarked revenue	138,750	96,77 %	135,345	91,20 %	140,655	20,70 %	135,655	21,05 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Sustainable Fisheries Agreements

Under its exclusive competence of negotiating bilateral fisheries agreements the European Commission negotiates, concludes and implements bilateral Sustainable Fisheries Partnership Agreements (SFPAs) between the European Union and third countries with the objective of contributing to a regulated framework for EU long-distance fishing fleet while ensuring a suitable exploitation of the third countries' relevant fisheries resources and supporting competitiveness of the Union's fishing fleet. Within the framework of the SFPAs, the Commission maintains a political dialogue on fisheries related policies with third countries concerned, in coherence with the principles governing the CFP and the commitments under other relevant European policies.

In addition the aim is to: improve scientific and technical knowledge of relevant fisheries; contribute to the fight against illegal, unreported and unregulated (IUU) fishing; foster better global governance of fisheries at financial and political level.

Regional Fisheries Management Organisations (RFMOs) and international organisations

Given the exclusive competence of the EU for the conservation of marine living resources and international obligations deriving from the United Nations Convention for the Law of the Sea (UNCLOS) and the implementing UN Fish Stocks Agreement, to which the EU is a Party, the Commission pays compulsory annual contributions deriving from EU membership in international bodies. This includes various RFMOs where the EU has an interest and bodies set up by the UNCLOS, namely the International Seabed Authority and the International Tribunal for the Law of the Sea. In line with the External Dimension of the Common Fisheries Policy (cf. Commission Communication on the External Dimension of the CFP and articles 28-30 of the CFP Basic Regulation), the EU will promote better international fisheries and ocean governance and the sustainable management of international fish stocks and defend EU economic and social interests within these organisations.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility)	2,1	2,2

40% of line 11 03 02

4. Performance information

Specific objectives

Specific Objective 1: To promote, through active involvement in international organisations, sustainable development for fisheries management and maritime governance in line with the CFP objectives, and ensure that fishery resources are maintained above or restored above levels capable of producing maximum sustainable yield

Indicator 1: Conservation measures based on scientific advice adopted, for all species under the purview of RFMOs to which the EU is a member

Baseline 2012	Milestone 2017	Target 2020
49 out of 53 conservation measures adopted by RFMOs in their annual meeting are in line with the best available scientific advice.	95% of the conservation measures adopted by RFMOs in their annual meetings are in line with the best available scientific advice.	All conservation measures adopted by RFMOs in their annual meetings are in line with the best available scientific advice.
	Actual results	
	*	

* The results for the year 2017 will be available once all annual meetings take place (end of 2017).

Indicator 2: Tools to fight IUU fishing adopted in RFMOs

Result 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
IUU listing in place in all relevant RFMOs, port state measures adopted only in some RFMOs, catch documentation system in place in CCAMLR for tooth fish and ICCAT for Bluefin tuna				Revision of transshipment procedures in CCAMLR, Adoption of MCS in SIOFA, Revision of country-by-country compliance process in SPRFMO	Adoption of PSM in IATTC		IUU listing procedures in place and operational in all RFMOs (annual), incremental introduction of port state measures in all RFMOs in line with the FAO Port State Measures until 2020, gradual introduction of catch documentation systems for high value species until 2020.
	Actual results						
	-	Adoption of PSM in CCSBT	Revision of IUU listing procedures in CCAMLR, Implementation of revamped e-CDS in CCAMLR, Revision of MCS measures in SEAFO, Revision of VMS legal framework and selection of VMS provider in SPRFMO, Adoption of electronic PSM in IOTC&IUU listing procedures and vessels without nationality in SIOFA				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Annual financial contributions to RFMOs enabling the right of full participation in decision making in the RFMO concerned	11 03 02	13	5.3
2. Contribution to the annual budget of International Tribunal for the Law of the Sea (ITLOS) and the International Seabed Authority (ISBA UN), convention on the conservation of migratory species of wild animals (CMS)	11 03 02	3	0.2
Total		16	5.5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Annual financial contributions to RFMOs enabling the right of full participation in decision making in the RFMO concerned	F	12	13	14	14	14	14	14
	P	12	13	13				
2. Contribution to the annual budget of International Tribunal for the Law of the Sea (ITLOS) and the International Seabed Authority (ISBA UN)	F	2	2	2	2	2	2	2
	P	2	3	3				

Specific Objective 2: To establish, through Sustainable Fisheries Agreements, a legal, economic and environmental governance framework for fishing activities carried out by Union fishing vessels in third country waters, in coherence with other EU policies

Indicator 1: Number of Sustainable Fisheries Agreements in force

Result 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10	13	13	14	14	15	15	15
	Actual results						
	13	14	14				

Indicator 2: Fishing possibilities for EU vessels

Result 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
118 tuna vessels 63 vessels for mixed SFAs	120	120	120	120	120	120	120 tuna vessels 100 vessels for mixed SFAs Align fishing possibilities granted through the SFAs with the needs of the EU fleet, within the constraints of the sustainability of the fishing activities
	100	100	100	100	100	100	
	Actual results						
	134	115	121				
	112	123	165				

Indicator 3: Number of matrix adopted for the follow-up of the sectoral support (matrix of objectives, indicators and targets adopted with the third country, for each protocol in force)

Result 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10	13	13	14	14	15	15	15
	Actual results						
	13	14	14				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Financial contribution to all the protocols in force providing access for EU vessels in third countries waters	11 03 01 and reserve line	14	135.6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Financial contribution to all the protocols in force providing access for EU vessels in third countries waters	F	13	13	14	14	15	15	15
	P	13	14	14				

5. Programme contribution to the Sustainable Development Goals

SFPAs contribute to the achievement of the following goals:

Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Sustainable Fisheries Partnership Agreements provide the guarantee that only surplus resources will be fished by EU fishing fleet operating in third country waters. They therefore contribute to the sustainable management of fisheries resources and to food security for local population dependent on fishing resources. This is being reinforced in some SFPAs through provisions regarding compulsory landings, or in-kind donation of fish which also contribute directly or indirectly to improved nutrition in developing countries.

Goal 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Sustainable Fisheries Partnership Agreements are a tool to help promote long-term resource conservation, good governance and the sustainable development of our partners' fisheries sector. In addition, thanks to the sectoral support, the scientific, administrative and technical capacity of local partners for the sustainable development of their fisheries is being reinforced, in coordination with development policy tools. SFPAs therefore contribute directly to the sustainable management of fisheries worldwide.

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget



▶ **HEADING 3**
Security and citizenship

HEADING 3: Security and citizenship**Asylum, Migration and Integration Fund**

Lead DG: HOME

I. Programme update***Implementation status (2014-2016)***

Throughout 2015, all 27 national programmes under the Asylum, Migration and Integration Fund (AMIF) were approved by the Commission.

During 2015, the AMIF national programmes were updated in order to include pledges for resettlement and relocation, in accordance with the Council Conclusions of 20 July 2015 (for resettlement) and Council Decisions (EU) 2015/1523 and 2015/1601 (for relocation). In December 2016, 12 AMIF national programmes (DE, EE, ES, FI, FR, LT, LU, MT, NL, PT, RO and SE) were revised to include the pledges made in accordance with Council Decision (EU) 2016/1754, which allows Member States to meet their relocation obligation under the not yet allocated 54 000 persons under Council Decision (EU) 2015/1601 by admitting to their territory Syrian nationals present in Turkey in clear need of international protection under national or multilateral legal admission schemes.

During 2016, the AMIF national programme for Greece was revised in order to adjust its funding priorities. In addition, in March all 27 national programmes were revised in order to allow for a technical amendment to the automatically generated table of annual EU commitments, which forms an integral part of the national programme.

The legal basis prescribes that the Responsible Authority in the Member State needs to be 'designated' (provisional or full) in order to be able to disburse funding that is charged to AMIF. In its control approach, DG HOME attaches great importance to the review of designations. By the end of 2016, 23 Responsible Authorities were fully designated while 4 Responsible Authorities were provisionally designated (EL, HR, HU, IE).

On 1 June 2016 the Commission Decision on the clearance of accounts for national programmes concerning expenditure supported under the Asylum, Migration and Integration Fund and the Internal Security Fund for the 2014 and 2015 financial years was adopted (C(2016) 3504). The total amount accepted by the Commission and cleared for the financial year for AMIF constituted EUR 100,6 million (for 12 Member States). On 9 December 2016, the Commission Decision C(2016) 8586 amending Commission Decision C(2016) 3504 was adopted. The amending decision was needed to ensure full transparency and to accurately reflect the actions carried out by the Member States in their national programmes in the corresponding budget lines and included the accepted payment request by Ireland for around EUR 2 million bringing the total for the 2014 and 2015 accounts to EUR 102,5 million for 13 Member States.

By 15 February (or 1 March upon justified request) 2017, Member States with designated Responsible Authorities have submitted their annual accounts covering the financial year 2016 and by 31 March 2017, the Annual Implementation Reports were submitted. One Member State (MT) has declared zero expenditure, while the remaining Member States have requested a total amount of EUR 363 million.

Under AMIF Emergency Assistance, EUR 571 million have been allocated since the beginning of 2014. Out of this, as of 27 January 2017, EUR 497 million have been awarded to Member States under migratory pressure for addressing the migration and refugee crisis.

With regard to Union actions, actions under the 2014 annual work programme were implemented in 2016. Grant agreements were concluded for actions under the 2015 annual work programmes and their implementation has started. Data on the grant agreements concluded in 2016 have been inserted in the output tables per Specific Objective. The AMIF 2016 work programme for Union actions was adopted. The call for proposals on the integration of third-country nationals foreseen under the work programme was published and beneficiaries of direct award of grants foreseen under the work programme were invited to submit their grant applications.

The AMIF supported the European Migration Network (EMN) in the framework of the EMN 2015-2016 work programme.

Key achievements

In the annual accounts covering the financial years 2014-2015, 406 projects have been declared under the AMIF (131 in the area of asylum, 160 in the area of legal migration and integration and 115 projects in the area of return).

In the annual accounts covering the financial year 2016, 909 projects have been declared under AMIF (210 projects in the area of asylum, 544 projects in the area of legal migration and integration and 155 projects in the area of return).

Also, Member States have resettled (*) 14 422 people, have relocated (*) 13 546 persons and have granted legal admission from Turkey to (**) 173 persons with the support of AMIF.

In 2016, 42,52 % of the people issued with a return decision were effectively returned. Of the persons effectively returned, 80,3 % returned through voluntary return programmes whereas 19,7 % were returned through removal operations, in accordance with the standards laid down in Union law.

As from 2014 and in the context of the projects run by the Member States supported by the AMIF, the number of target group persons provided with assistance through integration measures in the framework of national, local and regional strategies amounts to 1,9 million and the number of target group persons provided with assistance through projects in the field of reception and asylum systems amounts to 0,7 million.

As of 27 January 2017, 14 MS (AT, BG, BE, HR, CY, FI, FR DE, GR, HU, IT, NL, SI, SE) most affected by the migration and refugee crisis have received additional support (EUR 497 million) via AMIF Emergency Assistance. It represents a total of 37 projects. Greece has received financial support for the creation of 56 000 reception places.

(*) Tenth Report on relocation and resettlement of 2 March 2017 (COM(2017)202)

(**) Source: AMIF Annual Implementation Reports 2016

In the area of the Common European Asylum System, an amount of EUR 49,4 million was spent in 2016 by the Member States for projects, as compared to the EUR 19,6 million spent in 2014 and 2015 together. This represents an increase of 251%. In 2016, 366426 asylum seekers were provided with assistance through various projects in the field of reception and asylum systems (e.g. legal aid and representation, social counselling, targeted services to vulnerable groups, etc).

In the area of legal migration and integration an amount of EUR 43,8 million was spent by the Member States in 2016 for projects, as compared to the EUR 14,7 million in 2014 and 2015 together. This represents an increase of 300%. In 2016, 1 602 041 third-country nationals were assisted through integration measures in the framework of national, local and regional strategies, well beyond expectations. A wide range of actions were undertaken such as education and training, including language training and preparatory actions to facilitate access to the labour market, advice and assistance in the area of housing, means of subsistence and administrative and legal guidance, medical and psychological care.

In the area of return, the Member States spent EUR 105,8 million in 2016, which represents an increase of 258% as compared to the amount spent in 2014 and 2015 together (EUR 27,5 million). This, among others, indicates that the Member States substantially stepped up their efforts in voluntary return and forced removals with support from the Fund: in 2016, 26 187 persons were returned through voluntary return programmes and 11 561 persons were returned through removal operations, in accordance with the standards laid down in Union law.

Evaluations/studies conducted

Currently, there is no evaluation and/or programme related study available. At the start of the programming exercise for the AMIF, so-called policy dialogues were organised. Through these dialogues a common understanding between the Commission and the respective Member State was established regarding the main challenges / funding priorities that would constitute the maximum EU value added. The agreed minutes of these policy dialogues formed the basis for the joint programming exercise.

Furthermore, by 31 December 2017 Member States shall submit to the Commission an interim evaluation report on the implementation of actions and progress towards achieving the objectives of their national programmes. By 31 December 2023, the Member States will provide an ex-post evaluation report on the effects of actions under their national programmes. On the basis of these reports the Commission will provide by 30 June 2018 an interim evaluation report on the implementation of the legal bases and by 30 June 2024 an ex-post evaluation report on the effects of the legal bases.

Forthcoming implementation (2017/2018)

It is expected that, following the information received in the 2016 AMIF Annual Accounts and Annual Implementation Reports, the implementation of the Funds will gain further momentum. DG HOME intends to steer the Member States to enhance the implementation of the programme, among others through the participation to national monitoring committee meetings, bilateral discussions, monitoring visits, messages at political level, etc.

During 2018, in accordance with Article 15 of Regulation (EU) No 514/2014, the AMIF national programmes will be subject to a mid-term review. This review, in the light of the interim evaluation reports (to be submitted by 31 December 2017) and in the light of developments in Union policies and in the Member States concerned, may result in revisions of the AMIF national programmes.

Grant agreements under the AMIF 2016 annual work programme for Union actions will be concluded in 2017 and the implementation of the actions will start. The AMIF 2017 annual work programme for Union actions will be adopted with a significantly increased budget and it is expected to focus on the external dimension of the asylum and migration policy (Regional Development and Protection Programmes, readmissions, mobility partnerships, information campaigns on the risks of irregular migration) and on the integration of third-country nationals.

Member States facing migratory pressure will continue to be supported via the AMIF Emergency Assistance.

The European Migration Network (EMN) will be supported under the EMN 2017-2018 work programme.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 516/2014 of the European Parliament and of the Council of 16 April 2014 establishing the Asylum, Migration and Integration Fund, amending Council Decision 2008/381/EC and repealing Decisions No 573/2007/EC and No 575/2007/EC of the European Parliament and of the Council and Council Decision 2007/435/EC	2014 - 2020	3 137,0

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	2,2	2,2	2,3	2,5	2,5	2,5	2,5	16,6
Operational appropriations	228,3	620,9	1 796,6	1 617,8	716,7	943,3	953,8	6 877,4
Total	230,5	623,0	1 799,0	1 620,3	719,2	945,8	956,3	6 894,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	1 817,429	99,57 %	900,951	98,82 %	1 631,458	25,26 %	1 040,315	16,00 %
Authorised appropriation excluding external earmarked revenue	1 817,429	99,57 %	900,816	98,69 %	1 631,458	25,28 %	1 040,315	15,96 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The management of migration flows presents challenges which cannot be dealt with by the Member States acting alone. This is an area where there is obvious added value in mobilising the EU budget.

Some Member States bear a heavy burden due to their specific geographic situation and the length of the external borders of the Union that they have to manage. The principle of solidarity and the fair sharing of responsibilities between Member States is therefore at the heart of the common policies on asylum and immigration. The EU budget provides the means to address the financial implications of this principle.

In relation to the external dimension of home affairs, it is clear that the adoption of measures and the pooling of resources at EU level will increase significantly the EU leverage necessary to convince third countries to engage with the EU on those migration related issues which are primarily in the interest of the EU and the Member States.

Contribution to Europe 2020 Strategy

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Inclusive Growth (employment and skills, fighting poverty)	101,2	53,3

Part of line 18 03 01 02. It corresponds to more or less 50% of the amount for the output "projects related to integration measures, both at local and regional level", under specific objective 2

Gender mainstreaming

The AMIF Regulation (Regulation (EU) No 516/2014) stipulates that eligible actions need to take account of the human rights-based approach to the protection of migrants, refugees and asylum seekers and should, in particular, ensure that special attention is paid to, and a dedicated response is provided for, the specific situation of vulnerable persons, in particular women, unaccompanied minors and other minors at risk.

4. Performance information

General objectives

General Objective 1: to contribute to the efficient management of migration flows and to the implementation, strengthening and development of the common policy on asylum, subsidiary protection and temporary protection and the common immigration policy, while fully respecting the rights and principles enshrined in the Charter of Fundamental Rights of the European Union

Indicator 1: Effectiveness of return policy as reflected by the ratio between the number of irregular migrants returned to their country of origin compared to return decisions issued

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
39,2 % (166 975 effected returns / 425 875 issued with a return decision) (source: Member States)				Increased ratio			Increased ratio
	Actual results						
	41,75 %	42,52 %*	Not yet available*				

* Data are revised on a continuous basis according to the most recently updated data provided by the countries.

Indicator 2: Ratio voluntary/forced return

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
45,5 % (source: Eurostat)				Increased ratio			Increased ratio
	Actual results						
	58,4%	80,3%*	Not yet available*				

* Data are revised on a continuous basis according to the most recently updated data provided by the countries

Indicator 3: Difference in employment rates of third-country national (TCN) compared to that of EU nationals

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
11,9 points Employment rate of non-EU citizens has decreased from 54,9 % in 2011 to 52,6 % in 2013, whilst the employment rate for EU nationals remains stable at 64,5 % (Eurostat data)				12 points			10 points Given the migratory context/refugee crisis, this figure will not decrease drastically over the short term. Integration efforts by MS supported by the EU could produce an effect as from 2017/2018 unless the overall EU economic situation deteriorates.
	Actual results						
	13,4 points Third-country nationals: 56,3 % Host-country nationals: 69,7 %	14 points Third-country nationals: 56,7 % EU nationals: 70,7 %					

Indicator 4: Convergence of recognition rates for international protection by Member States for asylum applicants from the same third country

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
The standard deviation in the recognition rates in the Member States for asylum seekers from Afghanistan is 20,1 ¹ (the higher the standard deviation, the higher the difference between MS's recognition rate in comparison to the average recognition rate) Calculations based on Eurostat data				Lower (increased convergence) in comparison with baseline			Lower (increased convergence)
	Actual results						
	25,2	27,3	28,2				

The values for 2013 and 2014 have been updated following the late submission of full data by certain Member States, adjusting the Eurostat data that was previously available.

¹ For Member States with at least 100 decisions regarding asylum seekers from Afghanistan

Specific objectives

Specific Objective 1: to strengthen and develop all aspects of the Common European Asylum System, including its external dimension

Indicator 1: Number of target group persons provided with assistance through projects in the field of reception and asylum systems supported under the Fund

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			460 038			920 000
	Actual results						
	148 045*	299 697*	366 426*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 2: Capacity (i.e. number of places) of new reception accommodation infrastructure set up in line with the common requirements for reception conditions set out in the Union acquis and of existing reception accommodation infrastructure improved in accordance with the same requirements as a result of the projects supported under the Fund and percentage in the total reception accommodation capacity

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			18 836 21,9 %			37 672 43,8 %
	Actual results						
	1 534*	1 623*	7 415*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 3: Number of persons trained in asylum-related topics with the assistance of the Fund, and that number as a percentage of the total number of staff trained in those topics

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			10 782 28 %			21 565 57 %
	Actual results						
	0*	914*	6 186*				
	0 %	43 %	50 %				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 4: Number of country-of-origin information products and fact-finding missions conducted with the assistance of the Fund

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			36 378			72 756
	Actual results						
	0*	4 982*	15 478*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 5: Number of projects supported under the Fund to develop, monitor and evaluate asylum policies in Member States

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			72			144
	Actual results						
	1*	40*	14*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 6: Number of persons resettled with support of the Fund

Baseline	Milestones foreseen						Target 2020 (2014-2020)
	2014	2015	2016	2017	2018	2019	
2012	7 269			30 139			34 139
0	Actual results						
	1 326*	4 452*	10 052*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects aiming at improving reception and asylum systems.	18 03 01 01	506	160,0
Projects aiming at improving Member States' capacity to develop, monitor and evaluate their asylum policies.	18 03 01 01	23	10,1
Persons pledged for resettlement with the lump sum.	18 03 01 01	1 462	17,5
Projects under Union actions aiming at strengthening and developing the Common European Asylum System.	18 03 01 01	11	20,6
Persons benefitting from the voluntary humanitarian admission scheme - Turkey	18 03 01 01	-	-
Total (projects)		540	208,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects aiming at improving reception and asylum systems.	F	81	240	450	351	506	500	500
	P	0	109	191				
Projects aiming at improving Member States' capacity to develop, monitor and evaluate their asylum policies.	F	20	20	20	16	23	20	20
	P	0	6	9				
Persons pledged for resettlement with the lump sum.	F	7 362	9 312	7 700	5 765	1 462	1 500	1 000
	P	60	3 215	12 423 (*)				
Projects under Union actions aiming at strengthening and developing the Common European Asylum System.	F	10	10	12	9	11	3	3
	P	0	6	5				
Persons benefitting from the voluntary humanitarian admission scheme - Turkey	F	n/a	n/a	n/a	13 000	-		
	P	n/a	n/a	n/a				

(*) Source: Annual Implementation Reports 2016 from the Member States

Justification of changes to the financial programming and/or to the performance information

Union Actions will in particular be focussed on the Regional Development and Protection Programme North Africa (RDPP-NA) and Horn of Africa (RDPP-HoA) given the needs in these regions as well as the political importance and EU's focus on the migration and asylum situation in these countries (for example see Commission Communication 'Migration on the Central Mediterranean route Managing flows, saving lives' of 25 January 2017 (JOIN(2017 4 final)). It will provide better protection to those displaced by conflicts and create socio-economic development opportunities for the most vulnerable.

A number of output indicators that are produced in the first years appear relatively low. This is explained by two factors; (1) the delay in the implementation of the national programmes, due to the late adoption of the legal bases (in May 2014) and the subsequent programming exercise to agree on the national programmes with the Member States and (2) by the fact that the baseline (forecast outputs) was calculated on the number of SOLID projects (2007-2013 programming period) that was available in 2013. The number of projects does not always fully represent the rate of implementation, since projects may be large in financial volume and can be multiannual (whereas the eligibility period under SOLID Annual Programmes was more limited).

Specific Objective 2: to support legal migration to the Member States in accordance with their economic and social needs, such as labour market needs, while safeguarding the integrity of the immigration systems of Member States, and to promote the effective integration of third-country nationals

Indicator 1: Number of target group persons who participated in pre-departure measures supported under the Fund							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			117 210			234 420
	Actual results						
	0*	725 072*	10 950*				

* Provided in the annual implementation reports sent by Member States on 31 March 2017 - Germany data only

Indicator 2: Number of target group persons assisted by the Fund through integration measures in the framework of national, local and regional strategies							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			1 216 798			2 433 597
	Actual results						
	34 791*	279 004*	1 602 041*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 3: Number of local, regional and national policy frameworks/measures/tools in place for the integration of third-country nationals and involving civil society and migrant communities, as well as all other relevant stakeholders, as a result of the measures supported under the Fund

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			1 073			2 147
Actual results							
	7*	401*	1 920*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 4: Number of cooperation projects with other Member States on the integration of third-country nationals supported under the Fund

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			31			62
Actual results							
	0*	0*	9*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 5: Number of projects supported under the Fund to develop, monitor and evaluate integration policies in Member States

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			56			113
Actual results							
2014 and 2015 data is not available yet (will become available in April 2016).	1*	4*	29*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects aiming at facilitating legal migration and increasing the number and quality of pre-departure measures.	18 03 01 02	6	11,1
Projects related to integration measures, both at local and regional level.	18 03 01 02	489	106,5
Projects aiming at increasing the capacity of Member States to support legal migration to the Union and to promote the effective integration third-country nationals.	18 03 01 02	62	16,1
Projects under Union actions within Asylum and Migration Fund aiming at supporting legal migration to the Union and promoting the effective integration of third-country nationals.	18 03 01 02	18	8
Total		575	141,7

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects aiming at facilitating legal migration and increasing the number and quality of pre-departure measures.	F	7	7	8	17	6	9	10
	P	0	1	5				
Projects related to integration measures, both at local and regional level.	F	81	240	450	929	489	500	500
	P	0	97	495				
Projects aiming at increasing the capacity of Member States to support legal migration to the Union and to promote the effective integration third-country nationals.	F	27	45	80	165	62	100	100
	P	0	21	44				
Projects under Union actions aiming at supporting legal migration to the Union and promoting the effective integration of third-country nationals.	F	10	10	10	30	18	10	10
	P	0	0	17				

Justification of changes to the financial programming and/or to the performance information

The integration part of the AMIF aims at supporting the efforts of Member States in the provision of first and mid-term integration measures such as language training, integration courses, and preparatory measures before accessing the labour market, etc. When the AMIF was negotiated and adopted, the reference figures of the co-legislators were the ones available at the time of the negotiation.

With the rising influx of asylum seekers in 2014, 2015 and 2016, the picture has drastically changed. What has been programmed by the Member States in their national programmes (EUR 765 million for the whole period) and the additional EUR 150 million which were granted under the 2017 budget appear now largely insufficient to cover needs for the upcoming years.

It is also difficult to request Member States to modify the programming of their AMIF national programmes as the needs for the two other priorities of the AMIF (asylum and return) have also increased substantially due to the migration influx.

That is why it is justified to increase the funding available under the AMIF for integration under the 2018 Budget.

	2013	2014	2015	2016	TOTAL
number of people most in need of integration services foreseen when the calculation made in 2013	779 177	779 177	779 177	779 177	3 116 708
Actual number of people "most in need of integration measures"	779 177	847 773	1 060 887	1 330 326	4 018 163
Integration needs base 100 in 2013	100	106	136	171	

The additional number of third-country nationals to be integrated is higher by 29 % of the number available when the AMIF was adopted.

Consequently, as integration of refugees and people coming on the basis of family reunification takes time (several years and up to 10-20 years for refugees), it is crucial to adapt the AMIF envelope for integration for remaining years of the MFF.

Therefore the AMIF envelope for integration should be increased by at least 30 %, (representing the increase from 3116700 to 4018200 third-country nationals most in need of integration measures) up from EUR 765 million to EUR 1 billion, which would also be a symbolic figure. In this context, it is proposed an additional EUR 30 million under the 2018 budget which will cover only part of the additional needs.

Specific Objective 3: to enhance fair and effective return strategies in the Member States which contribute to combating illegal immigration, with an emphasis on sustainability of return and effective readmission in the countries of origin and transit

Indicator 1: Number of persons trained on return-related topics with the assistance of the Fund							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			12 322			24 645
Actual results							
	40*	993*	4 026*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 2: Number of returnees who received pre or post return reintegration assistance co-financed by the Fund							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			82 202			164 405
Actual results							
	7 614*	20 135*	21 228*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 3: Number of returnees whose return was co-financed by the Fund, persons who returned voluntarily and persons who were removed							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				329 070 of which: 219 640 voluntary returns and 109 430 forced returns			658 140 of which: 439 280 voluntary returns and 218 860 forced returns
Actual results							
	5 904 of which 4 522 voluntary returns and 1 382 forced returns*	39 888 of which 30 466 voluntary returns and 9 422 forced returns*	37 748 of which 26 187 voluntary returns and 11 561 forced returns*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 4: Number of monitored removal operations co-financed by the Fund							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			91 130			184 261
	Actual results						
	10*	4 635*	6 065*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Indicator 5: Number of projects supported under the Fund to develop, monitor and evaluate return policies in Member States							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			17			35
	Actual results						
	2*	4*	3*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects aiming at increasing the number and quality of measures accompanying return procedures.	18 03 01 02	49	47,7
Projects aiming at increasing the number and quality of return measures.	18 03 01 02	84	107,0
Projects aiming at increasing the practical cooperation between Member States and the capacity of Member States to develop effective and sustainable return policies.	18 03 01 02	22	4,9
Projects under Union actions aiming at enhancing fair and effective return strategies in the Member States.	18 03 01 02	12	27,0
Total		167	186,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects aiming at increasing the number and quality of measures accompanying return procedures.	F	40	45	50	114	49	60	60
	P	0	41	51				
Projects aiming at increasing the number and quality of return measures.	F	54	70	85	194	84	100	100
	P	0	48	98				
Projects aiming at increasing the practical cooperation between Member States and the capacity of Member States to develop effective and sustainable return policies.	F	14	18	22	50	22	27	27
	P	0	18	5				
Projects under Union actions aiming at enhancing fair and effective return strategies in the Member States.	F	10	10	10	4	12	5	5
	P	2	1	6				

Justification of changes to the financial programming and/or to the performance information

The EU Action Plan on return adopted in September 2015 emphasized the need to enhance the effectiveness of the EU system to return irregular migrants. For this purpose an additional EUR 200 million were received in the context of the 2017 Budget and will be implemented mainly via the distribution key and partially via the Specific Actions mechanism, to the national programmes. For 2018, an additional amount of EUR 20 million is requested to improve cooperation on return/readmission with third-countries. This amount is divided between the first three expenditure related outputs proportionately.

As regards the Union actions, an additional funding of EUR 24 million is requested mainly to cover the Readmission Capacity-Building Facility (RCBF IV). It will help to continue the development and support of the external dimension of the European return policy in order to provide key policy solutions to the migratory crisis in the EU. This level of funding will be necessary to support a number of newly opened negotiation processes of readmission agreements with priority countries, notably Nigeria, Tunisia and Jordan, increasing numbers of returns - linked to significant wave of arrivals to the EU in 2015 and 2016 and considering the timing of Member State asylum procedures - and enhanced cooperation with priority countries, for example within the Partnership Framework. The RCBF is designed as a flexible and needs-based financing tool to be deployed at short notice to complement DG DEVCO funding, increasingly to be used in the areas such as reintegration, civil registry and biometrics as well as setting up of electronic platforms used for exchange of information on readmission between the EU Member States and third countries.

Specific Objective 4: to enhance solidarity and responsibility-sharing between the Member States, in particular with those most affected by migration and asylum flows, including through practical cooperation

Indicator 1: Number of applicants and beneficiaries of international protection transferred from one Member State to another with support of the Fund

Baseline	Milestones foreseen						Target 2014 - 2020
	2014	2015	2016	2017	2018	2019	
0			160 000				160 000**
	Actual results						
	0	0	13 546*				

* 13 546 relocations took place since the entry into force of the Council Decisions on relocation (9 610 from Greece and 3 936 from Italy), as communicated in the Tenth Report on relocation and resettlement of 2/03/2017 (COM(2017)202).

** this figure does not take into account the persons transferred in the framework of the Dublin reform.

Indicator 2: Number of cooperation projects with other Member States on enhancing solidarity and responsibility sharing between the Member States supported under the Fund

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			2			4
	Actual results						
	0*	0*	0*				

* Provided in the annual implementation reports sent by Member States on 31 March each year

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects addressing relocation.	18 03 01 01	0	0
Persons pledged for relocation with the lump sum.	18 03 01 01	0	0
Emergency actions addressing migratory pressure.	18 03 01 01	4	50,0
Persons transferred in the framework of the Dublin reform	18 03 01 01	43 900	130,2
Total (projects)		4	180,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects addressing relocation.	F	1	1	1				1
	P	0	0	1				
Persons pledged for relocation with the lump sum.	F	0	0	160 000	0	0	0	0
	P	0	4	6 467 (*)				
Emergency actions addressing migratory pressure.	F	7	7	30	20	4	7	7
	P	0	17	20				
Persons transferred in the framework of the Dublin reform	F	n/a	n/a	n/a	150 000	43 900	200 000	200 000
	P	n/a	n/a	n/a				

(*) Source: Annual implementation report 2016 covering the accounting period (16/10/2015 – 15/10/2016).

Justification of changes to the financial programming and/or to the performance information

Despite the current relatively stable situation, Member States will continue to face pressures on their migration and asylum systems and at the borders. It is needed to keep a sufficient level of emergency support in particular in the area of migration. For AMIF, the Commission suggests to include an additional amount of EUR 25 million for this purpose bringing the level of the budget for emergency actions to EUR 50 million.

In order to accelerate the implementation of the **relocation** schemes, the Commission works very closely with the Italian and Greek authorities as well as with Member States, EU Agencies, and other partners on the ground. In particular, it has produced ten reports on relocation and resettlement, from March 2016 to March 2017 in which it repeatedly calls on all Member States to speed up the pace of relocation.

The Tenth Report on relocation and resettlement of 2 March 2017 (COM(2017)202) indicates different figures (13,546 persons relocated) than those reported by Member States through their annual accounts as it concerns a wider period and includes persons who are effectively relocated but will only be reported in the 2017 annual accounts.

The Reports that are produced by the Commission can be retrieved here:

https://ec.europa.eu/home-affairs/what-we-do/policies/european-agenda-migration/proposal-implementation-package_en.

5. Programme contribution to the Sustainable Development Goals

Migration forms integral part of the 2030 Sustainable Development Goals (SDGs); it is included for the first time in the global development framework, recognising well-managed migration's integral role in and immense contribution to sustainable development. In the context of the refugee crisis, work on "Priority 8. Towards a new policy on migration", as outlined in the Communication 'Next steps for a sustainable European future' (COM(2016) 739) supports progress related to several SDGs. The world is facing the highest number of refugee flows since the end of the Second World War, with more than 65 million people forcibly displaced worldwide. In this context, a new comprehensive migration policy is needed, promoting regular channels and tackling irregular migration flows, thereby saving lives, preserving human dignity and helping to support growth and reduce inequality (e.g. SDG 1 and 10). Migration management is a shared responsibility, not only among EU Member States, but also vis-à-vis non-EU countries of transit and origin. The European Agenda on Migration and its follow-up actions, including the new Partnership Framework with Third Countries, provide such a comprehensive approach grounded in the respect of fundamental rights, trust, solidarity and mutual accountability. The Asylum Migration and Integration Fund contributes to such a comprehensive approach, including support for priority actions outlined in the European Agenda on Migration (including its external dimension).

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

A decision was taken in 2016 on the AMIF contribution to the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. The contribution of EUR 5 million to the Trust Fund is foreseen under the AMIF 2017 annual work programme for Union actions. It will be reported under the expenditure related output for the Union Actions in the Specific Objective 3 "to enhance fair and effective return strategies in the Member States which contribute to combating illegal immigration, with an emphasis on sustainability of return and effective readmission in the countries of origin and transit".

III. Performance of the predecessor programme

Implementation (2007-2013)

The predecessor programmes for AMIF are the European Refugee Fund (ERF), the European Fund for the integration of third-country nationals (EIF) and the European Return Fund (RF), part of the General Programme Solidarity and Management of Migration Flows (SOLID).

The ERF (EUR 630 million over the period 2008-13) supported EU countries' efforts in receiving refugees and displaced persons and in guaranteeing access to consistent, fair and effective asylum procedures. On 27 January 2017, the implementation rate for ERF over 2008-2013 was 77,2 %.

With a budget of EUR 825 million for the period 2007-13, the EIF supports national and EU initiatives that facilitate the integration of non-EU immigrants into European societies. On 27 January 2017, the implementation rate for EIF over 2008-2013 was 72,9 %.

The RF allocates EUR 676 million for the period 2008-13 to improve return management as well as to encourage the development of cooperation between EU countries and with countries of return. On 27 January 2017, the implementation rate for RF over 2008-2013 was 77,3 %.

A Contribution to policy achievements

The resources allocated to the **European Fund for the Integration of third-country nationals (EIF)** for the period 2011-2013 were equal to EUR 468 million, out of which 96 % was committed to the National Programmes of the Member States and the remainder to Community Actions. In the previous period (2007-2010), a total amount of EUR 344 million was allocated, of which 5,3 % was allocated to Community Actions. The Fund included four priorities, but the overwhelming majority of projects (81 %) were implemented under Priority 1 - Implementation of actions designed to put the 'Common Basic Principles for immigrant policy in the European Union' into practice. Most of the projects related to providing direct services to immigrants such as language courses and advisory services. In total, the 3 335 projects implemented in 26 Member States during 2011-2013 reached 2 144 966 TCNs, equivalent to approximately 10 % of the TCNs in those Member States/the EU at the time. Achievements were particularly strong in the area of putting the Common Basic Principles into action or in the development and implementation of the integration process of newly arrived TCNs in Member States, whereas the facilitation of the development and implementation of admission procedures did not appear to be a priority for either National or Community Actions. The most notable result delivered by the EIF was the provision of language courses, advisory centres that acted as information desks and counselling and legal aid, as achieved in 18 Member States. In terms of impact, out of the 26 Member States, 18 identified a strong impact of EIF funds on the development and improvement of the quality of introductory programmes, and observed an impact of the EIF in relation to enhancing language knowledge, supporting civic orientation and increasing knowledge of the receiving society.

The overall programmed budget of the **European Return Fund (RF)** for the period 2011-2013 amounted to EUR 467 million, out of which EUR 435 million for National Programmes and EUR 32 million for Community Actions (including Emergency measures). The RF has been mostly effective in contributing to the development of an integrated return management system, and in particular to the achievement of a better balance between voluntary and forced return. The RF can be considered as one of the key

driving forces behind the development and consolidation of Assisted Voluntary Return and Reintegration (AVR(R)) programmes in Member States. RF actions were also rather effective to develop a number of innovative tools which are now supporting return management in the EU and its Member States. Overall, it appears that the Community actions were effective in encouraging innovation at EU level (i.e. to develop new approaches across Member States); however, Member States tended to implement actions that were innovative in their national context. The effectiveness of actions aiming to foster cooperation with third countries was undermined by external factors such as the willingness of the authorities in partner countries to cooperate in the field of return and reintegration. This caveat could somehow be mitigated by resorting to Community actions rather than shared management actions, as they facilitated a multilateral approach to return and provided a greater influence to the latter.

For the period 2011-2013, the programmed budget for the European Refugee Fund (ERF) amounted to EUR 386,2 million, out of which EUR 373,5 million were dedicated to annual programmes in the 27 Member States, and EUR 12,7 million were programmed for Community Actions. The total budget for 2011-2013 shows a 32 % increase compared to the period 2008-2010, when EUR 292,2 million were programmed, out of which EUR 271 million were allocated to annual programmes in the 26 Member States and EUR 20 million to Community Actions. During 2011-2013, annual programmes focused more on the implementation of field and concrete support for asylum seekers addressing urgent and day-to-day issues (Priority 1) than in the development of assessment methods and tools to increase knowledge on targeted groups (Priority 2) or the resettlement of persons (Priority 3). 12 Member States organised operations of resettlement between 2011 and 2013, and a total of 9 058 persons were resettled through the assistance of the ERF. The overall number of resettled persons slightly increased between 2011 (2 463 persons) and 2013 (3 809 persons). The ERF objectives were adequately formulated to cover most of the existing needs in Member States concerning the improvement of national asylum systems (reception conditions of asylum seekers, integration of beneficiaries of international protection, fairer and more effective asylum procedures). The ERF was able to adapt to increasing needs in the Member States over the period, especially the need to maintain satisfactory reception conditions despite higher asylum flows and to accelerate the asylum procedures in EU reception countries which have become more urgent over time. In this context emergency measures were particularly relevant to address emergency situations.

Generated EU added value (ex-post)

Dealing with migration flows within the EU requires substantial resources and capabilities from the Member States. Improved operational co-operation creates economies of scale and synergies thereby ensuring a more efficient use of public funds and reinforcing solidarity and mutual trust between Member States. In addition, the completion of a Common European Asylum System is the most effective ways to fairly share these responsibilities and their financial implications between Member States.

An ex post evaluation of the EIF, RF and ERF for the implementation period 2010-2013 was carried out in 2016, and included the analysis of the EU added value of the funds.

For EIF it shows that the fund made an important contribution to the integration process of the third country nationals in the majority of Member States. 22 out of 26 Member States assessed that the EIF enabled the implementation of actions that could not otherwise have been funded from national resources, suggesting high EU added value. In addition, both National and Community Actions point to important unintended effects like increasing the legitimacy and visibility of organisations receiving funding through the EIF, as well as increasing networking across sectors and in 16 Member States. Through this, the EIF has allowed the scope of pre-existing actions to increase geographically and to reach out to new groups of beneficiaries.

The RF funding had a clear added value at EU level as a number of the achievements of actions funded by the RF would have not been possible in its absence, as showed by the ex post evaluation. The RF provided an additional funding stream which led to funding of new actions or scaling up of existing actions including those concerning the number of voluntary return activities over forced return operations. The RF also encouraged the adoption of different approaches to return management, such as the active support of voluntary return and the implementation of multi-stakeholder approaches empowering civil society stakeholders. Actions aiming at enhancing cooperation between Member States and with third countries typically benefited from the EU dimension provided by the RF, in particular when implemented under Community actions. The pooling of resources and adoption of common approaches, as well as their multilateral character, strengthened Member States' influence in the field.

The ERF provided added value to Member States and non-State actors by bringing additional funding that allowed the implementation of projects that would probably not have been implemented otherwise. It appeared to add most value in Member States that had relatively less national funding and less developed asylum systems, where it contributed to a partial (re)structuring of the asylum system. In other Member States, the added-value of the ERF relied on an ability to finance innovative projects, providing previously non-existing services or extending the scopes of activities and addressing the needs of new and more vulnerable target groups. There was no conclusion on the sufficient value of the EU dimension of the fund with regards to cooperation, exchange of best practice and solidarity-sharing mechanisms (especially on relocation): this represents an area for improvement in the new programming period.

HEADING 3: Security and citizenship**Internal Security Fund**

Lead DG: HOME

I. Programme update***Implementation status (2014-2016)***

Shared management

After an initial delay in the adoption of the legal bases of the Funds due to several factors outside the control of DG HOME, all ISF Member State National Programmes were adopted in 2015. The implementation reaches now cruising speed. The legal base prescribes that the Responsible Authority in the Member State needs to be 'designated' in order for the Commission to be able to disburse funding charged to ISF. In its control approach, DG HOME attaches great importance to the review of designations as it is a precondition to the successful implementation of the Fund. By 7 February 2017 only one Member State (Croatia) has not yet fully been designated. DG HOME closely monitors those ISF National Programmes which experience implementation delays so that the objectives of these programmes can still be achieved.

The four Schengen Associated Countries (SAC) Switzerland, Norway, Iceland and Liechtenstein also participate in the ISF-Borders and Visa instrument of the fund. Before their ISF-B national programmes can be adopted, however, two preconditions need to be fulfilled: (1) they need to notify the Commission and the Council of the acceptance of the ISF Borders and Visa Regulation into their national legal order and (2) for each SAC a bilateral association agreement with the EU on supplementary rules in relation to this instrument needs to be concluded. Norway, Liechtenstein and Iceland have already notified the Commission and the Council of the acceptance of the ISF-B regulation into their national legal order, and the supplementary agreements for Norway and Liechtenstein have been signed and the provisional application of the agreements have entered into force. In view of advancing with the drafting of the National Programmes the Commission maintains close contacts with the SAC in parallel and provides informal feedback, so that once the respective bilateral agreement is in place, the National Programme may be approved without delay. The ISF National Programmes for Norway, Liechtenstein and Iceland are expected to be approved in 2017, while for Switzerland this is expected to take place in 2019 due to the Swiss law-making process.

Direct management

With regard to the funds managed directly by the Commission, the last call envisaged in the 2016 ISF Annual Work Programmes for Union Actions is to be published soon. The procedures leading to the conclusion of grant agreements are ongoing and will be finalised by the deadline of 31 December 2017. Those projects for which the grant agreements have been concluded are inserted in the output tables below per Specific Objective.

Key achievements

Shared management

In an effort to transparently share ownership of the funds with the participating countries, DG HOME organises AMIF-ISF Committee meetings and workshops in Brussels at least twice a year. During these two-day events, the Commission updates the participating countries on the implementation of the funds, novelties regarding their management and relevant issues to be resolved. The Member States are invited to share best practices and to express their opinion on ad hoc topics. In the margins of these meetings many bilateral discussions take place between the DG HOME country desks and the Responsible Authorities in view of resolving any pending issues. Attendance of these meetings is full and feedback from the participating countries is excellent.

In line with the provisions in the legal bases, 10 Member States submitted their first request for payment of the annual balance through the submission of annual accounts on 15 February 2016 (or exceptionally for some of them on 1 March 2016). The submission of the accounts is the way in which Member States report on the implementation of the Internal Security Fund (covering the period 01-01-2014 - 15-10-2015). 17 Member States (CY, CZ, DK, GR, HR, HU, IE, IT, LU, LV, MT, PL, PT, RO, SE, SI, SK,) declared zero expenditure, while the remaining 10 Member States (AT, BE, DE, EE, ES, FI, FR, FI, LT, NL) have requested a total amount of EUR 62,6 million, which represents 11,6 % of the amounts committed for 2014-2015.

In addition, on 31 March 2016 all Member States submitted their first Annual Implementation Reports covering the financial year 2015. This includes reporting on common indicators and on significant issues affecting the performance of the National Programme. Exchanges with the Responsible Authorities and Audit Authorities indicated that certain Member States plan the use of simplification actions in programme management (e.g. through the use of Simplified Cost Options).

The Member States reported on 127 projects, 22 projects linked to a common visa policy, 28 projects on integrated border management, 52 projects on crime prevention and coordination and cooperation between law enforcement authorities, 6 projects regarding the critical infrastructures, and 16 for operating support (applicable to the Borders and Visa instrument only).

By 15 February (or 1 March upon justified request) 2017, Member States with designated Responsible Authorities have submitted their annual accounts covering the financial year 2016 and by 31 March 2017, the Annual Implementation Reports were submitted.

Three Member States (IE, PL, RO) have declared zero expenditure, while the remaining Member States have requested a total amount of EUR 185 million.

In this second set of annual accounts, 327 projects have been reported under ISF (34 projects in the area of a common visa policy, 83 projects in the area of integrated border management, 138 projects in the area of crime prevention and coordination and cooperation between law enforcement authorities, 35 projects regarding the critical infrastructures, 19 sub-projects for the Special Transit Scheme and 18 projects for operating support).

In 2016, substantial progress was achieved towards the effective border management as the Commission proposed new legislation and implemented measures to save lives at sea, better manage borders and roll out hotspots.

The Commission, together with the European Border and Coast Guard (EBCG) Agency (commonly referred to as Frontex)- and the Member States continued to work towards an effective presence at sea. EBCG deployed on average over 600 officers each day in the Central Mediterranean, while 15 vessels, four aircraft and two helicopters were permanently deployed in the Triton joint operation throughout 2016. In the Eastern Mediterranean, on average 760 officers each day assisted Greece in the framework of the Poseidon joint operation and 10-12 maritime assets (off-shore and coastal patrol vessels, coastal patrol boats) and other equipment (i.e. helicopters, patrol cars buses and thermos-vision vans) were deployed all along the year.

To support border management policies, EUR 133,6 million was spent by the Member States in 2016 with the support of the Fund. This expenditure, compared to the amounts spent in 2014 and 2015, represented an increase of about 650% for the operating support and an increase of 300% as regards the specific objective of border protection. MS increased significantly their investments in national capacity, e.g. through the acquisition of high-value assets essential in the effective management of the external borders in the current context of high migratory pressure (e.g. purchases of helicopters or boats, necessary upgrades or maintenance of IT systems).

As part of the effort to manage the migration crisis, the implementation of the 'hotspot' approach continued in Greece and Italy.

In 2016, Greece established 5 fully functional hotspots (Lesvos, Leros, Kos, Chios and Samos) where all migrants were properly registered by March 2016. The hotspots have a combined capacity of 7 450 places. As of 20 March 2016, the hotspots have been adapted to the requirements of the EU-Turkey Statement, in order to enhance the asylum process and facilitate swift returns to Turkey from the islands.

Four hotspots (Lampedusa, Trapani, Taranto and Pozzallo) with a combined capacity of 1 600 places were operational in Italy by 31 December 2016. In addition, Italy announced on 7 December 2016 that it would apply the hotspot procedure in 15 ports of disembarkation. Despite the unprecedented number of migrant arrivals in 2016, Italy made significant progress in registering and identifying migrants, increasing the overall fingerprinting rate to around 97 % for all of 2016.

To support policies aiming at disrupting organised crime, EUR 35 million was spent by the Member States in 2016 with the support of the Fund for projects in the area of preventing and combating crime. This represented an increase of 150 % as compared to the amount spent in 2014 and 2015 together. These funds were essential in improving the capacity in Member States: for example, in 2016, 5 161 law enforcement officials were trained on cross-border-related topics (terrorism, organised crime, corruption).

In 2016, an amount of EUR 10,88 million was spent by the Member States for projects in the area of risks and crisis, which represented an increase of more than 10 times of the amount spent in 2014 and 2015 together (EUR 1 million). The Member States focused on preventing and combating crisis situations, including terrorism, as well early warning mechanisms.

Direct management

Under ISF Emergency Assistance, as of 2 February 2017, EUR 255 million, representing 45 grant agreements, were awarded to Member States under borders and migratory pressure for addressing the migration and refugee crisis and EUR 3,4 million, representing 3 projects, under police emergency assistance.

In particular, in 2016, DG HOME awarded EUR 206 million to the three Member States facing the most urgent pressure on their external borders - Bulgaria (EUR 131 million), Greece (EUR 35 million) and Italy (EUR 40 million). The supported actions included enhancement of border surveillance capacity by developing the integrated surveillance, communication and information systems at the external borders, purchase of vehicles and equipment for border guards, as well as fingerprinting machines or specialized equipment to deal with health risks during the migrant rescue operations at sea.

Evaluations/studies conducted

Currently, there is no evaluation or programme related study available. At the start of the programming exercise for the ISF National Programmes, policy dialogues were organised. Through these dialogues a common understanding between the Commission and the respective Member State was established regarding the main challenges / funding priorities to be addressed through the ISF National Programmes that would constitute the maximum EU value added, in line with the objectives of the ISF Borders and Visa Regulation and the ISF Police Regulation. The outcomes of these policy dialogues were recorded in agreed minutes between DG HOME and the Member State / Schengen Associated Country concerned. This formed the basis for the joint programming exercise establishing the ISF National Programme.

By 31 December 2017 Member States shall submit to the Commission an interim evaluation report on the implementation of actions and progress towards achieving the objectives of their national programmes. By 31 December 2023, the Member States will provide an ex-post evaluation report on the effects of actions under their national programmes. On the basis of these reports the Commission will provide by 30 June 2018 an interim evaluation report focussing on the implementation aspects of the legal bases and by 30 June 2024 an ex-post evaluation report on the effects of the legal bases.

Forthcoming implementation (2017/2018)

Shared management

Following the adoption of the 2017 budget, top-up amounts of 70 million euros for the Passenger Name Record (PNR) and EUR 22 million for a Single Search Interface (SSI) will be added to the Member States' ISF Police National Programme basic allocations using the existing distribution key. An additional EUR 52 million for the purchase of equipment considered necessary for deployment during EBCG joint operations is to be distributed among the Member States participating in the ISF Borders & Visa instrument through Specific Actions. Adding these additional amounts to the basic allocations will require a revision of the respective National Programmes before end 2017. Member States will need to ensure implementation of these additional amounts for their intended purpose.

Moreover, the legal base for the ISF Borders & Visa instrument envisages in the framework of the mid-term review to allocate an additional amount of EUR 128 million in 2018, taking into account the burden of MS in border management, threat levels at the external borders for the period 2017-2020 as well as factors that affected security at the external borders in 2014-2016. The distribution key will be established in 2017 by the Commission in accordance with the EBCG Agency's risk analysis report and in consultation with the EBCG agency, and, where relevant with other Union agencies

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 515/2014 of the European Parliament and of the Council of 16 April 2014 establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa and repealing Decision No 574/2007/EC	2014 - 2020	3 764,0

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	2,2	2,2	2,3	2,5	2,5	2,5	2,5	16,6
Operational appropriations	127,3	549,4	733,2	736,1	717,5	539,1	516,3	3 918,9
Total	129,5	551,5	735,5	738,6	720,0	541,6	518,8	3 935,5

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	768,935	96,42 %	329,565	91,26 %	793,751	43,86 %	607,504	26,30 %
Authorised appropriation excluding external earmarked revenue	768,935	96,42 %	329,429	90,95 %	793,751	43,86 %	607,504	26,24 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The management of migration flows and security threats present challenges which cannot be dealt with by the Member States acting alone. These are areas where there is obvious added value in mobilising the EU budget.

Some Member States bear a heavy burden due to their specific geographic situation and the length of the external borders of the Union that they have to manage. The abolition of internal border controls must be accompanied by common measures for the effective control and surveillance of the Union's external borders, including the support to the IT systems SIS II, VIS, Eurodac and Eurosur. The principle of solidarity and the fair sharing of responsibilities between Member States is therefore at the heart of the common policies on asylum, immigration and external borders. The EU budget provides the means to address the financial implications of this principle. In the area of security, serious and organised crime, terrorism and other security-related threats are increasingly cross-border in nature. Transnational co-operation and coordination between law enforcement authorities is essential to successfully prevent and fight these crimes, for example through the exchange of information, joint investigations, interoperable technologies and common threat and risk assessments.

Dealing with migration flows, the management of the EU's external borders and the security of the EU requires substantial resources and capabilities from the Member States. Improved operational co-operation and coordination involving the pooling of resources in areas like training and equipment creates economies of scale and synergies thereby ensuring a more efficient use of public funds and reinforcing solidarity, mutual trust and responsibility sharing for common EU policies among Member States. This is particularly relevant in the area of security, where financial support for all forms of cross-border joint operation is essential to enhance cooperation between police, customs, border guards and judicial authorities, in close cooperation with the HOME affairs EU agencies (Europol, Cefpol, EU-Lisa, EBCG, EMCDDA).

4. Performance information

General objectives

General Objective 1: to contribute to ensuring a high level of security in the Union

Indicator 1: Number of irregular migrants apprehended at the EU external borders							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
73 042				750 000*			250 000*
Source: Frontex Risk Analysis Network	Actual results						
	283 532	1 825 979**	513 399***				

*A forecast is difficult to make because of the high volatility of the relevant external factors (political situation in the third countries considered as sources of irregular migration) which are very difficult to predict and control.

** The data for 2015 is composed of 3 642 clandestine entries detected at border crossing points (BCPs) and 1 822 337 illegal border crossing detected between BCPs. Please note that the number might be inflated as the same persons may have been detected several times at different sections of the external border. Source: Frontex Risk Analysis for 2016.

*** The data for 2016 is composed of 2 028 clandestine entries detected at border crossing points (BCPs) and 511 371 illegal border crossing detected between BCPs. Please note that the number might be inflated as the same persons may have been detected several times at different sections of the external border. Source: FRAN data as of 2 February 2017.

Indicator 2: Volume of terrorism in the EU expressed by the number of failed, foiled or completed terrorist attacks in the EU							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
152 attacks 7 deaths Europol TE-SAT, 2014				170 attacks 0 death			Below 120 attacks 0 death This target has been defined to cut by half the number of terrorist incidents in Europe
	Actual results						
	201 attacks 4 deaths Europol TE-SAT, 2015	211 attacks 115 deaths Europol TE-SAT, 2016					

Specific objectives

Specific Objective 1: Supporting a common visa policy to facilitate legitimate travel, provide a high quality of service to visa applicants, ensure equal treatment of third-country nationals and tackle illegal immigration

Indicator 1: Cumulative number of consular cooperation activities developed with the help of the Instrument. Broken down in co-locations, common application centres, representations, others*

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				15			35 Realistic target established in consideration of MS moderate willingness to embark on consular cooperation activities
	Actual results						
	14*	39*	3*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Indicator 2: Cumulative number of staff trained and number of training courses in aspects related to the common visa policy with the help of the Instrument

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				1000 staff trained, 50 regional training courses			2000 staff trained, 100 regional training courses
	Actual results						
	0*	721*	1 822*				

* Provided in the annual implementation reports sent by Member States on 31 each year.

Indicator 3: Cumulative number of specialised posts in third countries supported by the Instrument. Broken down by ILOs, others*

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
30 (Source: MS information from the National Programmes)				45			60
	Actual results						
	0*	20*					

* Provided in the annual implementation reports sent by Member States on 31 March 2016.

Indicator 4: Percentage and number of consulates developed or upgraded with the help of the Instrument out of the total number of consulates

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				100			200 Target consists in equipping/ securing/enhancing 10 % out of the +/- 2000 consular posts issuing Schengen visas
	Actual results						
	Number: 8*	Number: 43*	Number: 123*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects supporting and expanding the existing capacity at national level in visa policy	18 02 01 01	30	21,4
Projects ensuring the correct and uniform application of the Union acquis on visas in response to weaknesses identified at Union level, as shown by results established in the framework of the Schengen evaluation and monitoring mechanism	18 02 01 01	15	1,7
Projects supporting the further development of the management of migration flows by consular and other services of the Member States in third countries, including the setting up of consular co-operation mechanisms with a view to facilitating legitimate travel in accordance with Union law or the law of the Member State concerned and preventing illegal immigration into the Union	18 02 01 01	11	4,2
Projects under specific actions for visas policy and consular cooperation	18 02 01 01	2	2,6
Projects under Union and emergency actions for visas policy and consular cooperation	18 02 01 01	5	7,7
Operating support Visas	18 02 01 01	N/A	12,0
Technical assistance (as part of the national programme, 100% EU contribution)	18 02 01 01	N/A	5,3
Total		63	54,9

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015*	2016	2017	2018	2019	2020
Projects supporting and expanding the existing capacity at national level in visa policy	F	33	36	36	30	30	33	33
	P	0	N/A					
Projects ensuring the correct and uniform application of the Union acquis on visas in response to weaknesses identified at Union level, as shown by results established in the framework of the Schengen evaluation and monitoring mechanism	F	15	15	16	15	15	15	15
	P	0	N/A					
Projects supporting the further development of the management of migration flows by consular and other services of the Member States in third countries, including the setting up of consular co-operation mechanisms with a view to facilitating legitimate travel in accordance with Union law or the law of the Member State concerned and preventing illegal immigration into the Union	F	10	10	11	11	11	11	11
	P	0	N/A					
Projects under specific actions for visas policy and consular cooperation	F	0	1	2	2	2	2	2
	P	0	N/A					
Projects under Union actions for visas policy and consular cooperation	F	4	6	7	4	5	7	7
	P	3	8	11**				

* First deadline for submission of the Annual Accounts by Member States 15 February 2016, first deadline for submission Annual Implementation Report is 31 March 2016.

**With one exception, the calls envisaged in the 2016 Annual Work Programmes have been published. The procedures leading to the conclusion of grant agreements will be finalised by the deadline of 31 December 2017.

Specific Objective 2: Supporting integrated border management to ensure, on one hand, a uniform and high level of control and protection of the external borders, and on the other hand, the smooth crossing of the external borders in conformity with the Schengen acquis, while guaranteeing access to international protection for those needing it, in accordance with the obligations contracted by the Member States in the field of human rights

Indicator 1: Number of staff trained and number of training courses in aspects related to border management with the help of the Instrument

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				750 staff trained, 25 training courses			1 500 staff trained, 50 training courses Target defined by extrapolating data gathered from the EBF 2012-2013 annual programmes
	Actual results						
	Number of staff:: 2260, Number of courses: 68*	Number of staff:: 4190, Number of courses: 147*	Number of staff: 3011 Number of courses: 129*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Indicator 2: Number of border control (checks and surveillance) infrastructure and means developed or upgraded with the help of the Instrument. Broken down by infrastructure, fleet (air, land, sea borders), equipment, others*

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0							
	Actual results						
	843*	1127*	5736*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Indicator 3: Number of gates funded and number of border crossings of the external borders through ABC gates supported from the Instrument out of the total number of border crossings

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 gates funded				45 gates 2 million crossings out of 820 million			100 gates 25 million crossings out of 950 million Target defined by extrapolating current data on border crossings and existing ABC gates
	Actual results						
	No data *	7 405 887 crossings out of 160,3 million*	10 506 677 crossings out of 25,4 million*				

* Provided in the annual implementation reports sent by Member States on 31 March each year. Two main countries have not reported at the date of 31/03/2017 on the total number of crossings in 2016, which represented around 125 million in 2015.

Indicator 4: Number of national border surveillance infrastructure established/further developed in the framework of EUROSUR. Broken down by National Coordination Centres, Regional Coordination Centres, Local Coordination Centres, other types of coordination centres

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
19 National Coordination Centres	30 National Coordination Centres and other infrastructure/upgrade			30 National Coordination Centres and other infrastructure/upgrade	30 National Coordination Centres and other infrastructure/upgrade		30 National Coordination Centres and other infrastructure/upgrade
Actual results							
Source: Eurosur Regulation**	30 National Coordination Centres and other infrastructure/upgrade	30 National Coordination Centres and other infrastructure/upgrade					

**The 19 MS having an external border to the east and to the south were required by the Eurosur Regulation to set up their NCCs by December 2013. All the NCCs were set up by December 2014.

Indicator 5: Number of incidents reported by Member States to the European Situational Picture. Broken down by illegal immigration, including incidents relating to a risk to the lives of migrants, cross-border crime, crisis situations*

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
EUROSUR entered into force only on 02/12/2013. Relevant indicators, data and their evolution can be assessed and quantified only from 2015 onwards.							
	Actual results						
	2 294*	1 687*	3 631*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects developing the European Border Surveillance system (EUROSUR)	18 02 01 01	5	78,1
Projects supporting and expanding the existing capacity at national level in the management of the external borders	18 02 01 01	96	68,6
Projects reinforcing integrated border management by testing and introducing new tools, interoperable systems and working methods which aim to enhance information exchange within the Member State or to improve inter-agency co-operation	18 02 01 01	12	20,2
Developing projects with a view to ensuring a uniform and high level of control of the external border in accordance with common Union standards and aiming at increased interoperability of border management systems between Member States	18 02 01 01	60	4,2
Projects supporting actions, after consulting the Frontex Agency, aimed at promoting further harmonisation of border management and in particular technological capabilities, in accordance with common Union standards	18 02 01 01	4	4,2

Projects ensuring the correct and uniform application of the Union acquis on border control in response to weaknesses identified at Union level, as shown by results established in the framework of the Schengen evaluation and monitoring mechanism	18 02 01 01	4	9,0
Projects building the capacity to face upcoming challenges, including present and future threats and pressures at the external borders, taking into account in particular the analyses carried out by relevant Union agencies	18 02 01 01	4	4,3
Projects under specific actions for border management including the purchase of equipment to be put at disposal of Frontex	18 02 01 01	10	166,5
Projects under Union and emergency actions for border management	18 02 01 01	14	28,9
Operating support for the Special Transit Scheme	18 02 01 01	1	24,7
Operating support Borders	18 02 01 01	N/A	34,9
Technical Assistance (as part of the national programme, 100% EU contribution)	18 02 01 01	N/A	5,3
Entry/Exit System: grants for integrating national border infrastructures in Member States via National Uniform Interface (NUI)".	18 02 01 03	30	40,0
ETIAS: grants for customisation of National Uniform Interface (NUI) in Member States	18 02 01 03	30	20,0
Total		245	508,9

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015*	2016	2017	2018	2019	2020
Projects developing the European Border Surveillance system (EUROSUR)	F	8	8	7	5	5	4	0
	P	0	N/A	21				
Projects supporting and expanding the existing capacity at national level in visa policy and in the management of the external borders	F	119	110	125	100	96	90	80
	P	0	N/A	34				
Projects reinforcing integrated border management by testing and introducing new tools, interoperable systems and working methods which aim to enhance information exchange within the Member State or to improve inter-agency co-operation	F	10	11	12	12	12	12	8
	P	0	N/A	6				
Developing projects with a view to ensuring a uniform and high level of control of the external border in accordance with common Union standards and aiming at increased interoperability of border management systems between Member States	F	75	70	75	70	60	60	30
	P	0	N/A					
Projects supporting actions, after consulting the Frontex Agency, aimed at promoting further harmonisation of border management and in particular technological capabilities, in accordance with common Union standards	F	5	5	5	4	4	4	2
	P	0	N/A	7				
Projects ensuring the correct and uniform application of the Union acquis on border control in response to weaknesses identified at Union level, as shown by results established in the framework of the Schengen evaluation and monitoring mechanism	F	5	5	5	4	4	4	2
	P	0	N/A	9				
Projects building the capacity to face upcoming challenges, including present and future threats and pressures at the external borders, taking into account in particular the analyses carried out by relevant Union agencies	F	5	5	5	4	4	4	2
	P	0	N/A	4				
Projects under specific actions for border management including the purchase of equipment to be put at disposal of Frontex	F	0	3	7	43	10	8	4
	P	0	N/A	2				
Projects under Union and emergency actions for border management***.	F	5	5	9	16	14	7	8
	P	3	9	11				
Operating support for the Special Transit Scheme	F	1	1	1	1	1	1	1
	P	0	1	1				
Entry/Exit System: grants for integrating	F	0	0	0	30	30	30	0

national border infrastructures in Member States via National Uniform Interface (NUI).	P	0	0	0				
ETIAS: grants for customisation of National Uniform Interface (NUI) in Member States	F	0	0	0	0	30	30	30
	P	0	0	0				

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** With one exception, the calls envisaged in the 2016 Annual Work Programmes have been published. The procedures leading to the conclusion of grant agreements will be finalised by the deadline of 31 December 2017.

*** Indicators concern only EMAS grants.

Justification of changes to the financial programming and/or to the performance information

EBCG equipment: The Commission envisaged to strengthen in 2018 the resources to finance equipment available to the EBCG Agency (e.g. in particular offshore Patrol Vessels, Coastal patrol Vessels, Coastal Patrol Boat) to ensure the availability of such technical assets for the deployments in the Agency's operations for the following years. Due to the scale of the equipment just mentioned, it is suggested to ask for a reinforcement of EUR 147,6 million, bringing the budget of the corresponding output to an amount of 166,5 million.

This funding scheme seems to be the most convenient given that the EBCG Regulation has further reinforced the obligations of Member States for making the assets co-financed under the ISF Specific Actions available to the Agency, ie the deployment of such assets would be mandatory for rapid border interventions. In principle, this should be done via a reinforcement of the ISF budget and implemented via the existing specific action.

EUROSUR: Additional resources of approximately EUR 20 million are deemed necessary bringing the budget of the corresponding output to EUR 78,1 million. They will ensure the further development of the Eurosur system and making extended use of this tool in tackling the migratory pressure on the Mediterranean routes. In particular, these resources are needed to ensure the proper integration of the border checks into the information collected and processed by the National Coordination Centres in the Member States. The EUROSUR Regulation is currently evaluated and as part of this process, the Commission may consider making the necessary recommendations. They are also needed to strengthen the use of the EUROSUR by Member States and the EBCG Agency in order to foster the operational cooperation with third countries, in particular, in the Central Mediterranean route. The 2018 Budget foreseen also the amount for establishing an Entry/Exit System (EES) (EUR 40 million) in accordance with Commission Regulation COM/2016/194 (final) and for establishing a European Travel Information and Authorisation System (ETIAS) (EUR 20 million) in accordance with the Commission Regulation COM(2016)731.

The emergency assistance has also been increased by EUR 16,2 million to assist the Member States facing an emergency situation at their Borders leading to a budget of EUR 28,9 million for project foreseen under Union and emergency actions for border management.

Specific Objective 3: Crime prevention, combating cross-border, serious and organised crime including terrorism, and reinforcing coordination and cooperation between law enforcement authorities and other national authorities of Member States

Indicator 1: Cumulative number of joint investigation teams (JITs) and European Multidisciplinary Platform against Criminal Threats (EMPACT) operational projects supported by the Instrument, including the participating Member States and authorities. Broken down by Leader (Member State), Partners (Member State), participating authorities, participating EU Agency (Eurojust, Europol), if applicable*

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				820			1 285 Figures are based on the first experiences with EMPACT actions under the policy cycle
	Actual results						
	0*	0*	7*				

*Provided in the annual implementation reports sent by Member States on 31 March each year.

Indicator 2: Cumulative Number of law enforcement officials trained on cross-border-related topics with the help of the Instrument, and the duration of their training (person days). Broken down by type of crime (Art. 83 TFEU), and horizontal area of law enforcement*

Baseline 2013	Milestones foreseen						Target 2020**
	2014	2015	2016	2017	2018	2019	
Officials trained: 0 Person days: 0				20 000 40 000			39 200 78 400
	Actual results						
	Officials trained: 556*; person days: 3755	Officials trained: 1169*; person days: 6473	Officials trained: 2382*; person days: 6116				

*Provided in the annual implementation reports sent by Member States on 31 March each year.

**Targets are based on Cepol training statistics: in 2012 about 5 600 officers participated in Cepol courses and the number of officers trained under the national programmes should basically equal this amount. In addition, assuming that the training intensity should increase over the years, after 2017 the numbers should be higher. The figure on person-days is based on the assumption that the average duration of a training course is two days.

Indicator 3: Number and financial value of projects in the area of crime prevention. Broken down by type of crime (Art. 83 TFEU)*

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number and financial value of projects in the area of crime prevention: 0				N/A			
	Actual results						
	Number: 32, financial value: EUR 1,5 million*	Number: 55, financial value: EUR 24,7 million*	Number: 95, financial value: EUR 34,9 million				

*Provided in the annual implementation reports sent by Member States on 31 March each year.

Indicator 4: Number of projects supported by the Instrument, aiming to improve law enforcement information exchange which are related to Europol data systems, repositories or communication tools. Broken down by type of crime (Art. 83 TFEU)*

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				24			43
	Actual results						
	12*	19*	22*				

*Provided in the annual implementation reports sent by Member States on 31 March each year.

**In 2013, 13 MS had a data loader in place to upload data to EIS; the extent to which national authorities are connected to SIENA differs from MS to MS. SIENA and EIS are the most relevant systems/ tools regarding this indicator. Within the life span of the fund all MS should establish data loaders and all should improve the connection to SIENA or conduct alternative projects in line with the aim mentioned in the indicator. This sums up to at least 43 projects.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects aiming at strengthening Member States' capability to prevent crime and combat cross-border, serious and organised crime.	18 02 01 02	107	35,0
Projects aiming at coordination, cooperation, mutual understanding and the exchange of information among Member States' national authorities, relevant Union bodies, third-countries and international organisations.	18 02 01 02	63	30,2
Projects aiming at training schemes in implementation of European training policies, including through specific Union law enforcement exchange programmes.	18 02 01 02	25	5,1
Projects aiming at measures and best practices for the protection and support of witnesses and victims of crime, including victims of terrorism.	18 02 01 02	5	2,9
Union projects aiming at preventing and combating cross-border, serious and organised crime, and reinforcing coordination and cooperation between law enforcement authorities	18 02 01 02	40	41,3
Total		240	114,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects aiming at strengthening Member States' capability to prevent crime and combat cross-border, serious and organised crime.	F	99	107	107	107	107	97	99
	P	0	N/A	93				
Projects aiming at coordination, cooperation, mutual understanding and the exchange of information among Member States' national authorities, relevant Union bodies, third-countries and international organisations.	F	63	63	68	70	63	63	63
	P	0	N/A	17				
Projects aiming at training schemes in implementation of European training policies,	F	25	25	25	25	25	25	25
	P	0	N/A	21				

including through specific Union law enforcement exchange programmes.								
Projects aiming at measures and best practices for the protection and support of witnesses and victims of crime, including victims of terrorism.	F	5	6	5	4	5	5	5
	P	0	N/A	6				
Union projects aiming at preventing and combating cross-border, serious and organised crime, and reinforcing coordination and cooperation between law enforcement authorities	F	57	60	60	101	40	57	57
	P	0	3*					

* With one exception, the calls envisaged in the 2016 Annual Work Programmes have been published. The procedures leading to the conclusion of grant agreements will be finalised by 31 December 2017

Justification of changes to the financial programming and/or to the performance information

The Union Actions have been increased by EUR 25 million to ensure appropriate resources to tackle the security crisis and support ongoing policy initiatives (countering terrorism, cybercrime, protection of critical infrastructures) This amount has been distributed equally between Specific objectives 3 and 4 (EUR 12,5 million for each Specific objective).

Specific Objective 4: Enhancing the capacity of Member States and the Union for managing effectively security-related risks and crises, and preparing for and protecting people and critical infrastructure against terrorist attacks and other security-related incidents

Indicator 1: Number and tools put in place and/or further upgraded with the help of the Instrument to facilitate the protection of critical infrastructure by Member States in all sectors of the economy

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0	0	1	2	2	3	3
Actual results							
	0*	44*	99*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Indicator 2: Cumulative number of projects relating to the assessment and management of risks in the field of internal security supported by the Instrument

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (Source: Commission)		30	45	60	75	80	105
Actual results							
	2*	9*	15*				

* Provided in the annual implementation reports sent by Member States on 31 each year.

Indicator 3: Number of expert meetings, workshops, seminars, conferences, publications, websites and online consultations organised with the help of the Instrument. Broken down by relating to critical infrastructure protection, and relating to crisis and risk management*

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0		15				20
Actual results							
	0*	4*	45*				

* Provided in the annual implementation reports sent by Member States on 31 March each year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects aiming at strengthening Member States' capability to protect critical infrastructure	18 02 01 02	30	9,2
Projects aiming at securing links and effective coordination between existing sector-specific early warning and crisis cooperation actors at Union and national level	18 02 01 02	9	6,0
Projects aiming at strengthening capacity of the Member States and the Union to develop threat and risk assessments	18 02 01 02	4	4,3
Union projects aiming at enhancing the capacity of Member States and the Union for managing effectively security-related risks and crisis	18 02 01 02	9	19,7
Total		52	39,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects aiming at strengthening Member States' capability to protect critical infrastructure	F	30	30	30	30	30	30	30
	P	0	N/A	5				
Projects aiming at securing links and effective coordination between existing sector-specific early warning and crisis cooperation actors at Union and national level	F	9	9	9	9	9	9	9
	P	0	N/A	9				
Projects aiming at strengthening the capacity of the Member States and the Union to develop threat and risk assessments	F	4	4	4	4	4	4	4
	P	0	N/A	5				
Union projects aiming at enhancing the capacity of Member States and the Union for managing effectively security-related risks and crisis	F	14	14	14	25	9	14	14
	P	0	0*					

* With one exception, the calls envisaged by the 2016 Annual Work Programmes have been published. The procedures leading to the conclusion of grant agreements will be finalised by the deadline of 31 December 2017.

5. Programme contribution to the Sustainable Development Goals

The Internal Security Fund (ISF) has been set up for the period 2014-20 to promote the implementation of the Internal Security Strategy, law enforcement cooperation and the management of the Union's external borders and therefore may contribute to the Sustainable Development Goal 16 (to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels).

III. Performance of the predecessor programme

Implementation (2007-2013)

The External Borders Fund (hereafter EBF) was established for the period 2007 – 2013 with a total envelope of EUR 1.858 million, as part of the General Programme Solidarity and Management of Migration.

The average implementation rate for the first years of programming was 87,6%, for a total reported expenditure of 546,5 million Euro (out of 630 million allocated). The majority of actions were implemented under priority 1, followed by priorities 4, 2, 3 and 5. In terms of expenditure, the focus was on priority 2, followed by priorities 1, 4, 5 and 3.

The EBF aimed to support a uniform capacity to manage migration flows and to apply common standards in border and visa management across the European Union. Thus, the External Borders Fund was set up to apply the principle of solidarity and fair sharing of responsibilities between Member States, by providing financial assistance to the management of migration and contributing to the development of a European common integrated-border management system. The Fund was implemented by 28 countries on the basis of a strategic multiannual programme (hereafter MAP) covering the whole programming period and of annual programmes (hereafter AP) negotiated annually to implement the yearly financial allocations.

With regard to the main use of the EBF contribution through the annual programmes 2007-2010, this was massively directed to IT systems, covering more than 40% of the national expenditure in the field in at least nine Member States and more than 40% of the national expenditure on visa policy in at least five Member States. The contribution of EBF in the field of border management was proportionally lower. A reason for this choice of directing the EU expenditure could be the financing structure of the Funds. While the EU contribution is set at 50% of the total cost of an action and at 75% for actions under specific priorities and for countries benefitting from the Cohesion Fund, Member States could have made a deliberate choice to finance specific priorities – generally supporting new EU initiatives to be applied at MS level – supported at 75%. Another reason could be related to the available dedicated national budgets –already established in some fields, leaving room for new investments related also to the EU priorities.

Contribution to policy achievements

The ex-post evaluation of the External Borders Fund (EBF), the predecessor of the Internal Security Fund (ISF) for its component on Visa and Borders, has been completed. The Commission will issue a Communication on the results of the ex post evaluation of the EBF 2010-2013 by June 2017, which subsequently will be submitted to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions.

In general, the evaluation concludes that EBF support was essential for carrying out the investments required to improve the EU external border management systems, at a time of budget austerity and drastic increase of migratory pressure. It contributed crucially to the application of the Schengen acquis, in supporting the development and upgrading at the national level of large IT systems such as VIS¹ and SIS II², the capacity of Member States to undertake border surveillance and the development of consular

¹ The Visa Information System (VIS) is a system for the exchange of visa data between Schengen States. For the purpose of the implementation of the VIS, consular posts and external border crossing points of the Schengen States should be connected to the central VIS database.

² The Schengen Information System (SIS II) is a system which supports external border control and law enforcement co-operation, allowing signatories of the Schengen Agreement to share data on criminals, on people who may not have the right to enter or stay in the EU, on missing persons and on stolen, misappropriated or lost property.

cooperation with third countries. The Fund was particularly important in ensuring the coherence of the systems which can only become operational and effective once all the building blocks have been finalised (such as the Schengen Information System -SIS II and Visa Information System -VIS), in a context where national funding was scarce.

The actions co-financed by the EBF supported effectively the Union's overall borders policy architecture. Regular border crossings have become faster thanks to EBF-funded automated gates. The national components of the IBMS for the protection of the EU's external borders have been significantly strengthened, especially with regard to the development and implementation of the national components of the European Surveillance System; training of consulate and border officials; cooperation between different national stakeholders and EU agencies involved in border protection and a significant upgrade of the main IT systems.

Finally, at a time of high migratory pressure, the evaluation gave evidence that the funding instrument has been flexible enough to respond to the actual and changing needs of the beneficiaries by shifting resources to the affected Member States through Emergency Actions.

The ex post evaluation of the programmes ISEC and CIPS, to some extent predecessors of ISF for its component "Police", is ongoing. The results of the ex post evaluation will be available by mid-2017 and the lessons learnt from the implementation of these two programmes will be taken into consideration for the implementation of the Fund.

Generated EU added value (ex-post)

The added value of the fund is related to the financial solidarity established through Member States facing drastically different situations at their external borders. In doing so, the fund has created a tangible solidarity between the countries most exposed to migratory pressure at the borders and the ones less exposed. Thanks to the allocation mechanism, the bulk of resources were directed to the most exposed countries (mostly south Mediterranean ones). In addition, European added value is also represented by the fact that major projects for the Schengen area were supported successfully by the fund (VIS, SIS II and Eurosur).

The ex post evaluation of the EBF concluded that investments related to EUROSUR would not have been possible without EBF contributions. For some Mediterranean MS, which are responsible for the surveillance of critical sections of the EU external borders, and had to deal with increasing influxes of migrants since the launch of the programme, EBF contributions were essential in order to ensure EUROSUR-related investments. The fund contributed also to the establishment and development of ITech systems, and in particular of VIS and SIS II, and the ex post evaluation concluded that in this respect its contribution was essential in some MSs and considerable in some others.

The EBF helped significantly to complement national public funding, and supported the national efforts in the implementation of the different priorities underlying the funds. The EBF added value has been particularly high in countries with limited financial resources and/or facing tight budgetary constraints. Without EBF contributions, a strict prioritisation of available resources would have been necessary, with an impact on timeliness, quality and quantity of a number of actions. At the same time it has been noted that, where the volume of EBF funds has been relatively limited in relation to the total national expenditure in the field of external borders and Schengen visa processing, the incentive effect to make investments in joint EU-border management systems has probably been the most valuable contribution of the EBF. In this sense, EBF had a leverage effect which multiplied Member States' investments in border management systems, infrastructure and activities.

HEADING 3: Security and citizenship

Justice Programme

Lead DG: JUST

Associated DGs: HOME

I. Programme update

Implementation status (2014-2016)

Due to the late adoption of the Programme legal act in December 2013, the first AWP¹ was adopted only in May 2014. All calls for proposals from 2014 were closed, and projects selected. The AWP 2015², adopted in March 2015, was implemented with projects selected. Currently, the AWP 2016³, adopted in March 2016, is in implementation with all calls published and all of them closed. Evaluation of project proposals is ongoing.

The outputs of the Justice Programme are closely linked to the Commission activity on preparing, supporting and ensuring the correct implementation of an important number of EU legal instruments in civil and criminal law, improving their enforcement and remedy capacities in Member States, and ensuring an adequate cross border and EU level cooperation. The Justice Programme has supported conformity check studies for EU legislation transposed in the EU Member States. It has equally successfully supported judicial networks and judicial training. Proper application of EU law is in fact a key element to allow EU citizens and business to benefit from EU law. This is achieved both through preventive actions (workshops, expert meetings, stakeholder dialogue, technical guidelines for national authorities and training of legal practitioners financed through the Programme) and infringement procedures.

Key achievements

Specific objective 1: Judicial cooperation in civil and criminal matters:

The Justice Programme finances the European Judicial Network in civil and commercial matters. The Network is the most important tool to support the efficient judicial cooperation between Member States and the full participation of its members is an integral part of the day to day implementation of the Union acquis in civil justice matters.

ECRIS, the Electronic Criminal Records Information System, a decentralised IT system operated by the central authorities of the EU Member States has been experiencing an increase in the number of exchanges of information. In 2016, the increase was more than six fold compared to the 2012 baseline and in line with reaching its 2020 target.

The Justice Programme has been funding projects in the area of fight against radicalisation in prisons. Improving prison conditions has become a political priority also at EU level because they affect the efficient operation of EU mutual recognition instruments such as the European Arrest Warrant (EAW), and because of the danger of radicalisation in prisons.

The Justice Programme finances also the cooperation with the Council of Europe to set up a network of prison monitoring bodies and the SPACE report, an annual report on prison statistics.

Furthermore, the funding has been used in supporting many EU legal instruments in judicial cooperation in civil and criminal matters, such as the European Arrest Warrant (EAW), which with over 10 000 applications per year is the most successful EU instrument in criminal matters. In civil justice, the family law instruments, the insolvency regulation, the European Account Preservation Order and mediation in civil and commercial matters have been promoted through funding since 2014 that has contributed to raising awareness and their correct application among the legal practitioners and general public. Besides, projects have been supported to enhance the use of alternatives to imprisonment both in the pre-trial and post-trial stage, to improve detention conditions in the Member States and to fight radicalisation in prisons. In addition to action grants, organisations like EuroPris and the Confederation of European Probation (CEP) have obtained regular support via operating grants.

Specific objective 2: Judicial training:

Efforts and funds devoted to European judicial training have moved further this important EU policy by reaching almost 500 000 legal practitioners in 2015 (the 2020 objective is to train 700 000). In 2015, almost 12 000 legal practitioners were trained through the Justice Programme's financial support to cross-border training activities and to the European Judicial Training Network, representing 62.8% of the total EU budget spent in judicial training. The European Judicial Training Network trained judges and prosecutors, judicial trainers and trainees from all EU Member States in an increasingly efficient manner since its 'cost-to-serve' ratio, i.e. the price/person/training day offered in European, decreased every year from 630,31 EUR in 2007 to 329,98 EUR in 2015.

Specific objective 3: Access to justice:

Considerable efforts have already been undertaken by DG Justice and Consumers to help implement the Victim's Rights Directive (Directive 2012/29/EU establishing minimum standards on the rights, support and protection of victims of crime), already ahead of

¹ C(2014) 2556 final

² C(2015) 1997 final

³ C(2016) 1677 final

the transposition deadline of 16 November 2015 as well as afterwards. The Victim's Rights Directive has been a priority of calls for proposals since 2011 (covering inter alia activities such as capacity-building for professionals, multi-disciplinary cooperation, exchange of good practices, dissemination and awareness-raising activities). Since 2014, a dedicated call is being launched every year under the Justice Programme, with a budget of EUR 1 million, EUR 2 million in 2015, and over EUR 3 million in 2016. In addition to the action grants, regular support to organisations like Victim Support Europe, Fair Trials and Irish Council for Civil Liberties via operating grants also contributes to the implementation of the Victims' Rights Directive. The Programme has contributed to the implementation of the Victims' Rights Directive in Member States, notably it has produced tangible results when it comes to its practical implementation.

Similarly, considerable means have been used by DG Justice and Consumers to support the development and implementation of the measures related to the 2009 Roadmap on strengthening the procedural rights of suspects and accused persons in criminal proceedings⁴. The Procedural Rights' Directives have been a priority of calls for proposals since 2011 (covering inter alia activities such as capacity-building for professionals, multi-disciplinary cooperation, exchange of good practices, dissemination and awareness-raising activities). The Programme has contributed considerably to the implementation of the Procedural Rights Directive in Member States.

The Justice programme is funding the development of the e-Justice Portal which is contributing to mutual trust and cooperation in the area of judicial cooperation, to the creation of more effectively and efficiently functioning justice systems and the facilitation of the citizens' access to justice. Every year we observe an increase in number of hits by users, e.g. in 2016, more than 3.8 million hits, a six fold increase compared to the 2012 baseline. This project has evolved throughout the time with an increased and wider content to become a one-stop shop for citizens, and for businesses.

Specific objective 4: Drugs initiatives:

In parallel to the legislative work on the new EU legal framework on new psychoactive substances (NPS), in 2014 and 2015 the key focus within the drugs-related objective was on expanding the knowledge base on the phenomenon of NPS, and in particular on identification methods and protocols, enhancing cross-border cooperation within the EU in this area and exploring the area of epidemiology of use of new psychoactive substances. Another key priority was the one on addressing the area of drug-related services in prisons, also in the context of alternatives to coercive sanctions. In addition, an emphasis was put on strengthening the capacity of civil society organisations to contribute to the implementation of the EU Drug Strategy 2013-2020 and the Action Plan 2013-2016.

Evaluations / Studies conducted

Drugs initiatives: A mid-term evaluation of the EU Drugs Strategy 2013-2020 and of the Drug Action Plan 2013-2016 funded through the Justice Programme has been completed and its results are expected to be adopted in March 2017, together with the draft EU Drug Action Plan 2017-2020. The evaluation has confirmed that just as it cannot be expected that the Drugs Strategy directly drives Member State drug policy, it is unlikely that the Strategy can directly affect the prevalence of drug use or size of the drugs market. Nonetheless, the value of monitoring trends in the drug situation is recognised as one of the major pillars of the Strategy and Action Plan, and this provides evidence to policy and decision makers. The evaluation shows that the impacts of the horizontal pillars of coordination, international cooperation and information, monitoring, research and evaluation manifest themselves more at the institutional level, and therefore demonstrate the added value of a strategy at the EU level. The role of an EU Strategy in coordinating law enforcement activities, dealing with third countries or international organisations or data collection and research adds value to whatever Member States are doing by themselves. The evaluation has also found that there is a strong consensus among Member States as to the key features of effective drugs policy.

Overall, the EU Drugs Strategy and Action Plan are comprehensive in identifying the relevant actors. However, due to the inherent complexity of engaging with such a range of groups, and the fact that the organisational and institutional landscape is continuously changing, there is a need to constantly review coordination mechanisms and processes to ensure that all relevant stakeholders are considered. The emergence of civil society's role in the area of drugs over recent years demonstrates the evolution of stakeholder involvement and the need to ensure continued updating.

Forthcoming implementation (2017/2018)

AWP 2017 was adopted 13 March 2017, and includes six calls for proposals for action grants, a call for 4-year Framework Partnership Agreements to support European networks, followed by a call for proposals for operating grants under the FPAs in the area of justice, and one operating grant to beneficiary identified in the legal base – the European Judicial Training Network.

In 2016, DG Justice and Consumers started to use a new system, the H2020 IT tools, for the management of grants. This migration is expected to provide positive effects in the medium-term and is expected to be at full speed by the end of 2018, while the year 2017 will continue to be a year of investment and adaptation to the new system.

⁴ Directive 2010/64/EU of 20 October 2010 on the right to interpretation and translation in criminal proceedings; Directive 2012/13/EU of 22 May 2012 on the right to information in criminal proceedings, Directive 2013/48/EU of 22 October 2013 on the right of access to a lawyer in criminal proceedings; Directive (EU) 2016/343 of 9 March 2016 on the strengthening of certain aspects of the presumption of innocence and of the right to be present at the trial in criminal proceedings; Directive (EU) 2016/800 of 11 May 2016 on procedural safeguards of children suspected or accused in criminal proceedings; Directive (EU) 2016/1919 of 26 October 2016 on legal aid for suspects and accused persons in criminal proceedings.

The 2018 AWP is planned to be adopted in December 2017.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1382/2013 of the European Parliament and of the Council of 17 December 2013 establishing a Justice Programme for the period 2014 to 2020	2014 - 2020	377,6

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	1,2	1,2	1,2	1,2	1,2	1,2	1,2	8,4
Operational appropriations	45,8	47,2	50,2	52,6	45,9	57,5	60,0	359,4
Total	47,0	48,4	51,4	53,8	47,1	58,7	61,2	367,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	51,957	98,38 %	36,523	88,23 %	54,261	1,38 %	40,268	19,92 %
Authorised appropriation excluding external earmarked revenue	51,957	98,38 %	36,504	86,49 %	54,261	1,38 %	40,268	19,33 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Programme shall finance actions with European added value which contribute to the further development of a European area of justice. To that end, the Commission shall ensure that the actions selected for funding are intended to produce results with European added value.

The European added value of actions, including that of small-scale and national actions, shall be assessed in the light of criteria such as their contribution to the consistent and coherent implementation of Union law and to wide public awareness about the rights deriving from it, their potential to develop mutual trust among Member States and to improve cross-border cooperation, their transnational impact, their contribution to the elaboration and dissemination of best practices or their potential to create practical tools and solutions that address cross-border or Union-wide challenges.

Contribution to Europe 2020 Strategy

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	6,7	7,7

The contribution to the Smart Growth comes from e-Justice, and Justice Scoreboard.

Gender mainstreaming

In all calls for proposals under the Justice Programme the projects shall seek to promote equality between women and men. This is required by the Article 5 of the Regulation (EU) 1382/2013 establishing a Justice Programme 2014-2020. When planning the project, the applicants should demonstrate in their proposal how this will be respected at implementation stage. Beneficiaries are required to detail in their final activity report the steps and achievements they made towards meeting this requirement.

4. Performance information

General objectives

General Objective 1: to contribute to the further development of a European area of justice based on mutual recognition and mutual trust, in particular by promoting judicial cooperation in civil and criminal matters

Indicator 1: cumulative number of legal professionals receiving training (not only through the Programme) on EU law or law of another Member State, including Civil Justice, Criminal Justice and Fundamental Rights

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
239 000 (Source: DG Justice Judicial Training Report)			420 000	490 000			700 000
Actual results							
	371 000	494 753					

Specific objectives

Specific Objective 1: to facilitate and support judicial cooperation in civil and criminal matters

Indicator 1: average time of the surrender procedure (time between the arrest and the decision on the surrender of the person sought) under the European Arrest Warrant in cases where the person consents to the surrender

Baseline 2005-2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
14-20 days (source: DG Justice from national reports to Council)					14 days		10 days
Actual results							
	19,4 days	16 days					

Indicator 2: number of exchanges of information in the European Criminal Records Information System (ECRIS)

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
300 000 (source: DG Justice)				2 400 000	2 750 000	3 125 000	3 500 000
Actual results							
	1 250 000	1 811 546	1 978 104				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc)	33 03 02	13	2,4
Mutual learning, cooperation, awareness-raising and dissemination	33 03 02	35	8,6
Support to key actors	33 03 02	8	1,0
Total		56	12,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc)	F	9	9	8	11	13	11	11
	P	3		0				
Mutual learning, cooperation, awareness-raising and dissemination	F	40	42	44	47	35	50	52
	P	30	43	0				
Support to key actors	F	7	8	8	8	8	8	8
	P	9	6					

Specific Objective 2: to support and promote judicial training, including language training on legal terminology, with a view to fostering a common legal and judicial culture

Indicator 1: the number and percentage of members of the judiciary and judicial staff that participated in training activities, staff exchanges, study visits, workshops and seminars funded by the Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				14 500			16 000
Actual results							
	11 724 (0,08%)	11 984 (0,07%)					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Training activities	33 03 01	23	5,8
Mutual learning, cooperation, awareness-raising and dissemination	33 03 01	6	0,6
Support to key actors	33 03 01	1	10,2
Total		30	16,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Training activities	F	40	42	44	47	23	50	52
	P	30	27	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	9	9	8	11	6	11	11
	P	3	2	0				
Support to key actors	F	7	8	1	1	1	8	8
	P	9	1	1				

Specific Objective 3: to facilitate effective access to justice for all, including to promote and support the rights of victims of crime, while respecting the rights of the defence

Indicator 1: Number of hits on the e-justice portal

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
630 000 (Source: DG Justice)			+50% per year				+20% per year
	Actual results						
	2 320 100	3 573 837	3 846 121				

Indicator 2: Number of Victim Support Organisations with national coverage (implementation of Directive 2012/29/EU)

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10 (Source: DG Justice)				28 VSO (at least one per MS). At least 20 of these VSO fulfilling the quality standards/indicators**			28 VSO – at least one VSO in each MS fulfilling the quality standards/indicators**
	Actual results						
	20 VSO*	22 VSO	22 VSO				

* Source: FRA report on Victims of crime in the EU: the extent and nature of support for victims

** The indicators should be developed by the VSO and/or MS and should include inter alia an appropriate geographical coverage of the country and a necessary training of the staff.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc)	33 03 01	7	1,5
Mutual learning, cooperation, awareness-raising and dissemination	33 03 01	35	11,1
Support to key actors	33 03 01	7	2,0
Total		49	14,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc)	F	9	9	5	5	7	10	10
	P	19	11	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	38	41	44	47	35	53	56
	P	34	37	0				
Support to key actors	F	7	3	7	7	7	4	4
	P	9	7	7				

Specific Objective 4: to support initiatives in the field of drugs policy as regards judicial cooperation and crime prevention aspects closely linked to the general objective of the Programme, insofar as they are not covered by the Internal Security Fund or by the Health for Growth Programme

Indicator 1: number of new psychoactive substances assessed (including through testing, if necessary) to enable the EU or the Member States to take appropriate action to protect consumers, depending on the type and level of risk that they may pose when consumed by humans

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
68 (Source: DG Justice)				85			95
	Actual results						
		100	66				

Indicator 2: % of problem opioid users that are in drug treatment

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
50 % (Source: EMCDDA)				55 %			60 %
	Actual results						
	50%*	50%	50%				

*The estimated percentage of problem opioid users in substitution treatment (OST) across the EU. With regard to the percentage of problem opioid users in any type of drug treatment (OST and other drug treatment), estimates from 9 countries are available and rates vary from 19% to 88%.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc)	18 06 01	2	0,5
Mutual learning, cooperation, awareness-raising and dissemination	18 06 01	7	2,2
Total		9	2,7

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc)	F	2	2	3	1	2	4	4
	P	5	2	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	8	8	8	12	7	9	9
	P	5	6	0				

5. Programme contribution to the Sustainable Development Goals

The Justice Programme contributes to the SDG 5 on gender equality. In all calls for proposals under the Justice Programme the projects shall seek to promote equality between women and men. This is required by the Article 5 of the Regulation (EU) 1382/2013 establishing a Justice Programme 2014-2020. When planning the project, the applicants should demonstrate in their proposal how this will be respected at implementation stage. Beneficiaries are required to detail in their final activity report the steps and achievements they made towards meeting this requirement.

The Justice Programme contributes to the SDG 16 on access to justice. The Programme is designed and implemented in order to facilitate effective access to justice for all, including promoting and supporting the rights of victims of crime, while respecting the rights of the defence. It also supports e-justice projects and the e-Justice Portal which is conceived as a future electronic one-stop-shop in the area of justice. As a first step it strives to make the life of citizens easier by providing information on justice systems and improving access to justice throughout the EU, in 23 languages.

6. Programme related additional information

Common indicators to the Programme

Indicator 1: the number of persons reached by awareness-raising activities funded by the Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						
	833 656*	126 117*					

* Data were collected from the application forms. Actual data will be available from the final reports, i.e. in 2017.

Indicator 2: the improvement in the level of knowledge of Union law and policies in the groups participating in activities funded by the Programme compared to the entire target group

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						

*Data will be collected from the training projects using a common questionnaire developed by DG JUST.

Indicator 3: the number of cases, activities and outputs of cross-border cooperation, including cooperation by means of information technology tools and procedures established at Union level

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						

*Data will be collected from projects' final reports.

Indicator 4: participants' assessment of the activities in which they participated and of their (expected) sustainability

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						

* Data will be collected from the projects using a common questionnaire developed by DG JUST.

Indicator 5: the geographical coverage of the activities funded by the Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0				100% of the participating countries			100% of the participating countries
	Actual results						
	100% of the participating countries	100% of the participating countries					

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 3: Security and citizenship**Rights, Equality and Citizenship programme**

Lead DG: JUST

I. Programme update**Implementation status (2014-2016)**

Due to the late adoption of the Programme legal act in December 2013, the first AWP¹ was adopted only in May 2014. All calls for proposals from 2014 were closed. The AWP 2015² was adopted in April 2015 with all calls closed and projects selected. All funding was committed before the end 2016. AWP 2016³ was adopted on 4 April 2016. 13 calls for proposals of action grants and one call for operating grants to support the framework partners were closed..

Most of the activities under the REC Programme contribute to the Juncker Priority of Justice and Fundamental Rights and to the European Security Agenda (notably activities combatting racism and xenophobia). Moreover, the REC Programme also contributes to the Digital Single Market by supporting activities proposed on data protection and hate speech online. Activities on consumer rights relating to cloud computing, digital contracts or the Consumer Rights Directive 2011/83/EU also contribute to a Connected Digital Single Market, as well as to a deeper and fairer internal market. Furthermore, the activities pertaining to equality will also contribute to the priority on boosting jobs, growth and investment and a deeper and fairer internal market.

Key achievements

Specific Objective 1: to promote the effective implementation of the principle of non-discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, and to respect the principle of non-discrimination on the grounds provided for in Article 21 of the Charter

In the non-discrimination and Roma integration policy area, the REC Programme supports actions through action grants and operating grants, to ensure that discrimination on the grounds of religion or belief, age, disability and sexual orientation is prohibited whenever possible in the same way it is on grounds of sex and race or ethnic origin. This shall further support DG JUST to continue to work towards the adoption of the Equal Treatment Directive. Furthermore, the REC Programme supported the creation of Roma National Platforms in 17 EU Member States. The continuous capacity building of their staff as well as the cooperation of these bodies contribute to the completion of the objectives not only of the EU Roma Framework but also to other EU objectives related to the social inclusion, gender equality or the fight against poverty. The Commission and the Member States pursue the implementation of the 2011 EU framework for National Roma Integration Strategies up to 2020 as well as of the 2013 Council Recommendation on effective Roma integration measures in the Member states. A mid-term assessment of the Roma framework will be carried out in 2017. This will also aim to develop a longer term view on developing a post-2020 strategic approach to Roma integration.

Specific objective 2: to prevent and combat racism, xenophobia, homophobia and other forms of intolerance

Important projects have been supported in the area of the fight against racism focusing, among others, on the specific problems of anti-Semitism or anti-Muslim hatred and fostering tolerance as well as to support Member States authorities and civil society organisations. Projects should contribute to better implementation of existing EU legislation in the Member States (for example as far as the reporting of incidents of hate crime is concerned, training of law enforcement authorities etc.), but also to assist the victims of hate crime and hate speech incidents as well as to prevent and counter online hate speech. A particular priority is also set up on projects aimed at preventing and countering the spread of illegal hate speech online and the development of counter-narratives.

Specific objective 4: To promote equality between women and men and to advance gender mainstreaming, Indicator 2: the percentage of women among non-executive directors on boards of listed companies

In gender equality, the REC Programme among others has promoted projects to support Member States and relevant stakeholders to increase gender balance in economic decision-making positions at all levels and, in particular, in leadership. Exchange of good practices have been funded showcasing different models, with voluntary and involuntary measures, a Commission database on women and men in decision making has been created and funded. All these activities have paved the way to the Commission legislative proposal on women on board.

The REC Programme also supports the European network of experts on gender equality: this network undertakes an annual programme of policy-oriented research and reports to DG JUST's Gender Equality Unit. It is comprised of experts in statistics, econometrics, social protection, social inclusion and labour market economists. The network prepares various kinds of products

¹ C(2014) 2557 final

² C(2015) 1996 final

³ C(2016) 1883 final

(thematic reports, research reviews, and country fiches) covering all EU Members-States; this work is also used to develop evidence that feeds into the Europe 2020 process.

Specific Objective 5: to prevent and combat all forms of violence against children, young people and women, as well as violence against other groups at risk, in particular groups at risk of violence in close relationships, and to protect victims of such violence

The REC Programme supported many actions targeted at preventing and combating all forms of violence against women. The 'Daphne' specific objective (previously a separate funding programme) has been a success for twenty years now since its launch in 1997, both in terms of its popularity with stakeholders (public authorities, academic institutions and non-governmental organisations) and in terms of the effectiveness of the funded projects. A series of actions financed through the REC Programme and its specific objective to prevent and combat all forms of violence against children, young people and women, have prepared the ground for the EU and its Member States accession to the Council of Europe Convention on preventing and combating violence against women and domestic violence (Istanbul Convention) signed in 2014 and continue to support the process. These include for instance the support of Presidency conferences and subsequent Council conclusions, the support of the setting-up of an EU wide survey on violence against women, in line with the obligations that the EU would have after the accession to the Convention etc. In 2014, and 2015 projects were selected and key actors such as Women Against Violence, European Network for the Work with Perpetrators of Domestic Violence, End FGM and European Federation for Missing and Sexually Exploited Children were supported to work together with DG Justice and Consumers to fight this phenomenon. It is noticed that the protection and support standards for victims of gender-based violence and violence against children including migrant women and children has improved.

Specific objective 6: to promote and protect the rights of the child

The rights of the child are also strongly promoted through the funding of the REC Programme. The objectives of the 2011 EU Agenda for the Rights of the Child have been underpinned by the programme, especially in the area of the child-friendly justice and targeting EU action to protect children when they are vulnerable (e.g. capacity-building for integrated child protection systems) through calls for proposals for action grants and operating grants. The REC Programme finances the annual European Forum of the Rights of the Child, a platform for dialogue with stakeholders. Projects in the area of rights of the child are always grounded in EU law and international standards and have served to test new approaches, enhance cooperation and coordination, and improve the implementation of standards.

Specific objective 7: to contribute to ensuring the highest level of protection of privacy and personal data

The internet and digital technologies are transforming our world. But existing barriers online mean citizens miss out on goods and services, internet companies and start-ups have their horizons limited, and businesses and governments cannot fully benefit from digital tools. The data protection reform will strengthen citizen's rights and will cut costs and red tape for European business. To adopt the data protection reform, in 2014 and 2015 DG JUST was preparing the grounds via studies, building a network of experts and organising a data protection day. Already in 2016, a dedicated call was launched in 2016 to train data protection and other authorities and data protection officers on the data protection reform.

Specific objective 8: to promote and enhance the exercise of rights deriving from citizenship of the Union

Enabling people to exercise their rights as EU citizens helps to enhance trust and confidence in the EU. Enforcement of free movement rights – and tackling abuse of those rights – enables Member States and citizens to draw the full social and economic benefits of free movement. The REC Programme has been supporting these efforts also through financing the Citizenship reports and biannual calls for proposals for action grants. Especially, in these times, when the confidence in the EU and its institutions is declining, the role of the REC Programme is quintessential. Fostering the successful inclusion and political participation of mobile EU citizens in the civic and political life is one important dimension of EU citizenship. National, local authorities and NGOs have high expectations for support for such actions.

Evaluation/ Studies conducted

NA

Forthcoming implementation (2017/2018)

The 2017 Annual Work Programme was adopted 1 March 2017 and includes ten calls for proposals for action grants, a call for 4-year Framework Partnership Agreements to support European networks, followed by a call for proposals for operating grants under the FPAs in the area of justice, and one operating grant to beneficiary identified in the legal base–EQUINET as well as procurements to ensure the organisation of meetings, exchange of good practices, studies, etc.

In 2016, DG Justice and Consumers started to use a new system, the H2020 IT tools, for the management of grants in the Justice Programme. In 2017 this tool will be extended to the REC Programme. This migration is expected to provide positive effects in the medium-term and is expected to be at full speed by the end of 2018, while the year 2017 will be a year of investment and adaptation to the new system.

The 2018 AWP is planned to be adopted in December 2017.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1381/2013 of the European Parliament and of the Council of 17 December 2013 establishing a Rights, Equality and Citizenship Programme for the period 2014-2020	2014 - 2020	439,5

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	1,1	1,1	1,1	1,1	1,1	1,1	1,1	7,7
Operational appropriations	54,2	56,3	58,9	61,5	62,3	67,1	70,1	430,3
Total	55,3	57,4	60,0	62,6	63,4	68,2	71,2	438,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	60,070	97,63 %	41,757	97,94 %	62,858	0,89 %	44,426	49,06 %
Authorised appropriation excluding external earmarked revenue	60,005	97,63 %	41,706	97,05 %	62,858	0,89 %	44,426	48,35 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Programme shall finance actions with European added value. To that end, the Commission shall ensure that the actions selected for funding are intended to produce results with European added value.

The European added value of actions, including that of small-scale and national actions, shall be assessed in the light of criteria such as their contribution to the consistent and coherent implementation of Union law, and to wide public awareness about the rights deriving from it, their potential to develop mutual trust among Member States and to improve cross-border cooperation, their transnational impact, their contribution to the elaboration and dissemination of best practices or their potential to contribute to the creation of minimum standards, practical tools and solutions that address cross-border or Union-wide challenges.

Contribution to Europe 2020 Strategy

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	4,6	3,1
Inclusive Growth (employment and skills, fighting poverty)	13,0	26,0
Total	17,6	29,1

Actions financed in the areas of the data protection and of the consumer protection will contribute to smart growth.

Actions financed in the areas of non-discrimination and Roma integration, promoting the rights of persons with disabilities, and gender equality will contribute to inclusive growth.

Gender mainstreaming

REC Programme supports in many ways the gender mainstreaming. Under its specific objective 'To promote equality between women and men and to advance gender mainstreaming' every year calls for action grants are launched to support Member States' activities to improve gender equality in national policies and programmes (2014), to support projects to promote good practices on gender roles and to overcome gender stereotypes in education, training and in the workplace (2015), and to support national project in raising awareness and education activities aimed at preventing and combating violence against women (2016). Furthermore, the Programme funds projects under its specific objective 'to prevent and combat all forms of violence against children, young people

and women, as well as violence against other groups at risk, in particular groups at risk of violence in close relationships', and to protect victims of such violence'. Operating grants are provided to EQUINET, a network of national equality bodies and to the European Women's Lobby. The Programme's total contribution to gender mainstreaming is EUR 23,118 million including procurement of training seminars, studies and evaluations.

In all calls for proposals under the REC Programme the projects shall seek to promote equality between women and men. When planning the project, the applicants should demonstrate in their proposal how this will be respected at implementation stage. Beneficiaries are required to detail in their final activity report the steps and achievements they made.

2018: EUR 23,118 million

4. Performance information

General objectives

General Objective 1: to contribute, to the further development of an area where equality and the rights of persons as enshrined in the Treaty on European Union, in the Treaty on the Functioning of the European Union, in the Charter of Fundamental Rights of the European Union and in the international human rights conventions to which the Union has acceded, are promoted, protected and effectively implemented.

Indicator 1: progress towards equal participation in the labour market: (a) female employment rate 20-64 age group (b) employment rate of people with disabilities (c) the gender pay gap (d) the percentage of women among non-executive directors on boards of listed companies

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
(a) 62,4 % (2012) (b) 48,5% (2013) EU-SILC (c) 16,8% (2013) (d) 16,2 % (2011) Source: European Commission				(a) 68 % (b) 50 % (c) 15 % (d) 30 %			(a) 75 % (for both women and men): Europe 2020 headline target; 71 % for women (b) 55 % (c) 14 % (d) 40 %
	Actual results						
	(a) 63,5% (b) 48,7% (c) 16,7% (d) 20,2%	(a) 64,3% (b) Not available (c) Not available (d) 22,7%	(a) 65,5% (2016 Q3) (b) Not available (c) Not available (d) 23,9%				

Indicator 2: percentage of Europeans who consider themselves as well or very well informed of the rights they enjoy as citizens of the Union

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
32 % (Source: Eurobarometers)				45 %			51 %
	Actual results						
		42%					

Specific objectives

Specific Objective 1: to promote the effective implementation of the principle of non -discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, and to respect the principle of non-discrimination on the grounds provided for in Article 21 of the Charter

Indicator 1: share of persons aware of their rights if they fall victims of discrimination

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
37 % (Source: Eurobarometers)				55 %			70 %
	Actual results						
	NA	45%	NA				

Indicator 2: the number of Member States that set up structural co-ordination mechanisms with all stakeholders, including Roma, on the implementation of the National Roma Integration Strategies

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
no Member States (source: national reporting to DG Justice)				22			27
	Actual results						
	13 MS	17 MS	21 MS				

Indicator 3: the number of applications and grants related to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	286 appl. 18 grants	210 appl. 32 grants					

Indicator 4: the level of funding requested by applicants and granted in relation to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	85 215 025 EUR requested / 7 163 532 EUR granted	58 136 622 EUR requested / 7 562 114 EUR granted					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 02	1	1,6
2. Training activities	33 02 02	3	0,5
3. Mutual learning, cooperation, awareness-raising and dissemination	33 02 02	38	8,2
4. Support to key actors	33 02 02	2	1,3
Total		44	11,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	3	3	2	1	1	4	4
	P	7	5	1				
2. Training activities	F	1	1	1	6	3	2	2
	P	0	5	0				
3. Mutual learning, cooperation, awareness-raising and dissemination	F	28	33	30	35	38	39	42
	P	12	32	0				
4. Support to key actors	F	10	8	8	7	2	10	10
	P	7	6	6				

Specific Objective 2: to prevent and combat racism, xenophobia, homophobia and other forms of intolerance

Indicator 1: the number of applications and grants related to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	85 appl. 9 grants	134 appl. 10 grants					

Indicator 2: the level of funding requested by applicants and granted in relation to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	51 222 230 EUR requested / 5 203 107 EUR granted	70 368 496 EUR requested / 5 347 131 EUR granted					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 02	2	0,7
2. Training activities	33 02 02	0	0
3. Mutual learning, cooperation, awareness-raising and dissemination	33 02 02	23	5,8
4. Support to key actors	33 02 02	6	3,3
Total		31	9,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	0	0	0	0	2	1	1
	P	5	5	0				
Training activities	F	0	0	0	0	0	1	1
	P	0	0	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	6	8	17	25	23	16	18
	P	4	11	0				
Support to key actors	F	3	3	0	1	6	4	4
	P	1	0	0				

Specific Objective 3: to promote and protect the rights of persons with disabilities

Indicator 1: the number of applications and grants related to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	16 appl. 16 grants	8 appl. 8 grants					

Indicator 2: the level of funding requested by applicants and granted in relation to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	4 410 090 EUR requested / 3 785 080 EUR granted	2 549 023 EUR requested / 2 549 087 EUR granted					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 02	0	0
2. Training activities	33 02 02	1	2,1
3. Mutual learning, cooperation, awareness-raising and dissemination	33 02 02	0	0
4. Support to key actors	33 02 02	10	4,5
Total		11	6,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	1	1	2	0	0	2	2
	P	2	2	0				
Training activities	F	1	1	1	1	1	2	2
	P	0	0	0				
Mutual learning, cooperation, awareness-raising and dissemination statistics	F	18	5	6	14	0	12	14
	P	13	5	0				
Support to key actors	F	6	8	8	8	10	7	7
	P	8	8	8				

Specific Objective 4: to promote equality between women and men and to advance gender mainstreaming

Indicator 1: the number of applications and grants related to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	19 appl. 11 grants	123 appl. 10 grants					

* In 2014, DG JUST launched a restricted call for proposals only national authorities or other bodies in charge of gender equality , while in 2015 the call for proposals was open to all organisations.

Indicator 2: the level of funding requested by applicants and granted in relation to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	6 970 769 EUR requested / 3 885 203 EUR granted	56 674 772 EUR requested / 4 379 579 EUR granted					

* In 2014, DG JUST launched a restricted call for proposals only national authorities or other bodies in charge of gender equality , while in 2015 the call for proposals was open to all organisations.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 02	2	1,8
2. Training activities	33 02 02	0	0
3. Mutual learning, cooperation, awareness-raising and dissemination	33 02 02	21	4,9
4. Support to key actors	33 02 02	2	1,1
Total		25	7,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	2	2	2	2	2	3	3
	P	9	3	0				
Training activities	F	1	1	0	0	0	2	2
	P	0	4	0				
Mutual learning, cooperation, awareness-raising and dissemination statistics, etc.)	F	19	21	23	25	21	29	31
	P	11	4	0				
Support to key actors	F	2	2	2	2	2	3	3
	P	1	2	2				

Specific Objective 5: to prevent and combat all forms of violence against children, young people and women, as well as violence against other groups at risk, in particular groups at risk of violence in close relationships, and to protect victims of such violence

Indicator 1: percentage of people that consider that domestic violence against women is unacceptable							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
84 % (Source: Eurobarometers)				90 %			100 %
	Actual results						
			84%				

Indicator 2: the number of applications and grants related to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	391 appl. 31 grants	379 appl. 52 grants					

Indicator 3: the level of funding requested by applicants and granted in relation to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	115 828 887 EUR requested/ 11 407 709 EUR granted	141 024 339 EUR requested / 11 663 047 EUR granted					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 01	12	4,6
2. Training activities	33 02 01	0	0
3. Mutual learning, cooperation, awareness-raising and dissemination	33 02 01	32	9,1
4. Support to key actors	33 02 01	7	2,3
Total		51	16,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	0	0	1	2	12	1	0
	P	0	2	0				
Training activities	F	0	0	0	0	0	0	0
	P	13	21	0				
Mutual learning, cooperation, awareness-raising and dissemination statistics, etc.)	F	40	44	45	29	32	60	64
	P	11	29	0				
Support to key actors	F	8	4	4	9	7	5	5
	P	7	4	4				

Specific Objective 6: to promote and protect the rights of the child

Indicator 1: the number of applications and grants related to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	73 appl. 15 grants	41 appl. 11 grants					

Indicator 2: the level of funding requested by applicants and granted in relation to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	27 725 533 EUR requested/ 4 213 515 EUR granted	14 621 487 EUR requested / 3 461 829 EUR granted					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 01	0	0
2. Training activities	33 02 01	0	0
3. Mutual learning, cooperation, awareness-raising and dissemination	33 02 01	16	4,4
4. Support to key actors	33 02 01	3	0,6
Total		19	5,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	0	0	0	0	0	1	0
	P	0	0	0				
Training activities	F	4	2	0	0	0	6	6
	P	10	8	0				
Mutual learning, cooperation, awareness-raising and dissemination statistics, etc.)	F	10	12	15	17	16	16	16
	P	1	1	0				
Support to key actors	F	2	3	3	3	3	3	3
	P	5	3	3				

Specific Objective 7: to contribute to ensuring the highest level of protection of privacy and personal data

Indicator 1: number of complaints received by data protection authorities from individuals relating to data protection

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
68 569 (Sources: DG Justice)	Actual results						60 000
	NA	NA	NA				

Indicator 2: the number of applications and grants related to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	0	0					

* First call for proposals to support training activities on the data protection reform was launched in 2016.

Indicator 3: the level of funding requested by applicants and granted in relation to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	0	0					

* First call for proposals to support training activities on the data protection reform was launched in 2016.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 01	6	0,8
Mutual learning, cooperation, awareness-raising and dissemination	33 02 01	8	1,2
Total		14	2,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	3	3	3	3	6	5	6
	P	3	0	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	3	3	3	13	8	5	6
	P	3	2	0				

Specific Objective 8: to promote and enhance the exercise of rights deriving from citizenship of the Union

Indicator 1: awareness of the Citizenship of the Union and of the rights attached to it: (a) share of the population that knows the meaning of Citizenship of the Union (b) share of the population considering themselves as well or very well informed of the rights they enjoy as citizens of the Union

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
(a) 46 % (b) 36 % (source: Eurobarometers)				50 % 45 %			53 % 51 %
	Actual results						
		(a) 52 % (b) 42 %					

Indicator 2: awareness of the right to vote and to stand as candidate in European election in the Member State of residence, without having the nationality of that Member State

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
72 % (source: Eurobarometers)				76 %			80 %
	Actual results						
		67%					

Indicator 3: the number of applications and grants related to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014	2015*	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	84 appl. 6 grants	0					

* No calls for proposals for action grants and operating grants, only procurement

Indicator 4: the level of funding requested by applicants and granted in relation to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014	2015*	2016	2017	2018	2019	
0 (01.01.2014)							
	Actual results						
	20 724 779 EUR requested / 1 464 069 EUR granted	0					

* No calls for proposals for action grants and operating grants, only procurement

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 01	3	0,6
Training activities	33 02 01	0	0
Mutual learning, cooperation, awareness-raising and dissemination	33 02 01	16	1,7
Total		19	2,3

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	2	2	0	2	3	4	4
	P	3	2	0				
Training activities	F	0	0	0	0	0	0	0
	P	1	0	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	7	7	10	5	16	9	9
	P	6	4	0				

Specific Objective 9: to enable individuals in their capacity as consumers or entrepreneurs in the internal market to enforce their rights deriving from Union law, having regard to the projects funded under the Consumer Programme

Indicator 1: the perception of consumers of being protected

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
64 %* (source: Consumer Conditions Scoreboard)				73 %			75 %
	Actual results						
	70 %*		75,7%				

* The methodology was slightly revised as of 2016.

Indicator 2: consumer and retailer awareness of rights and obligations: (a): percentage of consumers who are aware of their right to keep the unordered product sent to them together with an invoice (b): percentage of retailers in the EU who know that including invoices with marketing material (for unordered products) is prohibited

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
(a) 36 %* (b) <51 % (source: Consumer Conditions Scoreboard)	(a) 32 % (b) 55 %			37 % 56 %			39 % 60 %
	Actual results						
	(a) 34 %* (b) 54 %*	(a) 34% (b) 56%					

* The methodology was slightly revised as of 2016

Indicator 3: level of consumer confidence in cross-border online shopping, as measured by the percentage of consumers who feel confident purchasing via internet from retailers/service providers from another country

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
34 %* (source: Eurobarometers)				45 %			50 %
	Actual results						
	37%		57,8%				

* The methodology was slightly revised as of 2016

Indicator 4: the number of applications and grants related to this specific objective

Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016*	2017*	2018	2019	
0 (01.01.2014)							
	Actual results						
	0	0	0				

* No calls for proposals for action grants and operating grants planned, only procurement.

Indicator 5: the level of funding requested by applicants and granted in relation to this specific objective							
Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016*	2017*	2018	2019	
0 (01.01.2014)	Actual results						
	0	0	0				

* No calls for proposals for action grants and operating grants planned, only procurement.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	33 02 01	4	1,2
Mutual learning, cooperation, awareness-raising and dissemination	33 02 01	0	0
Total		4	1,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Analytical activities (e.g. studies, evaluations, collection of data and statistics, etc.)	F	9	9	6	8	4	5	6
	P	0	2	0				
Mutual learning, cooperation, awareness-raising and dissemination	F	9	9	0	4	0	6	5
	P	0	6	0				

5. Programme contribution to the Sustainable Development Goals

The REC Programme supports in many ways the gender equality and gender mainstreaming thereby contributing to the SDG 5 as well as the implementation of gender mainstreaming throughout all goals. Under its specific objective 'To promote equality between women and men and to advance gender mainstreaming' every year calls for action grants are launched to support Member States' activities to improve gender equality in national policies and programmes (2014), to support projects to promote good practices on gender roles and to overcome gender stereotypes in education, training and in the workplace (2015), and to address violence against women (2016). Operating grants are provided to EQUINET, a network of national equality bodies and to the European Women's Lobby. Furthermore, the Programme funds projects under its specific objective 'Daphne – to prevent and combat all forms of violence against children, young people and women, as well as violence against other groups at risk, in particular groups at risk of violence in close relationships, and to protect victims of such violence'.

The Programme's total contribution to gender mainstreaming is EUR 23,118 million including procurement of training seminars, studies and evaluations.

In all calls for proposals under the REC Programme the projects shall seek to promote equality between women and men. When planning the project, the applicants should demonstrate in their proposal how this will be respected at implementation stage. Beneficiaries are required to detail in their final activity report the steps and achievements they made.

By promoting the rights of the child under its specific objective the Programme contributes also to the SDG 4 with EUR 5,22 million.

6. Programme related additional information

Common indicators to the Programme

Indicator 1: the number and percentage of persons in a target group reached by the awareness-raising activities funded by the Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	10 032 725*	6 517 090*					

*Data were collected from the application forms of the proposals in all calls. Actual data will be collected from the final reports, i.e. in 2017. In addition, the data are not collected from procurement activities of DG JUST.

Indicator 2: the number of stakeholders participating in, inter alia, training activities, exchanges, study visits, workshops and seminars funded by the Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 (01.01.2014)	Actual results						
	78 595*	114 230*					

*Data were collected from the application forms. Actual data will be collected from the final reports, i.e. in 2017

Indicator 3: the improvement in the level of knowledge of Union law and policies and, where applicable, of rights, values and principles underpinning the Union, in the groups participating in activities funded by the Programme compared to with the entire target group							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						

Indicator 4: the number of cases, activities and outputs of cross-border cooperation							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						

Indicator 5: participants' assessment of the activities in which they participated and of their (expected) sustainability							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						

Indicator 6: the geographical coverage of the activities funded by the Programme							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 % (01.01.2014)				100 % of the participating countries			100 % of the participating countries
	Actual results						
	90 % of the participating countries	93% of the participating countries					

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 3: Security and citizenship**Europe for Citizens****Lead DG: HOME**

Associated DGs: SG

I. Programme update***Implementation status (2014-2016)***

The Europe for Citizens Programme is implemented through the two strands "European remembrance" and "Democratic engagement and civic participation", which offer co-funding for European remembrance projects, town-twinning activities, networks of towns and civil society projects. The two strands are complemented by horizontal actions for dissemination and use of project results.

The programme is implemented through action grants and operating grants granted to European civil society organisations and think tanks active in the thematic areas targeted by the programme.

In 2016, all actions were implemented in accordance with the Commission implementing decision of 18.12.2015 on the adoption of the 2016 work programme and the financing for the implementation of the Europe for Citizens programme work programme (C(2015)9186). In 2016, out of 2 496 applications received, 396 projects were selected. The Programme was implemented all together in 33 eligible participating countries.

Following a transfer of appropriations in 2016 to a newly created specific budget line dedicated to the European Citizens' Initiative (18 04 01 02) the Programme appropriations have been also used to improve the implementation of the ECI Regulation¹ (covering IT developments and studies).

Key achievements

Project "Migration and immigration" by the municipality of Cieszanow

Partner organisations: Diósd Város Önkormányzata (HU), Freundeskreis Partnerschaften Gemeinde Argenbühl (DE), Dimos Lokron (GR), Comune di Forli (IT), Comune di Fusignano (IT), Kmetstvo Aheloy (BG), Comuna Lupeni (RO)

The MIGRAIN project intended to examine migration through its social impacts and the citizen responses in the framework of sustainable and peaceful development in an integrated Europe. In this respect migration is seen as a complex phenomenon: circulation of citizens inside the EU or immigration of people towards the EU countries.

In the course of eight international events various topics linked to migration were covered (e.g. social inclusion, education, municipal services, financial and voluntary supports, legal conditions, integration in the labour market, questions of illegal crossing of borders, conditions of refugee status etc.) through conferences, experts' reports, discussions and workshops, testimonies and study visits.

By analysing the partners' countries' different approaches towards migration, the project allowed better information of citizens on the migration issue and acknowledged the importance of further dialogues to promote exchange of experiences and best practices in migration crisis management.

Project "Building a Common European Memory for Civil Society" by the European Grassroots Antiracist Movement Association (EGAM)

This project gathered 12 NGOs within the framework of the EGAM and had the objective to mobilise and to empower European Civil Society, to create sustainable actors of change in the fight against racism, to raise awareness on the history of Europe and to reinforce inclusive European identity built upon shared memory. The main issues addressed were the Armenian Genocide, the Memory of the Shoah/Nazi Persecutions, the Roma genocide and the Yugoslav wars. The project supported four European Training Seminars of activists, the hosting of an International Conference on the fight against genocide denial, a Memory Tour of the Western Balkans region and self-funded grassroots actions. Moreover, the project aimed to empower actors, to reflect and to debate on the fight against genocide denial, to raise awareness, to mobilise young people at European and local level as well as to engage a wider audience and to enable activist to utilise new skills.

Evaluation / Studies conducted

The mid-term evaluation of the Europe for Citizens programme 2014-2020 was launched in 2016 and a public consultation in January 2017 in order to gather the general public's opinion mainly on the results and impacts of the Europe for Citizens

¹ Regulation (EU) No 211/2011 of the European Parliament and of the Council of 16 February 2011 on the citizens' initiative (OJ L 65/1, 11.03.2011).

programme between 2014 and 2016. The Commission will present the results of the mid-term evaluation in a report to be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions in early 2018. These results will in particular be used to improve the implementation of the current Europe for Citizens programme, as well as to suggest first orientations for a possible successor programme after 2020.

In the context of the European Citizens' Initiative, two studies have been committed, to assess the scope for simplifying personal data requirements for signatories and for streamlining the technical specifications for online collection systems.

Forthcoming implementation (2017/2018)

In accordance with the work programme 2017 adopted in December 2016 (C(2016)7794), the indicative budget 2017 for each action will be as follows:

Strand 1 – European remembrance: EUR 4 691 441 including 44 project grants and the renewals of six framework partnership agreements;

Strand 2 – Democratic engagement and civic participation: EUR 17 439 559 for 394 project grants and the renewals of 31 framework partnership agreements;

Strand 3 – Horizontal Action Valorisation: EUR 900 000 for 33 operating grants to National contact points.

The European Citizens' Initiative

In 2017 EUR 840 000 is available for the budget line dedicated to the European Citizens' Initiative (18 04 01 02) and will be used to further improve the implementation of the ECI Regulation.

In 2018 EUR 740 000 will be available for the budget line dedicated to the European Citizens' Initiative (18 04 01 02).

The work programmes 2018 for both budget lines (18 04 01 01 and 18 04 01 02) will be elaborated during 2017.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (EU) No 390/2014 of 14 April 2014 establishing the 'Europe for Citizens' programme for the period 2014-2020	2014 - 2020	185,5

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	0,2	0,4	0,2	0,2	0,2	0,2	0,2	1,5
Operational appropriations	23,3	21,9	23,0	24,1	25,2	26,3	27,3	171,0
Executive Agency	2,1	2,0	2,2	2,2	2,2	2,2	2,3	15,2
Total	25,6	24,2	25,3	26,4	27,6	28,7	29,8	187,7

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	25,901	99,41 %	25,195	97,62 %	26,648	35,81 %	26,451	33,92 %
Authorised appropriation excluding external earmarked revenue	25,542	99,97 %	24,827	97,74 %	26,487	36,02 %	26,070	34,40 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Union added value of the proposed "Europe for Citizens" Programme can be demonstrated at the level of the individual actions of the new Programme:

In the case of "European remembrance" (strand 1), the programme supports activities that encourage reflection on European cultural diversity and on common values in the broadest sense. Funds may be made available for initiatives to reflect on the causes of totalitarian regimes in Europe's modern history and to commemorate the victims of their crimes. This strand also encompasses activities concerning other defining moments and reference points in recent European history. In particular, it gives preference to

actions which encourage tolerance, mutual understanding, intercultural dialogue and reconciliation as a means of moving beyond the past and building the future, in particular with a view to reaching the younger generation.

In the case of "Democratic engagement and civic participation" (strand 2), the programme supports activities that cover civic participation in the broadest sense, and focuses in particular on structuring methods to ensure that funded activities have a lasting effect. It gives preference to initiatives and projects with a link to the Union political agenda. This strand may also cover projects and initiatives that develop opportunities for mutual understanding, intercultural dialogue, solidarity, societal engagement and volunteering at Union level. The aim is to increase the democratic participation of young people and the participation of women in political and economic decision-making.

In the case of "Valorisation", this covers horizontal dimension of the programme as a whole. It focuses on the analysis, dissemination, communication and valorisation of the project results from the above-mentioned two strands. Common tools are needed to collect best practices and ideas about how to strengthen remembrance, European citizenship and civic participation and facilitate the transnational exchange.

As regards the European Citizens' Initiative the Programme appropriations are used to improve the implementation of the ECI Regulation, in particular via IT developments, studies, communication activities, etc.

4. Performance information

General objectives

General Objective 1: to contribute to citizens' understanding of the Union, its history and diversity, to foster European citizenship and to improve conditions for civic and democratic participation at Union level

Indicator 1: Percentage of EU citizens feeling European

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
59 % of EU citizens now feel European (EB80 – Autumn 2013)				Stable at 59 %			Stable at 59 %
	Actual results						
	60 % (EB82 Autumn 2014)	64 % (EB84 Autumn 2015)	67 % (EB86 Autumn 2016)				

Specific objectives

Specific Objective 1: to raise awareness of remembrance, the common history and values of the Union and the Union's aim, namely to promote peace, the values of the Union and the well-being of its peoples, by stimulating debate, reflection and the development of networks

Indicator 1: the number of participants who are directly involved

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Baseline based on 2013 survey: 100 000	100 000			100 000			100 000
	Actual results						
	100 000	100 000	100 000				

Indicator 2: the number of persons indirectly reached by the Programme

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Baseline based on 2013 survey: 150 000	165 000			20 % increase: 180 000			35 % increase: 202 500
	Actual results						
	165 000	185 000	190 000				

Indicator 3: the number of projects

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
31	36			35			36
	Actual results						
	36	33	38				

Indicator 4: the quality of the project applications and the degree to which the results of selected projects can be further used, transferred

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
lowest score obtained by a retained project: 80 Number of events organised: 50				Baseline*1,02:81,6 Baseline*1,7: 85			Baseline*1,02 ² : 83,2 Baseline*1,9: 95
	Actual results						
	84,5 84	80 90	82,5 95,5				

Indicator 5: Percentage of first time applicants

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
percentage of first-time applicants to the programme: 40 %				-5 %<40 %<+5 %			-5 %<40 %<+5 %
	Actual results						
	43 %	45 %	50 %				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Structural support -Framework partnerships (4 years)	18 04 01 01	0	0
Structural support – Framework partnerships (3 years)	18 04 01 01	6	1,2
Remembrance projects	18 04 01 01	44	3,8
Total		50	5,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Structural support – Framework partnerships (4 years)	F	8	6	6	6	0	0	0
	P	6	6	6				
Structural support – Framework partnerships (3 years)	F	0	0	0	0	6	6	6
	P	0	0	0				
Remembrance projects	F	65	42	45	44	44	47	50
	P	36	33	38				

Justification of changes to the financial programming and/or to the performance information

The number of outputs produced in 2016 under budget line 18 04 01 01 are lower than the number of outputs foreseen due to:

- the higher average value of grant per project;
- Projects are better structured with an enlarged partnership, involving a bigger number of participants and hence more citizens involved per project;
- the transfer of an amount of EUR 640 000 to the budget line 18 04 01 02 dedicated to the European Citizens' Initiative under the flexibility clause of the programme.

The same justifications apply to the revision of outputs foreseen in the future.

Specific Objective 2: to encourage the democratic and civic participation of citizens at Union level, by developing citizens' understanding of the Union policy making-process and promoting opportunities for societal and intercultural engagement and volunteering at Union level

Indicator 1: the number of participants who are directly involved

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Baseline based on 2013 survey: 1 000 000	1 000 000			1 000 000			1 200 000
	Actual results						
	1 000 000	1 000 000	1 000 000				

Indicator 2: the number of persons indirectly reached by the Programme							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Baseline based on 2013 survey: 1 000 000	1 100 000	1 150 000	1 180 000	20 % increase: 1 200 000	1 250 000	1 300 000	35 % increase: 1 350 000
	Actual results						
	1 100 000	1 100 000	1 100 000				

Indicator 3: the number of participating organisations							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1 000	1 100	1 300	1 350	Baseline*1,4: 1 400	1 500	1 600	Baseline*1,7: 1 700
	Actual results						
	1 100	1 300	1 550				

Indicator 4: the perception of the Union and its institutions by the beneficiaries							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
77 % feel more European as a result of their participation in the "Europe for Citizens" programme.	77 %			stable at 77 %			stable at 77 %
	Actual results						
	60 % (EB82 Autumn 2014)	64 % (EB84 Autumn 2015)	67 % (EB86 Autumn 2016)				

Indicator 5: the quality of project applications							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
lowest score obtained by a retained project: 71	53			Baseline*1,02: 72,4			Baseline*1,02: 73,9
	Actual results						
	53	74	73				

Indicator 6: the percentage of first time applicants							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
percentage of first-time applicants to the programme 40 %	40 %			-5 % < 40 % < +5 %			-5 % < 40 % < +5 %
	Actual results						
	40 %	44 %	53 %				

Indicator 7: the number of transnational partnerships including different types of stakeholders							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
average number of types stakeholders: 1,3	1,6			At least 2 types of stakeholders			At least 2 types of stakeholders
	Actual results						
	1,6	1,8	1,8				

Indicator 8: the number of networks of twinned towns							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
41	35			35			42
	Actual results						
	35	32	30				

Indicator 9: the number and quality of policy initiatives following-up on activities supported by the Programme at the local or European level							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0			2			2
	Actual results						
		0	0				

Indicator 10: the geographical coverage of the activities							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
number of Member States with appropriate national coverage (NC)*: - submitting as a lead partner: 13	16			25			25
	15			13			
	20			26			
	17			26			
				26			
- selected as a lead partner: 12	Actual results						28
- submitting as a lead partner or co-partner: 18		23	25				28
- selected as a lead partner or co-partner: 15		28	27				28
		27	27				28
		28	28				
		28	28				

*Geographical coverage at EU level = number of Member States for which 90 % < NC < 110 %; NC= National coverage = % of projects submitted (or selected) per member State as a lead partner (or co-partner) / % of its population in the total population of the EU.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Citizens' meetings	18 04 01 01	295	4,6
Networks TT	18 04 01 01	38	4,5
Civil society projects	18 04 01 01	31	3,6
Structural support – Framework partnerships (4 years)	18 04 01 01	0	0
Structural support – Framework partnerships (3 years)	18 04 01 01	31	5,6
Peer reviews	18 04 01 01	1	0,2
Studies and communication services	18 04 01 01	0	0
Studies and communication activities (including IT development for the ECI)	18 04 01 02	1	0,7
Support structures in the Members states	18 04 01 01	33	0,9
Total		429	20,1

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Citizens' meetings	F	430	312	338	276	295	316	336
	P	252	252	237				
Networks TT	F	103	43	46	35	38	40	42
	P	35	32	30				
Civil society projects	F	39	33	36	28	31	33	35
	P	29	27	25				
Structural support –Framework partnerships (4 years)	F	26	29	29	29	0	0	0
	P	29	31	30				
Structural support – Framework partnerships (3 years)	F	0	0	0	0	31	31	31
	P	0	0	0				
Peer reviews	F	2	2	2	0	1	1	1
	P	2	0	0				
Studies and communication services	F	0	0	0	0	0	0	1
	P	1	0	0				
Studies and communication activities (including IT development for the ECI)	F			0	2	1		
	P			0	2			
Support structures in the Members States	F	33	33	33	33	33	33	33
	P	25	27	29				

Justification of changes to the financial programming and/or to the performance information

The number of outputs produced in 2016 under budget line 18 04 01 01 is lower than the number of outputs foreseen due to:

- the higher average value of grant per project;
- Projects are better structured with an enlarged partnership, involving a bigger number of participants and hence more citizens involved per project;
- the transfer of an amount of EUR 640 000 to the budgetary sub-line 18 04 01 02 dedicated to the European Citizens' initiative under the flexibility clause of the programme.

The same justifications apply to the revision of outputs foreseen in the future.

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 3: Security and citizenship**Union Civil Protection Mechanism - Heading 3**

Lead DG: ECHO

I. Programme update***Implementation status (2014-2016)***

The activities in the area of civil protection were implemented as planned in the UCPM legislation and the Commission Implementing Decision in all areas: disaster prevention, preparedness and response. New activities like the voluntary pool and the European Medical Corps (EMC) progressed as expected with more assets registered in the pool (16 modules registered so far) and in the EMC (several MS committed their medical assets). Certifications have started in 2016. Other activities like prevention and preparedness projects, exercises or the training programme for Member States' experts were implemented successfully.

Key achievements

- European Emergency Response Capacity in the form of a voluntary pool: The voluntary pool of Member States' response capacities brings together a range of civil protection modules, other response capacities, and experts, which Member States keep on standby for EU civil protection missions all over the world. The teams need to meet minimum quality criteria and undergo a certification process to ensure quality and interoperability. Trained and certified modules, response capacities and experts will guarantee an effective response to disasters inside and outside the EU. The voluntary pool will also enable a shorter time until deployment, hopefully reaching 12 hours or less by 2020 in comparison to more than estimated 36 hours before 2013. Capacities from the voluntary pool were deployed on several occasions, e.g. during the Ebola crisis (a medical evacuation plane for Ebola patients, mobile laboratory) forest fire season in Greece (aerial forest firefighting module using airplanes).

- European Medical Corps: the European Medical Corps, officially launched in February 2016, is the new framework for mobilising medical and public health experts and teams for preparedness or response operations inside or outside the EU. 9 Member States have committed medical teams, mobile laboratories, and logistical support teams so far. Two teams were already mobilised during the Ebola outbreak in the Western Africa and the evacuation capacities were used for the transport of affected persons to Europe. The teams and equipment from the Member States can be rapidly deployed in response to emergencies inside and outside the EU, in case of infectious diseases. The medical teams are also part of the voluntary pool.

- Peer review process inside the EU and in eligible third countries: A peer review process to assess capacities of responsible authorities in prevention, preparedness and response to disasters started in 2014, with the participation of peer experts from several Member States. Several reviews already took place in the EU (Bulgaria and Poland in 2015 and 2016) and in eligible third countries (Turkey and Georgia). Peer review reports with recommendations were published in 2016 in order to improve national civil protection structures and foster the sharing of experience.

- Provision of assistance to countries influenced by the current refugee/migration crisis in 2015: the Mechanism facilitated the provision of assistance to countries affected by the refugee/migration crisis (Slovenia, Croatia, Serbia, the former Yugoslav Republic of Macedonia and Greece).

Evaluations/Studies conducted

The mid-term evaluation of the current legislation started in 2016. A report to the Parliament and the Council is to be delivered by 30 June 2017.

The Eurobarometer survey conducted in 2015 confirmed the need to increase the level of knowledge of citizens about disasters and need of European cooperation in civil protection. According to the survey results, only around 55% of EU citizens are aware of possible risks of disasters in their region and a majority of EU citizens support a role of the EU in disaster management.

Forthcoming implementation (2017/2018)

The voluntary pool registration will continue in 2017-2018 in order to have a sufficient capacity on standby that can cover all possible types of disasters (estimated capacity of 41 modules to be reached by 2020). The work on certification procedures and quality criteria of the modules is progressing along with modules exercises organised in 2017-2018 to test their quality. The official launch of the European Medical Corps in 2016 increases the preparedness of MS for medical emergencies inside the EU and worldwide.

Work will also continue in other areas, like analyses of gaps in civil protection assets, early warning systems or deployment plans for civil protection modules. Traditional activities, like training or exercises will continue.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism	2014 - 2020	223,8

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	28,2	29,3	30,6	31,0	33,2	34,6	36,0	222,9
Total	28,2	29,3	30,6	31,0	33,2	34,6	36,0	222,9
<i>Of which contribution to European Solidarity Corps</i>					2,0	2,0	2,0	6,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	31,880	95,43 %	25,354	77,80 %	31,410	10,33 %	31,297	6,93 %
Authorised appropriation excluding external earmarked revenue	31,045	95,31 %	24,685	77,20 %	31,410	10,33 %	31,297	5,06 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value and mainstreaming of policies

EU added value (ex-ante)

Based on the new Treaty Article 196 for civil protection policy, the aim of the Mechanism is to support, coordinate and supplement the actions of the Member States in the field of civil protection with a view to improving the effectiveness of systems for preventing, preparing for and responding to natural and man-made disasters.

The EU's added value comes in the form of:

- Reduction of loss of human life, environmental, economic and material damage caused by disasters through a comprehensive approach covering disaster prevention, preparedness and response;
- Improved understanding in Member States of disaster risks through cooperation on risk assessment and planning, and the gradual development of a European culture of disaster prevention;
- Improved preparedness for disasters through training, exercises, exchange of best practices and similar activities;
- Improved coordination of the response to disaster by bringing together and facilitating Member States' offers of assistance;
- Increased cost-effectiveness through the pooling of assistance, the sharing of transport capacities, the identification of complementarities and the avoidance of duplication;
- More coherent, predictable and visible response to disasters through the set-up of a European Response Capacity ready to help everywhere in the EU and in third countries when needed.

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
Projects and other activities related to climate change adaptation	5,9	5,8

The figure for 2017 and 2018 linked to the climate action represents around 20% of the total budget for prevention and preparedness inside the Union including following activities: prevention projects, studies related to prevention actions, peer review programme, and the exchange of experts programme related to prevention. This methodology follows the one applied since 2014.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
6,9	6,11	6,87	5,93	5,8	7	7,5	46,06

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR million).

4. Performance information

General objectives

General Objective 1: The Union Civil Protection Mechanism shall aim to strengthen the cooperation between the Union and the Member States and to facilitate coordination in the field of civil protection in order to improve the effectiveness of systems for preventing, preparing for and responding to natural and man-made disasters.

Indicator 1: Economic damage caused by natural disasters (Source: As recorded in the EM-DAT database)

Baseline Annual average 2010-2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
USD 16 billion	Annual average 2014 – 2019* - USD 13 billion						USD 13 billion
	Actual results						
	USD 4 billion	USD 4.74 billion	USD 1,15 billion				

* Estimate based on the average of annual economic damage of the past 10 years

A very important part of the result of this indicator depends on external factors (occurrence of disasters and their severity) that are not under the Commission's control. Nevertheless, ECHO's impact will be reviewed in 2016 during the interim evaluation of the Union Civil Protection Mechanism.

Following 2015 adoption of the Sendai Framework for Disaster Risk Reduction - including a target on reducing economic loss from disasters in relation to Global GDP – the above mentioned target will be revised to be in line with the Sendai methodology and indicators linked to agreed targets.

Specific objectives

Specific Objective 1: To achieve a high level of protection against disasters by preventing or reducing their effects by fostering a culture of prevention and by improving cooperation between the civil protection and other relevant services.

Indicator 1: Number of Member States that have made available to the Commission a summary of their risk assessments. (Source: Annual report for the EP on the implementation of the new union Civil Protection Mechanism Decision)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
14			27	28	28	28	28
	Actual results						
	17	27	28				

Indicator 2: Number of Member States that have made available to the Commission an assessment of their risk management as referred to in Article 6 of the Decision.

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0	0	0	0	28	28	28
	Actual results						
	0	0	0				

Obligation to report from 2018 onwards

Indicator 3: Number of projects financed for prevention within the Union

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
7	10	10	12	10	10	11	11
	Actual results						
	15	10	10				

The level of co-financing was increased from 500 000 EUR to 800 000 in 2015. This explains the decrease in number of prevention projects since 2015 and the adjustment in the milestones and 2020 target. as compared to the data presented in 2017 Programme Statement.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Grant agreements	23 03 01 01	10	5,5
Number of contracts	23 03 01 01	1-2	0,3
Total		11-12	5,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Grant agreements	F	10	10	11	11	11	12	12
	P	15	10	10				
Number of contracts	F	2	3	6	6	6	6	7
	P	2	3	2				

The number of selected projects was slightly lower than planned, taking into account the available budget resources transferred from other activities and respecting the results of the evaluation process. The number of contracts was caused by the lower number of administrative arrangements concluded with the JRC that however cover all planned activities.

Specific Objective 2: To enhance preparedness at Member State and Union level to respond to disasters.

Indicator 1: Number of response capacities included in the voluntary pool in relation to the capacity goals

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0			≥ 15		≥ 50		≥ 60
	Actual results						
	3	16	56				

The registration of assets, modules and other response capacities to the voluntary pool in CECIS is dependent on Member States. In particular, the voluntary pool of assets is a new element established by the Civil Protection legislation adopted in 2014. The 2016 increase in the registration numbers can be explained by the following incentives implemented in the same year: assets registered in the pool are eligible for a higher level of co-financing of transport costs in case of deployment, 85 % of eligible costs can be covered for registered assets versus 55 % for non-registered assets, and adaptation grants for an upgrade of a registered capacity. Certain assets are registered in the pool for a fixed number of years after which the registration might not be renewed.

The 2018 milestone and 2020 target have been modified following the 2016 results.

Indicator 2: Number of standard response units (modules) registered in the EU's Common Emergency Communication and Information System (CECIS) (Source: Annual report for the EP on the implementation of the new union Civil Protection Mechanism Decision)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
150	160		≥ 160		≥ 175		≥180
	Actual results						
	160	170	172				

Indicator 3: Number of projects financed for preparedness

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
7	10	10	12	10	10	11	11
	Actual results						
	13	8	10				

The level of co-financing was increased from 500 000 EUR to 800 000 in 2015. This explains the decrease in number of preparedness projects since 2015 and the adjustment in the milestones and 2020 target as compared to the data presented in 2017 PS.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Grant agreements and contracts	23 03 01 01	30	21,7
Number of administrative arrangements	23 03 01 01	4	2
Total		34	23,7

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Grant agreements and contracts	F	24	26	28	30	30	32	32
	P	28	36	39				
Number of administrative arrangements	F	4	4	5	5	5	5	5
	P	4	4	2				

The real number of administrative arrangements was lower than planned. Some of the previous arrangements with the JRC were extended in their duration; so necessary actions were still covered by previous arrangements. The new and existing arrangements cover all planned activities.

Specific Objective 3: To facilitate rapid and efficient response in the event of disasters or imminent disasters.

Indicator 1: Average speed of interventions under the EU Civil Protection Mechanism (from the acceptance of the offer to deployment). (Source: Annual report for the EP on the implementation of the new union Civil Protection Mechanism Decision)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
≤ 36 hours	≤ 24 hours			≤ 18 hours			≤ 12 hours
	Actual results						
		22	20				

Quantitative response indicators will depend entirely on the number of future disasters, which are unpredictable. This is reflected in the fact that a separate implementing decision on disaster response was adopted (C(2013) 9085 final) which contains no indicators: Commission Implementing Decision of 18.12.2013 on financing emergency response actions under the Union Civil Protection Mechanism in 2014 from the general budget of the European Union.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of contracts	23 03 02 01	1	0,2
Grant agreement / service contract	23 03 02 01	6	1,3
Total		7	1,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of contracts	F	1	1	1	1	1	1	1
	P	1	1	1				
Grant agreement / service contract	F	2	2	2	2	2	2	2
	P	5	6	6				

Specific Objective 4: To increase public awareness and preparedness for disasters.

Indicator 1: The level of awareness of Union citizens of the risks in their region.

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A							75%
	Actual results						
		55%*	N/A**				

* based on Eurobarometer survey 2015 conducted in 28 MS

** No Eurobarometer survey on the level of awareness of Union citizens of the risks in their region was carried out in 2016.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Contracts (including the organisation of the Civil Protection Forum 2017, possible organisations of Eurobarometer survey)	23 03 01 01	1	0,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of civil protection projects contributing to increased public awareness and preparedness for disasters	F			18				
	P			20				
Contracts contributing to increased public awareness	F				2			
	P			1				

The projects in the area of civil protection (either prevention or preparedness projects) contribute to a better awareness of citizens and preparedness for disasters. Projects coordinators are requested to disseminate project results to the general public as much as possible.

5. Programme related additional information*Expenditure related outputs not linked to a specific objective*

Outputs	Budget line	Draft Budget 2018
		EUR million
Contribution to the European Solidarity Corps	23 03 01 03	2

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 3: Security and citizenship

Food and Feed

Lead DG: SANTE

I. Programme update

Implementation status (2014-2016)

As for 2014 and 2015, all work programmes related to 2016 activities and associated funding have been adopted and implemented as foreseen. These include national programmes for the eradication, control, and surveillance of animal diseases and zoonoses; national survey programmes for pests; training in the field of food and feed safety, animal health, animal welfare and plant health; IT tools in the field of food safety, animal health, animal welfare, and plant health; the European Union Reference Laboratories. Due to their specific nature and unpredictability, in general, no work programme for emergency measures is adopted; however, co-funding for emergency measures related to outbreaks in 2016 and 2017 was ensured through the adoption of one common financing decision regarding the Union financial contribution to emergency measures to combat certain animal diseases and plant pests in 2016 and 2017.

In 2016, all fresh commitment credits and fresh payment credits under DG SANTE management were used resulting in 100% budget implementation.

The national veterinary programmes target transmissible, often epidemic animal diseases. They have a direct impact on public health because of food safety issues and because some animal borne diseases are transmissible to humans. Furthermore, animal disease outbreaks can trigger significant economic costs through loss of internal EU and export markets and the direct cost of disease control on the EU and Member States' budgets. There were 130 national veterinary programmes in 2016, approved and implemented in accordance with pre-defined priorities; the final report is due at the end of April 2017. Around EUR 160 million was allocated to co-fund them which accounts for the largest proportion of spending under the Food and Feed budget. The errors detected during the ex-post controls finalised in 2016 resulted in an error rate of 1,2% (EUR 0,4 million) for the audited national veterinary programmes. This is well below the materiality threshold of 2% and confirms the overall downward trend.

The national survey programs for organisms harmful to plants ensure early detection and eradication of pest outbreaks. The national survey programmes were approved for the first time in 2015. There were 22 national survey programs planned for 2016 for which the final report is due at the end of April 2017. This already represents an increase in the number of survey programmes as in 2015 there were 17; an increase that is indicative of the growing importance of this new activity.

Financial support to emergency measures is on-going in order to contain animal diseases and pest outbreaks. The emergency measures act as a fire-extinguisher to put down or contain the outbreak and avoid further spread of the disease. Outbreaks can come at a huge cost for the EU budget, the national budgets, and the farming community if not treated immediately and released out of control. For example, the foot and mouth disease outbreak of 2001 which started in the UK but spread to other countries, is estimated to have cost up to 12 billion euro. In 2016 the system was put in action immediately to contain the outbreaks of Lumpy skin disease in the Balkan countries threatening to spread rapidly deep onto European territory. The EU co-funded emergency measures managed to contain the disease in Bulgaria, Greece, Croatia, and a number of third countries (Serbia, Kosovo, Montenegro, and Albania) through coordinated vaccination campaigns and thus shielded the Union from further disease spread. In 2016 final payments were done to Member States affected by Avian Influenza outbreaks in 2015; EU-co-funded emergency measures proved crucial in containing the disease back in 2015. The end of 2016 saw, however, the beginning of a massive large scale Avian Influenza outbreak across the European territory where extensive efforts to contain it have continued well into 2017. The Avian Influenza virus is propagated by movement of wild birds; its spread, therefore, cannot be controlled.

In 2016, the Food and Feed programme also co-funded pest outbreaks amongst which the Asian long horn beetles, pinewood nematode and *Xylella fastidiosa* took up the largest portion.

All activities carried out with the objective to improve the effectiveness, efficiency, and reliability of official controls were also implemented as planned. In 2016 all trainings were delivered as foreseen, and the Better Training for Safer Food programme (BTSF) trained approximately 6 500 public officials in Member States and third countries in charge of the controls in the Food and Feed area. The overall satisfaction rate of the participants attending the trainings is continuously rising from 88,7% in 2014 to 89,8% in 2015 and 90,4% in 2016.

There were 43 EU funded European Reference Laboratories (EURLs) in 2016; the laboratories helped ensure the proper functioning of the internal market, the protection of human health, and the maintenance of consumers' confidence.

The EURLs ensure high-quality and uniform testing in the EU, and provide trainings to hundreds of National Reference Laboratories (NRL) in a number of food safety priority areas. This ensures that all Member States work within a consistent and uniform regulatory framework. The activities performed by the EURLs have contributed, inter-alia, to the continuous update of diagnostic tools for the timely identification of pathogens.

There were 208 audits carried out by the Health and Food Audits and Analysis Directorate of DG SANTE in the food and feed area in 2016 with 168 participations by national experts. All audits were performed according to planning while still accommodating assignments in case of emergencies. All audit reports are public and available on the dedicated Commission website.

http://ec.europa.eu/food/audits-analysis/audit_reports/index.cfm

Key achievements

Rabies national programmes co-financed by the Union have produced excellent results and registered considerable success in the last years with a dramatic decrease in the number of cases in wild life. There were 216 rabies cases in wild life in 2014, down to 100 cases in 2015, and dramatically reduced to 18 cases in 2016.; this is also a considerable reduction from the 679 cases in 2013 (baseline). This positive trend has been achieved through Union targeted technical and financial support for the implementation of vaccination against rabies in the Member States. The successful implementation of the EU co-financed rabies programmes is also illustrated by the fact that there were very few cases of rabies in humans reported in the EU in the last years: 1 case in 2013, 1 case in 2014, 0 cases in 2015, and 0 cases in 2016.

Diseases such as bovine tuberculosis and brucellosis require medium-to-long term eradication actions so that Member States and regions are granted an officially free status. However, in the last few years, the progression of eradication of these diseases targeted by EU financial contribution shows a positive trend. In 2013 there were 16 MS officially free from bovine brucellosis, in 2015 there were already 18 MS officially free, and in 2016 1 more MS was declared officially free bringing the number up to 19. For bovine tuberculosis, there were 15 MS officially free in 2013, in 2015 there were already 17 MS officially free, and in 2016 1 more MS was declared officially free bringing the number up to 18. In addition, the implementation of EU co-financed bovine brucellosis eradication programmes has had an indirect effect on human health as the number of human cases has decreased from 357 in 2013 to 347 in 2014.

The Union co-funds the national programmes against bovine tuberculosis and brucellosis implemented by the Member States. Eligible costs are related to sampling and testing activities as well as compensation to the owners for their animals killed in case of infection. These cure activities aim to progressively eliminate the disease in the concerned areas. The elimination of the disease has a direct positive impact on the functioning of the internal market, on trade with third countries, as well as on public health.

In 2016 the emergency measures against Lumpy skin disease (LSD) marked a major achievement. These were put in action immediately and managed to contain the outbreaks in Greece and Bulgaria. The EU took additional action within the emergency measures framework to fund the prompt purchase of LSD vaccines in a number of Balkan third countries (Serbia, Kosovo, Montenegro, and Albania) where rapid mass vaccination prevented the spread of the disease deep onto Union territory. EU-funded emergency measures blocked the spread of the disease. The EU also established an LSD vaccine bank to assist Member States with a quick supply of vaccines for current and future outbreaks in anticipation of future risks.

Over the last couple of years EU co-financing of emergency measures made it possible to successfully contain African swine fever (ASF) introduced in the east part of the EU by wild boar movement from Belarus and Ukraine in the four Member States affected. There has been no further spread to other parts of the infected Member States or to other countries. The EU immediate, well-targeted, and multifaceted response to the ASF and LSD outbreaks kept the negative effects limited while the epidemics could have had devastating effects on animal health and on the sustainability of the sector.

Evaluations/studies conducted

On 26 April 2016, the European Court of Auditors published its Special Report on a performance audit on animal disease eradication programmes. The Court examined whether the national veterinary programmes adequately contained animal diseases by assessing the approach taken by the Commission (DG SANTE) and the Member States' programmes' design and implementation. The special report entitled "Eradication, control and monitoring programmes to contain animal diseases" concluded that the approach taken by the Commission was sound and was supported by good technical advice, risk analysis, and a mechanism for prioritising resources. The Court acknowledged that there have been some notable successes, for example, decrease in the cases of bovine spongiform encephalopathy (BSE) in cattle, salmonella in poultry, and rabies in wildlife. Overall, the Court concluded that the audited animal disease programmes adequately contained animal diseases. However, the Court stressed that, as disease outbreaks can always occur, the Commission and the Member States should continue the efforts.

The four recommendations issued by the Court have been accepted by the Commission and addressed with a detailed action plan outlining the particular actions to be taken with regard to each of the recommendations and the corresponding deadlines. The Commission is currently implementing the action plan right on track.

In the second half of 2016, DG SANTE launched an external evaluation exercise in support to the Commission's effort to conduct the interim evaluation of Regulation (EU) No 652/2014, which lays down provisions for the management of the food chain expenditure under the Multiannual Financial Framework 2014-2020. The evaluation focuses on the measures implemented in the areas of animal health (veterinary programmes and emergency measures), plant health (survey programmes and emergency measures), laboratories (EURLs), and training (BTSF); particularly, it should assess whether, in terms of their results and impacts, these measures achieve the objectives set out the Regulation, as regards the efficiency of the use of resources and the added value at

Union level. The evaluation will fully cover the first two years of implementation of the Regulation, notably 2014 and 2015, while 2016 will be partially assessed based on preliminary data available. When applicable, evaluation results on the long-term impact of the predecessor measures will be taken into account. At case level, the evaluation will cover all 28 Member States. The final report of the external evaluation is expected to be delivered by the selected contractor by May 2017, while the Commission mid-term evaluation report shall be established and presented to the European Parliament and to the Council by 30 June 2017. This exercise will lay the basis for the forthcoming work toward the proposal for a post-2020 food safety programme.

To further complement the evaluation of Regulation (EU) No 652/2014, and to follow up on a Court's recommendation, a targeted study will be launched in 2017 to perform cost-effectiveness analysis in the food safety area. The objective is to develop and implement a comprehensive set of cost-effectiveness indicators for the main spending areas covered by the Food and Feed programme. The study should also investigate the potential calculation of the cost of non-intervention at EU level.

Forthcoming implementation (2017/2018)

The forthcoming implementation of the Food and Feed programme will further focus on the prevention and the reduction of the incidence of animal and plant health diseases, the minimization of the impact of outbreaks when they occur, and the implementation of effective official controls in the area.

The national veterinary programs will continue to target the progressive elimination of animal diseases and the implementation of disease monitoring measures across the EU. Disease eradication is a long-term exercise that requires continuous and consistent effort over a long period of time. There are 131 annual national veterinary programs approved for 2017 and a similar number is expected for 2018. The Commission already proactively adopted in 2015 the 2016-2017 multiannual work programme for the implementation of veterinary programmes for animal diseases and zoonoses¹, as well as associated funding for 2017². The multiannual work programme for the implementation of the veterinary programmes for animal diseases and zoonoses for the period 2018 – 2020 is expected to be adopted in the second quarter of 2017. The national veterinary programmes for 2017 have already been approved, the corresponding Grant decisions issued, and all related commitments done.

Globalisation of the plant trade together with the climate change have substantially increased the risk of plant pest infestation. Early detection and control is essential to mitigate the trade and the economic consequences. Thus, EU co-financing of the national survey programs will facilitate further in 2017 and 2018 the earliest possible detection and eradication of priority pests on the EU territory. The number of co-funded annual survey programmes is gradually increasing with 24 approved programmes in 2017 (2 more compared to 2016, and 7 more compared to 2015) indicating the growing importance of the EU co-funding in this area. The Commission already adopted the work programme for the implementation of plant health survey programmes for the years 2017-2018 on 28 April 2016³, as well as associated funding for 2017 and 2018⁴. The national survey programmes for 2017 have already been approved, the corresponding Grant decisions issued, and all related commitments done.

EU contribution to emergency measures will further target the proper and rapid management of potential future outbreaks. As regards animal diseases, the recent severe outbreaks of Avian influenza in a number of Member States threaten to spread the disease across vast territories and result in serious damages to the farming community and the export capacity of the Union. Avian influenza is transmitted by the movement of wild birds and its spread is unpredictable. The implementation of EU co-funded emergency measures started in late 2016 and will continue further in 2017, and most likely into 2018, in order to prevent uncontrollable spread and substantial damage. As of now, the preliminary figure of expected EU contribution for this last Avian influenza outbreak exceeds 50 million euro, and it continues to go up. This necessitates an increase in the Food and Feed budget for emergency measures.

African swine fever also continues to pose a serious threat in the east part of the EU triggered by wild boar movements from Belarus and Ukraine. The new diseases that entered the Union from Turkey into Greece at the end of 2015, namely Lumpy skin disease and Sheep pox, will continue to require emergency measures including massive vaccination in both Member States and Balkan third countries to ensure the Union is protected from further disease spread. If not quickly detected and effectively treated, these diseases can expand uncontrollably and cause substantial damages. In 2017 and 2018 there will be the constant need to address animal disease outbreaks continuously and with utmost urgency as the consequences can be dramatic with huge losses for the sector.

As regards pests, the recent outbreak of *Xylella Fastidiosa* in Italy, France, Germany, and Spain caused great damage to the olive trees and manifested that there is a constant threat and the Union should remain vigilant. It is currently contained in the region of Puglia which is the most affected region but further efforts will be required to stop its spread. It should be stressed that from 2017 Regulation (EU) No 652/2014 foresees that in case of emergency measures in plant health, the owners may be compensated for the value of their destroyed plants; this has to be foreseen as a new development and an additional cost on the EU budget in 2017 and onwards.

All activities planned for 2017 and 2018 towards improving the effectiveness, efficiency, and reliability of official controls target to enhance the capability of the EU system as a whole to detect violations of the food chain requirements and also to strengthen

¹ Commission Implementing Decision C(2015)3024 of 30.4.2015.

² Commission Implementing Decision C(2015)3609 of 29.5.2015.

³ Commission Implementing Decision C(2016) 2465 final of 28.4.2016.

⁴ Commission Implementing Decision C(2016) 5277 of 18.8.2016.

Member States' capability to ensure cross-border enforcement through mutual assistance. The work of the EURLs will continuously lead to better implementation of the EU legislation by enforcing legislative limits and reducing the need to repeat testing; this will result in strengthened functioning of the EU internal market as well as consumers benefiting from safe food and products. In response to the rising threats of new transboundary diseases, two new EU reference laboratories, for "Lumpy Skin Disease and other related viruses" and for "Peste des Petits Ruminants", were selected in 2016. Funding for the additional EURLs was ensured through Commission Implementing Decision C(2017) 251 adopted on 31.01.2017. As a result, in order to maintain the efficiency of the network, to capitalize on the knowledge already built, and to keep the same high level of food safety in the Union, funding for 45 EU reference laboratories is planned for 2017 and for 47 in 2018.

In 2017 and 2018 BTSF will continue to play a key role in improving the efficiency and reliability of official controls by delivering high-value training courses on EU legislation to Member State staff responsible for official controls in the sanitary and phytosanitary fields (175 trainings planned annually for 2017 and 2018). It will also focus on developing e-learning modules which will significantly expand the number of trainees. The BTSF work programme for 2017 is under preparation. The audits and related control activities of DG SANTE, in both Member States and non-EU countries exporting to the EU, will target again in 2017 and 2018 verification that national controls are carried out in accordance with EU legislation and that they are effective.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC	2014 - 2020	1 891,9

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	1,5	1,5	1,5	1,5	1,5	1,5	1,5	10,5
Operational appropriations	250,7	243,0	250,3	253,6	284,0	280,3	283,9	1 845,8
Executive Agency	1,2	1,2	1,2	1,2	1,2	0,9	0,9	7,7
Total	253,4	245,6	253,0	256,2	286,7	282,7	286,3	1 863,9

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	255,481	99,63 %	233,000	98,72 %	257,192	65,49 %	232,453	4,69 %
Authorised appropriation excluding external earmarked revenue	255,481	99,63 %	232,843	98,44 %	257,192	65,49 %	232,451	4,55 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The food and feed programme ensures that there is a well-functioning and safe food chain in place which is a key public health and economic priority. Outbreaks of serious animal and plant diseases may cause major direct losses to agriculture and potentially enormous indirect losses to the European economy. Diseases can rapidly spread between Member States and involve the entire EU market. The EU intervention is needed in order to minimise the impact on human, animal and plant health, as well as on the industry and the markets with a view to reducing risks and bringing improvements all along the food chain through preventive actions and management of crises.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
20 million less people should be at risk of poverty

4. Performance information

General objectives

General Objective 1: contributing to a high level of health for humans, animals and plants along the food chain and in related areas, by preventing and eradicating diseases and pests and by ensuring a high level of protection for consumers and the environment, while enhancing the competitiveness of the Union food and feed industry and favouring the creation of jobs

Indicator 1: Incidence of main food-borne disease in the EU (BSE and Salmonella)							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
BSE: 18 BSE cases (including 11 classical BSE cases) Salmonella: 90 000 confirmed cases of human salmonellosis					less than 5 classical BSE cases		0 classical BSE cases 60 000 cases; continuous reduction of 3 to 5 % per year - no eradication possible
	Actual results						
	11 BSE cases	2 BSE cases					
	88 715 confirmed cases of human salmonellosis	84 625 confirmed cases of human salmonellosis	Data not available yet				

Specific objectives

Specific Objective 1: to contribute to a high level of safety of food and food production systems and of other products which may affect the safety of food, while improving the sustainability of food production

Indicator 1: the reduction in the number of cases of diseases in humans in the Union which are linked to food safety or zoonoses							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
90 000 confirmed cases of human salmonellosis Source: EFSA and ECDC					67 000 confirmed cases of human salmonellosis		60 000 cases; continuous reduction of 3 to 5% per year /no eradication possible
	Actual results						
	88 715 confirmed cases of human salmonellosis	84 625 confirmed cases of human salmonellosis	Data not available yet				

Expenditure related outputs

Please see the Expenditure related outputs table under Specific Objective 2.

Specific Objective 2: to contribute to achieving a higher animal health status for the Union and to support the improvement of the welfare of animals

Indicator 1: the increase in the number of Member States or their regions which are free from animal diseases in respect of which a financial contribution is granted

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Bovine brucellosis: 16 MS and 23 regions officially free Bovine tuberculosis: 15 MS and 14 regions officially free Melitensis: 19 MS and 18 regions officially free Source: annual report submitted by MS to the Commission/ ADNS notification DG SANTE				19 MS and 30 regions officially free			25 MSs officially free and Eradication in 27 MSs
				16 MS and 20 regions officially free			
	Actual results						23 MSs officially free and Eradication in 26 MSs
	18 MS and 26 regions officially free	18 MS and 4 regions officially free	19 MS and 4 regions officially free				
	16 MS and 14 regions officially free	17 MS and 3 regions officially free	18 MS and 3 regions officially free				25 MSs officially free and Eradication in 27 MSs
	19 MS and 25 regions officially free	20 MS and 4 regions officially free	20 MS and 4 regions officially free				

Indicator 2: an overall reduction of disease parameters such as incidence, prevalence and number of outbreaks

Baseline* 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Bluetongue: 6196 outbreaks				Eradication subject to vector, climate change, and vaccination			Eradication subject to vector, climate change, and vaccination
	Actual results						
	9435	631	2870				
Classical swine fever: 0 outbreaks in domestic pigs (42 in wild boar)				0 outbreaks in domestic pigs			0 outbreaks in domestic pigs
	Actual results						
	1 (and 27)	0 (and 5)	0 (and 0)				
African swine fever: 109 outbreaks in domestic pigs and 67 in wild boar				10 outbreaks in domestic pigs and 2 in wild boar			0 outbreaks in domestic pigs
	Actual results						
	80 and 334	58 and 1713	71 and 2463				
Swine vesicular disease: 25 outbreaks in domestic pigs				0 outbreaks in domestic pigs			0 outbreaks in domestic pigs
	Actual results						
	5	1	0				
BSE: 7 positive animals				Less than 5 positive animals			Less than 5 positive animals (long incubation period)
	Actual results						
	11 positive animals	2 positive animals	Data not available yet				
Scrapie (sheep and goats) 17% prevalence				14% of prevalence			8 % of prevalence
	Actual results						
			Data not available				
Rabies: 679 outbreak in wild animals				80 ⁵ outbreaks in wild animals			0 ⁵ outbreaks in wild animals
	Actual results						
	216	100	18				
Avian influenza: no outbreak in poultry and wild birds of HPAI				0 outbreaks of HPAI in domestic animals			0 outbreaks of HPAI in domestic animals
	Actual results						
	10 and 0	75 and 6	391 and 312				

⁵ Given the positive results in 2014 and 2015, the milestone for 2016 has been reduced from 200 to 80 outbreaks, and the target for 2020 from 100 to 0 outbreaks.

*For all the data above, source of information is the annual report submitted by MS to Commission/ ADNS notification DG SANTE.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Bovine brucellosis	17 04 01	3	10,0
Bovine tuberculosis	17 04 01	6	51,0
Ovine/caprine brucellosis	17 04 01	5	9,5
Bluetongue	17 04 01	15	8,0
Salmonella	17 04 01	24	19,0
Swine diseases	17 04 01	14	18,0
Avian influenza	17 04 01	26	4,0
TSE,BSE and scrapie	17 04 01	26	9,5
Rabies	17 04 01	12	25,0
Other veterinary measures, animal welfare and vaccines/antigens			7,5
Total		131	161,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
number of bovine brucellosis eradication programmes	F	5	5	3	3	3	3	3
	P	5	5	3				
number of bovine tuberculosis eradication programmes	F	6	7	6	6	6	6	2
	P	6	7	6				
number of ovine/caprine brucellosis eradication programmes	F	6	5	5	5	5	5	1
	P	6	5	5				
number of bluetongue eradication/monitoring programmes	F	18	15	14	15	15	10	10
	P	18	15	14				
number of salmonella control programmes	F	25	24	24	24	24	24	24
	P	25	24	24				
number of swine disease (CSF, ASF and SVD) control programmes	F	10	14	13	14	14	14	14
	P	10	15	13				
number of avian influenza survey programmes	F	28	26	25	26	26	26	26
	P	28	25	25				
number of TSE monitoring and BSE/scrapie eradication programmes	F	28	28	27	26	26	26	26
	P	28	27	27				
number of rabies eradication programmes	F	13	13	13	12	12	12	12
	P	13	13	13				

Justification of changes to the financial programming and/or to the performance information

All changes to the number of planned veterinary programmes follow the development of the epidemiological situation.

Specific Objective 3: to contribute to the timely detection of pests and their eradication where those pests have entered the Union

Indicator 1: the coverage of the Union territory by surveys for pests, in particular for pests not known to occur in the Union territory and pests considered to be most dangerous for the Union territory

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Percentage of EU territory covered by surveys for pests, in particular for pests not known to occur in the Union territory :	10 %	50 %	60 %	70 %	80 %	90 %	100 %
5% coverage	100 %	100 %	100 %	100 %	100 %	100 %	
Actual results							
Percentage of EU territory covered by surveys for pests considered to be most dangerous :		57%	90%				100 %
100% coverage	100 %	100 %	100 %				100 %

Source: DG SANTE

Indicator 2: the time and success rate for the eradication of those pests							
Baseline 2015	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Time to eradicate pests not known to occur in the Union, number of days between finding and notification: 42 days Success rate in eradicating pests not known to occur in the Union: at this stage it is not measurable Source: DG SANTE		42 days		20			8 days 95 %
	Actual results						
		42 days	Data not available yet				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Survey programmes (Art.20)	17 04 02	28	25,0
Outermost regions (Art.25)	17 04 02	0	0
Total		28	25,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Survey programmes (Art.20)	F	5	17	20	24	28	30	31
	P	0	17	22				
Outermost regions (Art.25)	F	3	3	0	0	0	0	0
	P	1	1	0				

Justification of changes to the financial programming and/or to the performance information

Indicator data 2 has been revised in accordance with the latest indicator interpretation and the information provided with the 2016 Annual Activity Report. Survey programmes were implemented by the Member States for the first time in 2015 so this year should be taken as a baseline.

The number of survey programmes has been increasing over the last three years and is expected to continue in the next three years

Specific Objective 4: to contribute to improving the effectiveness, efficiency and reliability of official controls and other activities carried out with a view to the effective implementation of and compliance with the Union rules

Indicator 1: a favourable trend in the results of controls in particular areas of concern carried out and reported on by Commission experts in the Member States

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Percentage of DG SANTE recommendations following audits that MS have satisfactorily addressed with corrective action: 60% of recommendations from reporting cycles 2010-2012			70% of all recommendations from these reporting years to be addressed				95 % of all recommendations addressed
	Actual results						
	74 %	79%	79%				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Laboratories	17 04 03	47	18,0
BTSF	17 04 03	175	17,5
national experts FVO	17 04 03	125	0,4
Computerised systems + IT	17 04 03	7	12,5
Communication	17 04 03	10	0,6
Data collection	17 04 03	9	2,8
Studies and evaluations	17 04 03	12	5,7
Total		385	57,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Laboratories and centres	F	45	43	43	45	47	50	50
	P	44	43	43				
BTSEF	F	95	170	170	175	175	180	180
	P	180	170	200				
National experts FVO	F	125	125	125	125	125	125	125
	P	94	132	168				
Computerised systems (EU alert systems, large scale)	F	6	7	7	7	7	7	8
	P	6	7	7				
Communication	F	8	8	8	10	10	10	10
	P	8	8	8				
Data collection and Coordinated control plans	F	4	5	6	7	9	9	9
	P	4	5	6				
Studies and evaluations	F	7	10	10	10	12	12	13
	P	15	15	10				

5. Programme contribution to the Sustainable Development Goals

The food safety policy area is concerned by SDG 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture" and SDG 12 "Ensure sustainable consumption and production patterns". Given the interlinked nature of the SDGs, DG SANTE policies can transversally make their contribution to the overall achievement of the goals.

6. Programme related additional information

Expenditure related outputs not linked to a specific objective

Emergency measures related to animal and plant health			
Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Animal diseases	17 04 04	10 ⁶	30,0
Plant pests	17 04 04	10 ⁷	10,0
Total			40,0

The recent severe outbreaks of Avian influenza in a number of Member States threaten to spread the disease across vast territories and result in serious damages to the farming community and the export capacity of the Union. The implementation of emergency measures started in late 2016 and will continue further in 2017, and even into 2018, in order to prevent uncontrollable spread and substantial damage. As of now, the preliminary figure of expected EU contribution for this last Avian influenza outbreak exceeds 50 million euro, and it continues to go up. This necessitates an increase by at least 20 million EUR of the planned 2018 amount on budget line 17.0404 covering the funding for emergency measures. Certain payments will be done on 2017 budget but given the schedule of controls, considerable burden will be borne by 2018 budget

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

⁶ Data is unpredictable, it depends on the evolution of the epidemiological situation

⁷ Data is unpredictable, it depends on the evolution of the epidemiological situation

HEADING 3: Security and citizenship

Union action in the field of health (Health Programme)

Lead DG: SANTE

I. Programme update

Implementation status (2014-2016)

The Health Programme is implemented through annual work programmes (AWP) focusing on major Commission priorities, such as: (a) jobs, growth and investment (health of population and health care services as a productive factor for growth and jobs), (b) internal market (for pharmaceuticals, medical devices, cross-border health care directive, and Health Technology Assessment), (c) single digital market (including eHealth), (d) justice and fundamental rights (fighting against health inequalities), (e) migration policy, and (f) security (preparedness and management of serious cross border health threats).

AWP 2014, 2015 and 2016 were adopted in May, June and March of the respective years with an amendment for the AWP 2015 to tackle the high influx of refugees in October 2015. The third health programme has been implemented as foreseen in the financial programming. Due to the fact that the new legislation on medical devices will be adopted only in 2017, foreseen expenditure in this area was not executed as originally planned and re-adjustments were made through an amendment of AWP 2015 (notably for responding to the refugees' crisis) and the increased EU co-funding in order to cover the functioning costs of 23 European Reference Networks (the call has met a big success with more participation than expected). The AWP 2015 and 2016 considered in addition to the President Juncker's priorities, the policy priorities specified in the Commissioner's mandate letter. AWP 2015 and AWP 2016 were adopted to make it possible to fund actions that address refugees' health as an immediate response and contribution of DG SANTE to the Commission's action to manage the high influx of refugees into EU Member States.

Taking the recommendations from the ex post evaluation of the 2nd Health Programme into account, an action plan has been detailed and adopted by the DG SANTE management in March 2016. It includes a.o. actions to provide a more interactive database with the actions' results, to prepare a dissemination strategy and request more input from beneficiaries for monitoring purposes. Other actions include the implementation of a communication strategy, more collaboration with other DG's and fine-tuning of several "EU added value" criteria. Lastly, more emphasis should be given to clearly link the actions in the AWP with the policy initiatives. .

The below table informs about the proportion of Joint Actions countries involved in the Health Programme in 2014-2016.

% of joint actions countries involved in	Participating countries
100%	IT
83%	FR, NO, EL, ES, HU, HR
75%	AT, BE, IE, PL, RO, LT
67%	DE, NL, FI, UK, BG
58%	CZ
50%	SE, MT, SI
42%	EE, LV
33%	CY, SK
25%	DK
17%	LU
8%	IS

It is estimated that 65% of the funding for Joint actions is concentrated in 7 countries: DE (13%), FR(12%), IT (11%), UK (9%), ES (7%), NL (7%), AT (7%), and the remaining 35% is spread across 23 other countries.

It is to be noted that as from 2016 onwards Serbia (accessing candidate country) and Moldova (neighbouring country) are also participating in the Health Programme.

Key achievements

The below are examples of actions corresponding to main Commission priorities for (i) innovation and growth, (ii) migrants, (iii) preparedness and risk management, and (iv) relevant information in the framework of the EU semester.

(i) The establishment of 23 European Reference Networks (ERNs) in 2016:

ERNs are virtual networks involving healthcare providers across Europe. They aim to tackle complex or rare medical diseases or conditions that require highly specialised treatment and a concentration of knowledge and resources. To review a patient's

diagnosis and treatment, ERN coordinators will convene a “virtual” advisory board of medical specialists across different disciplines, using a dedicated IT platform and telemedicine tools. This way, it is the medical knowledge and expertise that travel rather than the patients, who have the comfort of staying in their supportive home environments.

ERNs are expected to deliver a number of benefits over the medium and long-term: provide to 27-36 million persons, representing 6-8% of the overall EU population, with greater access to high quality health care and information, accurate diagnosis and appropriate treatment. In this first phase (2016-2018), ERNs include 23 networks and 1000 clinics across the EU, most of them are set up for rare diseases. In the coming years the concept of ERNs could also cover other complex diseases such as more common cancers or specialised paediatric interventions if resources are made available. This will result in better chances for patients to receive an accurate diagnosis and advice on the best treatment for their specific condition.

ERNs are not directly accessible to individual patients. However, with the patients’ consent and in accordance with the rules of their national health system, patient case can be referred to the relevant ERN member in their country by their healthcare provider. By pooling expertise and knowledge, ERNs are able to maximise the speed and scale with which innovations in medical science and health technologies are developed and put into use. Economies of scale can be achieved by connecting existing reference networks found in individual Member States, and greater efficiency and coordination can be achieved by sharing resources and expertise across the EU. Reference networks are also ideal environments for research and innovation (clinical trials, patient registries, training of professionals).

The first ERNs will be up and running in 2017. Further calls for new healthcare providers to join the existing Networks, as well as calls for new ERNs will follow. Over the next five years, as the ERNs reach full capacity, thousands of EU patients suffering from a rare or complex condition can expect to benefit. This investment will need to be sustained over time. For more information please refer to https://ec.europa.eu/health/sites/health/files/ern/docs/2017_brochure_en.pdf

For the above establishment of the 23 European Reference Networks, DG SANTE won the first EU Ombudsman Award for Good Administration. See at: <https://www.ombudsman.europa.eu/en/activities/eventdocument.faces/en/77458/html.bookmark>

(ii) Actions for migrants and refugees:

The refugee crisis in 2015 and 2016 led to unexpected and considerable health issues and needs for refugees as well as challenges faced by the Member States health systems providing services to the population. The Health Programme responded to this crisis, with 11 actions financed for more than €14 million aiming to increase awareness and commitment towards improving maternal health and healthcare for refugees and migrant women, development and implementation of roadmaps and models for improving the healthcare access of vulnerable immigrants and refugees in Europe, delivery of recommendations, technical guidance, and trainings to health professionals and to the law enforcement officers working at local level with migrants/refugees.

Training at EU level is in preparation, including health professionals, law enforcement officers and social workers, and will be delivered during 2017. It includes knowledge, attitudes and awareness on migrants needs. A first piloting will take place in 10 EU countries and a second phase will tackle professionals in the 32 countries of the Health Programme.

More specific trainings took place at local level and for the professionals involved in these projects. For example, 494 health professionals and 443 sessions for migrant groups, in one of the projects, 5 trainings on health mediations, 8 training of the health assessment platform and 12 demonstrations, with 71 health mediators and 2 815 migrants reached with awareness raising messages. Online training course materials were also produced, especially for health managers.

Guides for assessment of health needs of migrants/refugees were produced as well as country profiles and guidelines for the development of action plans. Country missions to Member States were developed.

Health assessments have been performed: In 2015, 4 275 health assessments have been done by the International Office for Migration - to which the Health Programme awarded a direct grant - and 8 938 assessments were done in 2016. Medically cleared migrants departed to 21 EU countries and three EFTA countries. 1 586 personal health records were completed, with 685 persons referred for additional medical diagnostics. In another project, 2 459 urgent individual health assessments were done with newly arrived migrants and 49 707 physical health assessments, 1 775 mental health ones and 4 811 social consultations, 12 mobile teams were deployed in 9 countries. In a third project, 11 057 medical examinations were performed in Italy. Protocols for age assessment into hotspots were developed, as well as a syndromic surveillance system.

(iii) Crisis preparedness and management:

During the Ebola and Zika outbreaks, part of the funds of the programme were used to support interventions to limit the spread of these threats by strengthening Member State preparedness and response in particular through the actions of the Health Security Committee (entry screening, medical evacuations, prevention of transmission in transport and hospital settings). The budget in 2014-2016 for strengthening EU response to health threats amounted to 11 million EUR. The Health Programme is also playing a crucial role in addressing Antimicrobial Resistance (AMR), by defining common approaches to fight AMR and to control healthcare-associated infections in line with ongoing EU and international policies.

(iv) State of Health in the EU and Country Profiles:

The programme supports work on health information (12.8 million spent in 2014-2016) for the collection and analysis of indicators in cooperation with the Organisation for Economic Cooperation and Development (OECD) and the World Health Organisation (WHO) Observatory as well as ESTAT, resulting in reports such as the Health at a Glance, Europe 2016, and country-specific profiles that better inform political discussions at the European Semester for Country-specific recommendations conducive to fiscal sustainability.

Legislative and fixed costs:

The programme also provides the resources for implementing the EU's political commitments and legal obligations in health (e.g. implementation of the tobacco or health threats legislation, the EU regulatory framework for medicinal products and medical devices, for substance of human origin, and cross border health care). It also supports Member States' implementation of this legislation through the development of common tools, such as networks, IT platforms, guidance and sharing of best practices. The development and maintenance of these tools is essential in order to ensure the smooth operation of the Internal Market in these sectors. It is estimated that in the years 2014-2016, 30% of the overall annual budget of the Programme was dedicated to standard obligations.

Evaluations/studies conducted

The results of the ex-post evaluation of the 2nd Health Programme 2008-2013 have been communicated to the European Parliament and to the Council on 10 May 2016. See at http://ec.europa.eu/health/programme/policy/2008-2013/evaluation_en

The mid-term evaluation of the 3rd Health Programme is on-going and will present its results by 30 June 2017.

An external evaluation of the EC Action Plan (2011-2015) on Antimicrobial Resistance was conducted and delivered its results in 2016. See at <http://www.rand.org/randeurope/research/projects/eu-action-plan-against-amr.html>

The findings and recommendations are summarised in SWD(2016) 347 final of 24 October 2016 http://ec.europa.eu/dgs/health_food-safety/amr/docs/amr_evaluation_2011-16_evaluation-action-plan.pdf

Forthcoming implementation (2017/2018)

The implementation is guided by a multi-annual planning, which has been updated in 2016 and is being validated in order to ensure a significant contribution of all actions co-funded under the Health Programme to at least one of the 10 priorities of the European Commission, in particular in contributing to creating jobs, growth and investment, to a deeper and fairer internal market and the priority on migration. The future implementation will also take into account the recommendations stemming from the ex-post evaluation of the 2nd Health Programme 2008-2013 such as involving all Member States in the implementation, a more pro-active dissemination of the results and a cross-Commission collaboration, as well as the results of the mid-term evaluation of the 3rd Health programme.

Following the recommendations made by the ex-post evaluation of the 2nd Health Programme, a new dissemination strategy was developed targeting a more focused approach. It will continue throughout the forthcoming implementation period to support the dissemination of Health programme results, using platforms of national, EU-wide, or international events. In terms of monitoring of the Programme, a structured questionnaire was recently introduced within the IT project management system (COMPASS/SyGMA) targeting the Health Programme indicators. However, only a very limited number of actions have provided replies so far as most contracts were signed only in 2015. Nevertheless, once the reporting "pipeline" will be fully activated, it will be possible to contribute to the programme monitoring scheme.

The AWP 2017 has been adopted on 26 January 2017. It includes mainly actions co-financed with Member States authorities on:

(a) health Inequalities, (b) Innovative Partnership on Action against Cancer, (c) vaccination, (d) preparedness and action at points of entry (air, maritime and ground crossing), (e) actions supporting the eHealth Network, and (f) on Health Information towards a sustainable EU health information system that supports country knowledge, health research and policy-making.

From 2017 onwards, a new simplified nomination process for the competent authorities of Member States wishing to participate in Joint Actions will be used. The objective is to limit to one by Member State the number of signatory parties and to allow large participation of affiliated entities subordinated to the competent authority. In addition to the flexibility gains and the reduction of administrative burden, this should lead to a better use of resources, political endorsement of actions and effective up-take of the results. The competent authorities of the Member States being at the centre of these actions can achieve a better and quicker transfer of knowledge and information sharing necessary to the development of policies at national level.

A call for a Framework Partnership Agreement with Non-Governmental Bodies will be launched in 2017 and will define the organisations that are active in particular, but not limited to, the following priority areas: prevention and health determinants; chronic diseases; cancer; dementia; rare diseases; HIV/AIDS, Tuberculosis, Hepatitis; access to healthcare; substances of human origin. Then these organisations/networks would be able to apply and receive operating grants at annual base for the years 2018-2021.

It is expected that these non-governmental bodies will assist the Commission with the information and advice necessary for the development of health policies and the implementation of the Health Programme objectives and priorities. It is also expected that

non-governmental bodies will work on increased health literacy and promotion of healthy life styles, the organisation of science policy conferences and contribute to the optimisation of healthcare activities and practices by providing feedback from and facilitating communication with patients thus empowering them. The Commission also encourages these non-governmental bodies to work together with the European Solidarity Corps, where appropriate.

International cooperation will be continued on the basis of Direct grants to support the International Office for Migration for the Implementation of the Personal health Record as a tool for integration of refugees in EU health systems, but also with WHO and OECD on the State of Health in the EU, to develop patient-reported measures, to strengthen cooperation for addressing the challenges of access to medicines, as well as to work on trends and policies affecting the international migration of doctors and nurses.

Finally, a three years direct grant to Council of Europe — European Directorate for the Quality of Medicines and Healthcare (EDQM) will be provided for the European Pharmacopoeia while cooperation with World Health Organisation will be supported for the implementation of national action plans on Antimicrobial Resistance (AMR)

A number of service contracts will be concluded, most of them on the basis of existing framework contracts, for studies related to the support of the EU health legislation as well as for communication and information technologies, while a framework contract will be launched to cover needs regarding the EU dimension of alcohol related harm.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014 on the establishment of a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC	2014 - 2020	449,4

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	1,5	1,5	1,5	1,5	1,5	1,5	1,5	10,5
Operational appropriations	52,9	54,0	56,5	58,8	60,5	62,6	64,0	409,2
Executive Agency	4,2	4,2	4,2	4,2	4,4	4,2	4,2	29,7
Total	58,6	59,8	62,2	64,5	66,4	68,3	69,7	449,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	64,051	99,99 %	45,766	97,09 %	64,558	71,01 %	52,967	16,36 %
Authorised appropriation excluding external earmarked revenue	62,220	100,00 %	44,056	96,22 %	64,529	70,88 %	52,823	15,51 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

As stated in Article 168 of the Treaty on the Functioning of the European Union, EU action must complement national policies and encourage cooperation between Member States. The programme should contribute only where Member States cannot act individually or where coordination is the best way to move forward.

The programme puts forward actions in areas where there is evidence of EU added-value on the basis of the following criteria: fostering best practice exchange between Member States; supporting networks for knowledge sharing or mutual learning; addressing cross-border threats to reduce risks and mitigate their consequences; addressing certain issues relating to the internal market where the EU has substantial legitimacy to ensure high-quality solutions across Member States; unlocking the potential of innovation in health; actions that could lead to a system for benchmarking; improving economies of scale by avoiding waste due to duplication and optimising the use of financial resources.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	36,4	29,7
Inclusive Growth (employment and skills, fighting poverty)	15,8	27,0
Total	52,2	56,7

88% of the planned actions are contributing either to smart or to inclusive growth

Gender mainstreaming

DG SANTE has developed a questionnaire for all beneficiaries to be completed at the time of the interim and final report, operating grant recipients will only provide a final report and complete the questionnaire then. One question targets gender mainstreaming and how it was performed in the actions. DG SANTE can already report on the first data from the beneficiaries/reports for the operating grants (budget of €4.6 million), whereas information from project grants and Joint Actions will only be available later.

As regards the operating grants, the first replies from recipients indicate that on average an amount of about 2% of their budget, i.e. EUR 86 000, is spent to finance activities targeting the gender issue related to health

4. Performance information

General objectives

General Objective 1: to complement, support and add value to the policies of the Member States to improve the health of Union citizens and reduce health inequalities by promoting health, encouraging innovation in health, increasing the sustainability of health systems and protecting Union citizens from serious cross- border health threats

Indicator 1: Number of Healthy Life Years at birth

Baseline 2010 (data 2012)	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Men: 61,9 (61,5) Women: 62,7 (62,1)							Increase by 2 years
	Actual results						
Source: Eurostat	Men: 61,4 Women: 61,8						

Specific objectives

Specific Objective 1: identify, disseminate and promote the uptake of evidence-based and good practices for cost-effective health promotion and disease prevention measures by addressing in particular the key lifestyle related risk factors with a focus on the Union added value

Indicator 1: number of Member States involved in health promotion and disease prevention, using evidence-based and good practices through measures and actions taken at the appropriate level in Member States

Note: the above indicator is taken directly from the 3rd Health Programme Regulation. The 2 indicators below are an operationalization.

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
MS having a national initiative on reduction of saturated fat: 12.	16 MS	18 MS	20 MS	22 MS	24 MS	25 MS	28 MS
MS in which the European accreditation scheme for breast cancer services is implemented – establishment of the scheme: 0	Actual results						
	21 MS 0 (cancer)	21 MS (fat) 0 (cancer)	21 (fat) 0 (cancer)				

Note: the guidelines on breast cancer services are under development until 2017.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
number of actions granted that plan to deliver validated best practices for cost effective prevention measures	17 03 01	11	15,8
number of grants and contracts provided contributing to promoting health and fostering supportive environments	17 03 01	19	6,6
Total		30	22,4

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
number of actions granted that plan to deliver validated best practices for cost effective prevention measures	F	4	5	3	12	11	5	5
	P	4	5	9				
number of grants and contracts provided contributing to promoting health and fostering supportive environments	F	35	25	14	19	30	20	22
	P	35	23	20				

Justification of changes to the financial programming and/or to the performance information

The intention for years after 2018 is to have a limited number of grants, e.g. Joint Action for implementation of best practices on chronic diseases in large scale by Member States needing a bigger budget.

Specific Objective 2: identify and develop coherent approaches and promote their implementation for better preparedness and coordination in health emergencies

Indicator 1: number of Member States integrating coherent approaches in the design of their preparedness plans

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 MS	0 MS	4 MS	18 MS	20 MS	22 MS	24 MS	28 MS
	Actual results						
	0	16 MS	16 MS				

Actual results on the indicators are expected to be available after the next reporting exercise by Member States on preparedness and response planning under Article 4 of Decision 1082/2013/EU (to be completed by November 2017). In the meanwhile, we reiterate the same number of MS as the minimum indication.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
number of grants and contracts provided to protect citizens from serious cross-border health treats	17 03 01	5	9,6
Total		5	9,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
number of grants and contracts provided to protect citizens from serious cross-border health treats	F	4	7	4	6	5	5	5
	P	4	7	5				

Justification of changes to the financial programming and/or to the performance information

As from the AWP 2017, adopted on 26 Jan 2017.

Specific Objective 3: identify and develop tools and mechanisms at Union level to address shortages of resources, both human and financial, and to facilitate the voluntary uptake of innovations in public health intervention and prevention strategies

Indicator 1: advice produced and the number of Member States using the tools and mechanisms identified in order to contribute to effective results in their health systems

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Advice produced, in particular the number of Health Technology Assessments produced per year: 2	11	6 5 MS	12* 9 MS	18* 12 MS	22* 17 MS	29* 22 MS	50 annually 28 MS
Number of Member States using the tools and mechanisms identified in order to contribute to effective results in their health systems: patient summaries data/ ePrescription in line with the EU guidelines.	Actual results						
	6 HTA 0 MS	9 HTA 4 MS	0 HTA 0 MS				

* Still under discussion between the Member States and the Commission

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
number of grants and contracts to address shortages of resources, both human and financial, and to facilitate the voluntary uptake of innovations in public health intervention and prevention strategies	17 03 01	7	10,8
Others of horizontal nature	17 03 01	12	4,7
Total		19	15,5

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
number of grants and contracts provided concerning obj. 3	F	19	16	11	26	19	40	50
	P	19	11	13	Calls are on going			

Specific Objective 4: increase access to medical expertise and information for specific conditions beyond national borders, facilitate the application of the results of research and develop tools for the improvement of healthcare quality and patient safety

Indicator 1: number of European reference networks established in accordance with Directive 2011/24/EU

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0	0	10	24	24	33	33
	Actual results						
	0	0	24				

Networks can only be formally established as provided in Commission Implementing Decision 2014/287/EU setting out criteria for establishing and evaluating European Reference Networks and their Members. The implementing decision was adopted later than forecasted in 2013 (when the goals were defined in the Health programme) and therefore the milestones and goals should be adapted to reality. The establishment of ERNs is a complex procedure which involves several steps and tools. The first call for ERN has been launched in the second half of 2016. The result is 24 ERNs established, of which 23 are supported by the Health Programme. A second call for additional interest is foreseen in 2019 and following to this, the number of ERNs is expected to increase to 33.

Indicator 2: number of healthcare providers and centres of expertise joining European reference networks

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0	0	120	936	1136	1342	1450
	Actual results						
	0	0	936				

A yearly call for membership to join the approved Networks will be launched from 2017 on. That will imply a yearly increase in the number of health care providers and centres of expertise joining European Reference networks.

Indicator 3: number of Member States using the tools developed

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0	0	0	18	20	24	28
	Actual results						
	0	0	0				

Tools will be only developed once the networks are in place i.e. from 2017 onwards.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
number of functioning European Reference Networks	17 03 01	24	4,6
number of grants and contracts to facilitate access to better and safer healthcare for Union citizens	17 03 01	6	8,4
Total		30	13,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
number of functioning European Reference Networks	F	0	0	15	15	24	33	33
	P	0	0	0	24			
number of grants and contracts to facilitate access to better and safer healthcare for Union citizens	F	9	10	22	30	30	40	40
	P	9	10	32				

Justification of changes to the financial programming and/or to the performance information

The unexpected success of ERNs in 2016 results in the revision output indicators concerning the number of functioning ERNs and the corresponding number of Grants and Contracts under Objective 4.

5. Programme contribution to the Sustainable Development Goals

SDG 3: Ensure healthy lives and promote well-being for all at all ages.

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 3: Security and citizenship

Consumer Programme

Lead DG: JUST

I. Programme update

Implementation status (2014-2016)

The implementation of the Consumer Programme 2014 – 2020 is well on track to meet its multiannual objectives. Most of the related performance indicators expected for 2014, 2015 and 2016 have been achieved (See point 4, Performance information below).

The 2014 and 2015 annual work programmes, with a budget of respectively EUR 21.9 Million and EUR 22,5 Million, were executed according to the planning, with a final rate of implementation of respectively 98,3% and 99%. By the end of 2016, 51% of the operational budget of EUR 23.7 Million allocated for the implementation of the 2016 annual work programme had been consumed and translated into legal commitments, with global commitments for the remaining already-defined actions to be concluded in the first semester of 2017.

The implementation of the 2017 work programme is on-going. Compared with its predecessor, the 2014-2020 programme brought important improvements, in particular the simplification of grants for the European Consumer Centres (based on multiannual strategic partnerships), and of the system for exchange of enforcement officials (indemnities instead of grants).

Key achievements

The Programme supports the enforcement of consumer legislation, in particular through actions aiming at strengthening the knowledge base and review process of the Consumer Protection Cooperation Regulation (the CPC Regulation¹), as well as through joint actions aiming at enhancing administrative cooperation for the application and enforcement of product safety legislation (General Product Safety Directive – GPSD) across the internal market. In 2016, the Commission proposed a revision of the CPC Regulation² to bring enforcement of European consumer laws and protection of European consumers up to speed with the online world. Consumer authorities will have new powers to act faster against bad online practices containing scams. In particular, new procedures triggered at the Union level by the Commission will permit closer coordination of enforcement actions when harmful practices concern a large majority of European consumers.

Further, Interactive knowledge-exchange platforms were set-up for national CPC and product safety authorities to foster rapid exchange of information, support collective working on joint enforcement actions and disseminate training and best-practice materials. There has been a sustained number of exchanges of product safety enforcement officials (19 in 2014, 31 in 2015 and 20 in 2016) and for CPC officials it has increased from 40 in 2014 to 55 in 2015 and to 72 in 2016 thanks to the simplification of the management system.

The cooperation between CPC authorities was reinforced through Sweep 2015 on Consumer Rights Directive (CRD), since the EU Member States' authorities checked in total 743 websites and it was the largest sweep conducted so far. After the entry into force of the CRD in June 2014 it was timely to verify compliance with the directive and to take corrective actions where needed. Among the swept websites, there was a full spectrum of traders ranging from smaller players to big e-commerce platforms. 697 of the swept websites still existed in the enforcement phase. Eventually irregularities were confirmed in 436 cases (63%). In October 2016, 353 out of 436 websites were corrected, while national administrative or legal proceedings continue for the 83 websites which are still not compliant.

The financial support to bodies constituting the European Consumer Centres Network (ECC-Net) accounts for about one third of the annual operational budget (around EUR 6 million EUR). The ECC-Net helps consumers with cross-border purchases, explaining their rights when shopping internationally and helping them seek redress with a trader in another EU country (or Iceland or Norway) if something goes wrong. ECC-Net developed a "Travel App" in 2014 to help consumers exercise their rights while on holiday abroad.

The EU-wide Online Dispute Resolution platform (ODR platform, <http://ec.europa.eu/odr>) is another example of a tool that could not have been developed at national level. The platform became operational in February 2016. It enables consumers and traders to settle their online disputes about domestic and cross-border online purchases without going to court. The platform is designed to boost people's trust in online shopping, thus contributing to the EU's Digital Single Market Strategy. 258 Alternative Dispute Resolution (ADR) entities from 24 Member States and 27 ODR contact points were available on the ODR platform in January 2017. To date over 22 000 complaints have been submitted to the ODR platform since its opening to the public.

¹ http://ec.europa.eu/consumers/enforcement/cross-border_enforcement_cooperation/index_en.htm

² Proposal for a Regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws, 25.5.2016, COM(2016) 283 final, 2016/0148 (COD)

The Commission ran two awareness-raising campaigns on the ODR platform, one mid-2016 and one end of 2016. The results achieved during these campaigns exceed by far the expected results: 1.5 million people visited the ODR platform since 15 February 2016 and spent on average more than one minute on it.

The Rapid Alert System for dangerous non-food products has continued to facilitate the exchange of information between Member States and the Commission on measures taken against dangerous products. Cooperation between national authorities further increased in 2016 as the feedback ratio of reports of other authorities to notifications indicating "serious risk" has significantly increased in time (from 0,90 in 2013 to 1,28 in 2014, 1,56 in 2015 and 1,80 in 2016). Since 2004, there have been over 20 000 alerts concerning dangerous products in the EU. Similar as in 2015, a quarter of the alerts in 2016 concerned the safety of toys.

The initial 2020 target for the implementation of the 2010 Commission Recommendation on harmonising the registration of consumer complaints – in terms of the number of complaints handling bodies/countries submitting harmonised complaints data – was achieved early, in 2015, and the targets were revised upwards. In 2016, the number of participating countries continued to grow. By end 2016, 77 consumer organisations from 23 EU Member States and 1 EEA country (Norway) sent harmonised complaints data to the Commission; around half of these organisations have been providing data on regular basis. Large volumes of data are provided by key complaints players representing some of the large EU economies. The number of records in the harmonised database by December 2016 was over 4.6 million, on a steady upward path. In parallel, the Commission has developed a project to ensure that cross-border complaints gathered by European Consumer Centres in all Member States and EEA countries also flow into the database. This brings the overall total to 107 organisations from all Member States and EEA countries providing harmonised complaints data.

Initiatives such as the 2014-2015 EU Consumer Awareness Campaigns have contributed to improving the awareness of consumers and retailers of their rights and obligations. The Commission also ran an awareness-raising campaign on consumer rights in Croatia, following the local training courses of the capacity building programme "Consumer Champion", in close collaboration with national stakeholders.

Some key facts and figures 'Summary of the Consumer Champion Results' until the end of 2016:

- site visitors – 26 620 since its launch in December 2014
- active registered users – 1 046
- highest number of registered users in countries where local courses are organised (89 from Bulgaria and Lithuania) – training courses bring traffic to the platform.
- 443 online course applications
- consumer law online course – 223 applications.

Some key facts and figures 'Summary of the Consumer Classroom Results' until the end of 2016:

- 23 EU language versions, plus Norwegian
- unique users – 995 580
- registered users (teachers, experts, basic users) – 31 423 including over 18 652 teachers
- school subjects covered – 24 (e.g. literature, maths, home economics, sciences and languages)
- 12 consumer education subjects
- 1 005 ready-to-use teaching resources collected from across the EU and evaluated by our network of national focal points;
- Teaching resources – 1 474
- 1 126 partnerships built across Europe with consumer organisations, school associations and other interested NGOs

Evaluations/Studies conducted

The evaluation of the operating grant to the EU-level organisation BEUC ("Bureau Européen des Unions de Consommateurs") concluded that co-financing this organisation ensured value for money for the promotion, defence and representation of European consumers' interests at EU level and that this organisation made a significant contribution to EU policy making.

The evaluation found that BEUC played an important role in coordinating and ensuring coherent consumer organisation input at EU level and in promoting dialogue between the different stakeholders. Without EU funding, BEUC's effectiveness – the scale and quality of its outputs and impact - would have been less significant. Over the years, BEUC has developed recognised expertise and it was considered to intervene at the right moment to influence the legislative debate. It undertook various activities (e.g. position papers, submissions to hearings, participation in various working groups etc.), most of which considered by relevant external stakeholders (members of the European Parliament, staff members of Permanent Representations to the EU, detached national experts and staff of Council's secretariat, business representatives) to be of very high quality.

The evidence collected through consumer studies informed in 2016 important policies of the Commission, especially those linked to the Digital Single Market. The underlying evidence for the Commission's proposal on geo-blocking (May 2016) was provided by a large-scale mystery shopping study covering over 10,000 e-commerce websites. Other consumer studies also had significant policy follow-up: the studies on consumer vulnerability and on online marketing to children had their findings reflected in the revised Guidance on the application of the Unfair Commercial Practices Directive (adopted in May) and are informing the ongoing REFIT of the consumer and marketing law; the latter study also enabled a ban on product placement in programmes with a significant children audience in the proposed revision of the Audio-visual media services Directive; the behavioural study on

consumer attitudes to online Terms and Conditions feeds into the REFIT, with its findings discussed in the stakeholder consultative group in view of possible follow-up (either through legislation or voluntary initiatives).

The 2016 Consumer Markets Scoreboard, based on a thoroughly revised and improved methodology, was launched at a press conference by Commissioner Jourova in early September and its findings are reflected in the EU Semester and relevant policies of the Commission.

A legal study was conducted on the enforcement authorities' powers in the application of Regulation 2006/2004/EC on Consumer Protection Cooperation. It covers the remaining EU countries (Austria, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Slovenia, Sweden) that were not within the scope of a previous study with the same subject. Hence, it completes the image of how the CPC Regulation is applied in practice across the EU.

Forthcoming implementation (2017/2018)

The projects financed from the 2017 and 2018 budget are from the type of actions included in Annex 1 of the Consumer Programme 2014-2020. Their results are expected to contribute to the achievement of the specific objectives set out by DG Justice and consumers under the priorities "A connected Digital Single Market" and "A deeper and fairer Internal Market with a strengthened Industrial Base".

Measures to help enforce consumer legislation and consumer rights and measures to enforce product safety will remain the priority, accounting for around 75 % of the operational budget. The enforcement of consumer rights will be further strengthened through the support of common activities of the Consumer Protection Cooperation (CPC) network. Activities aiming at building the capacity of national enforcement authorities to conduct online investigations will also take place, in particular through e-learning modules, online tutorials and coaching, information material and targeted workshops (e-enforcement academy project). The European Consumer Centres will continue to be funded as a very important network for assisting consumers on the ground with their cross-border purchases and for informing them of their EU consumer rights. Actions aiming at improving the enforcement of legislation in the field of financial services are also envisaged.

The cooperation mechanisms provided by the existing Consumer Protection Cooperation (CPC) Regulation and by the revised CPC Regulation, once the Commission's proposal is adopted by the European Parliament and Council, will be used to boost coordinated measures by the Commission and national enforcement authorities in the CPC network. Coordinated actions by the enforcement authorities will improve compliance with the EU consumer law in online markets, will ensure higher legal certainty in retail markets and will increase consumer and business trust. The new ongoing common action will ensure a more protected environment for consumers who use social media (with effective measures against rogue traders and with terms and conditions which are clear and compliant to EU consumer law), while other actions (such as on subscription traps) will aim at eradicating specific illegal practices.

More equal enforcement of consumer legislation across the EU will boost confidence in cross border trade both for consumers and traders and will permit a level playing field for businesses operating across borders. In particular the new cooperation procedures, as foreseen in the Commission's proposal to revise the CPC Regulation, will pool national authorities' resources and put in place a stronger coordination mechanism at EU-level to tackle widespread bad practices which harm a majority of EU consumers. The modernised enforcement cooperation procedures, new powers of national authorities and the revamped alert system to address bad practices on digital markets will ensure that enforcement actions move quicker and that a consistent approach is taken across Europe.

In the meantime the Commission will continue using the existing CPC Regulation to develop coordinated enforcement actions with the Member States so as to address illegal market behaviour infringing consumer legislation.

One example is the CPC coordinated enforcement actions against five major car rental companies in the EU in which ECCs contributed by providing concrete examples of consumer complaints in this specific sector. With the facilitation of the Commission, CPC authorities, under the leadership of the UK, obtained that these companies will improve their practices and contract terms in order to comply with EU legislation. This phase of this action was concluded on 19 January 2017³. The Commission has launched a study that will be concluded in Spring 2017 in order to monitor the changes made by the five companies and to check the practices of other players and intermediaries. The ECCs will also follow closely the number of complaints they receive about car rentals and the issues reported.

The Sweep 2016, following the Key Principles for Comparison Tools concluded by the multi-stakeholder group in 2016 and the UCPD Guidance, will focus on comparison tools in the travel sector. Therefore, it will verify the compliance of comparison tools operators with the existing legal framework and to take corrective actions where needed, while it will also provide a follow-up to the Sweep 2013 on travel services which is closely related. The results of the Sweep 2016 will be published in 2017.

The consumer redress will have continued support through the allocation of resources for the operation of the Online Dispute Resolution platform (ODR platform) to help consumers and traders resolve their contractual disputes about online purchases of goods and services out-of-court at a low cost in a quick and simple way.

³ http://europa.eu/rapid/press-release_IP-17-86_en.htm

A high level of consumer product safety is a pillar of the Single Market for goods and will continue to be supported through actions intended to step up enforcement by Member States, with an emphasis on market surveillance concerning products sold on-line, through joint market surveillance activities and exchanges of enforcement officials aimed at capacity building and best practice sharing. The proper functioning of the Rapid Alert System for dangerous non-food products will also receive continued support and activities will be focussing on further boosting its use, efficiency and impact.

The financial support to EU-level consumer organisations will continue to be instrumental to ensure a strong enough consumer voice at EU level.

Capacity-building activities for national consumer organisations are foreseen to continue in 2017 and 2018 as a way to support the national consumer movement often lacking capacity to adequately defend consumer interests. The training courses will be extended in more Member States, notably from central, eastern and south-eastern Europe.

The approach to consumer education through the Consumer Classroom interactive community on-line platform launched in 2013 has proven to be well received and it is necessary to continue to build on these achievements during 2017 and 2018.

Targeted awareness raising actions on different consumer rights, including package travel, energy and follow-up to the 2016 awareness-raising activities on Online Dispute Resolution, are needed to increase a consumer knowledge and confidence.

Actions will continue to be financed to acquire robust and timely consumer evidence to inform key Commission policies, in particular in relation to the Digital Single Market and Better Regulation and also to the EU Semester. Data from the Consumer Scoreboards and relevant studies will inform the Annual Growth Survey and Country Reports under the European Semester, in areas such as e-commerce, telecoms, energy, financial services.

An important initiative is to achieve and enable better deals for energy consumers, as announced in the Communication ‘Delivering a New Deal for Energy Consumers’ based on the findings of the electricity market study and of the study on consumer vulnerabilities. The findings of two on-going studies on energy ‘prosumers’ and on billing and offers will provide further evidence for the negotiations of the proposed legislative framework in the ‘Clean Energy for All’ package aiming at empowering energy consumers and increasing competition through improved and comparable information on billing and offers, and improved comparison and switching tools, enabling them to select the most suitable supplier and tariff.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a multiannual consumer programme for the years 2014-20 and repealing Decision No 1926/2006/EC	2014 - 2020	188,8

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	1,1	1,1	1,1	1,1	1,0	1,1	1,1	7,6
Operational appropriations	21,3	21,9	23,1	24,1	25,2	26,8	27,5	169,8
Executive Agency	1,7	1,7	1,7	1,7	1,7	1,4	1,5	11,4
Total	24,1	24,7	25,9	26,9	28,0	29,3	30,1	188,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	26,613	99,38 %	24,003	94,37 %	26,937	50,03 %	20,876	16,51 %
Authorised appropriation excluding external earmarked revenue	25,906	99,36 %	23,476	93,87 %	26,937	50,14 %	20,876	15,08 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The main actions implemented through the Consumer Programme are aimed to supporting the objectives of the Consumer protection where they cannot be sufficiently achieved by the Member States, in particular due to the cross-border nature of the issues involved.

Ensuring that products circulating on the internal market, including online, are safe for consumers is a basic objective and for EU consumer policy and contributes to the Juncker Commission's priority for a Deeper and Fairer Internal Market with a Strengthened Industrial Base. This objective is supported by EU legislation with general requirements for safe products and for market surveillance by the Member States. Consumers need to be confident that unsafe products have no place on the EU market and that the relevant rules are effectively and efficiently enforced, both domestically and cross-border. This is why EU supports a coordinated and coherent approach to the enforcement of safety and market surveillance rules across the EU.

Developing modern evidence on how markets work for consumers and businesses – notably through the Consumer Markets and Consumer Conditions Scoreboards – helps Member States to identify areas where the EU is not delivering fully for the internal market, and contributes to better policy making. Collecting such evidence at EU level ensures methodological consistency and comparability across time and countries, allowing Member States to benchmark the consumer outcomes of their policies.

Enhancing knowledge also entails making sure that consumers are informed of their rights, supporting consumer education, and building the capacity of consumer organisations, especially in Member States with weaker consumer cultures. Both the capacity building and the consumer education actions target EU-wide audiences (consumer organisations in all MS and teachers all over Europe) with a view of sharing best EU wide practice. Notably the local courses organised in Member States and given in the national language have proved an important asset as they are designed in a tailor-made manner to take specific needs and expectations for each country into account while using best practices and teachers from national consumer organisations in countries with longer experience in the various consumer issues.

Consumers need to be confident that their rights are effectively and efficiently enforced both domestically and cross-border. Across the EU, enforcement efforts seek to ensure that citizens feel adequately protected from unsafe products, sold in brick and mortar shops as well as online, and unfair commercial practices, and that businesses and industry can operate in open and fair markets. EU consumer policy also aims to boost consumers and traders trust by giving them access to more efficient and cost-effective means of out of court redress, notably through alternative dispute resolution (ADR) and online dispute resolution (ODR) mechanisms. Through the establishment of an Online Dispute Resolution (ODR) platform allowing EU consumers and traders to solve online, through an out-of-court procedure, contractual disputes about online purchases.

The role of the European Consumer Centres (ECCs) is also relevant in this respect just as well as improving the governance and performance of the SM and ensuring that consumers get the redress they deserve when purchasing cross border online or while travelling. ECCs perform a service of informing the citizens and this is an important component of the Consumer Programme, but they also serve resolve cross-border trade issues. ECCs bring experience and they have an important role to play to promote the use of the Alternative Dispute Resolution and also in most cases are the Online Dispute Resolution (ODR) contact points.

Stepping up enforcement of the EU consumer acquis through the revision of the Consumer Protection Cooperation (CPC) Regulation is one of the objectives of the Digital Single Market strategy. The CPC network has an important role in this respect as it allows Member State authorities to cooperate and tackle infringements with a cross-border dimension. For widespread infringements such as concerning internet platforms or big market players, it is more efficient and effective to pool resources and coordinate enforcement action at EU level and the proposal to revise the CPC Regulation provides for new EU-level coordination procedures to address such infringements in a consistent and agile manner. The Consumer Programme supports these coordinated actions as well as the pre-requisite building of capacity and joint expertise in investigation and enforcement, for instance to raise digital investigations knowledge and standards in Member State authorities to ensure an equal level of enforcement through the Single Market.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	3,3	10,0
Sustainable Growth (competitiveness, climate, energy and mobility)	3,6	2,5
Total	6,9	12,5

Smart growth: the amount comes from outputs on: “coordination and monitoring of ADR and implementation of ODR; “evidence base” (for consumer market studies and behavioural studies, mostly linked to digital society in the DSM context); “market surveillance and enforcement actions”; “CPC coordination of enforcement actions”; “support to the European Consumer Centres”.

Sustainable growth: the amount comes from outputs on “market surveillance and enforcement actions” and “evidence base” (for the market monitoring survey that feed into the Consumer Market Scoreboard).

Gender mainstreaming

All the consumer evidence collected through surveys, market studies and behavioural studies is gender disaggregated and analysed for any significant gender-based differences on a regular basis. However we cannot estimate a specific budget allocated to gender mainstreaming.

4. Performance information

General objectives

General Objective 1: to ensure a high level of consumer protection, to empower consumers and to place the consumer at the heart of the internal market, within the framework of an overall strategy for smart, sustainable and inclusive growth

Indicator 1: Consumer conditions index

Baseline 2014 ⁴	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Knowledge and Trust:55,06 (out of 100) Compliance and Enforcement:71,91 (out of 100) Complaints and Dispute Resolution:58,97 (out of 100)			56 73 60		58 74 61		60 75 63
	Actual results						
	55,06 (out of 100)		59,30				
	71,91 (out of 100)		74,99				
	58,97 (out of 100)		60,34				

Result indicator: “pillars” of the consumer conditions index (data available every two years)⁵

Source of data: Consumer and retailer surveys for the Consumer Conditions Scoreboard (biennial frequency)⁶

Specific objectives

Specific Objective 1: Safety: to consolidate and enhance product safety through effective market surveillance throughout the Union

Indicator 1: % of RAPEX (rapid alert system for dangerous consumers products) notifications entailing at least one reaction (by other Member States)

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
43 % (843 notifications) Source: RAPEX				45 %			Increase of 10 % (to 47,5 %), compared to the 2010 value
	Actual results						
	42 %	40 %	46 %				

Indicator 2: Ratio number of reactions / number of notifications (serious risks)

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1,07 ⁷ Source: RAPEX				Increase to 1,15			Increase of 15 %, compared to 2010 (to 1,23)
	Actual results						
	1,28	1,56	1,80				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
scientific advice	33 04 01	1	0,4
market surveillance and enforcement actions	33 04 01	6	3,8
cosmetics portal and database	33 04 01	2	0,4
Total		9	4,6

⁴ The Consumer Condition Index provides an overview of the key indicators describing the consumer environment at national level, as measured through surveys of perceptions, attitudes and experiences of consumers and of retailers.

⁵ This indicator is related to the Specific objective 4.1 “Consolidate and improve the rights of consumers when purchasing in the Single Market”, within the General objective “A Deeper and Fairer Internal Market with a Strengthened Industrial Base” as adopted in the Strategic Plan 2016-2020 of DG Justice and Consumers

⁶ As the methodology for the computation of the indicators related to the CCI and its components has been revised in 2016, the 2014 values for the indicators are not directly computable (data between 2014 and 2016 are not directly comparable). Therefore, the values for 2014 have been back-estimated by applying to the 2016 values the changes in percentage points observed between 2016 and 2014 (computed on indicators based on the same methodology). By doing that, the values for 2014 have been slightly revised with respect to the initial baseline.

⁷ A notification can trigger several reactions from authorities of other Member States.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
scientific advice	F	1	1	1	1	1	1	1
	P	1	1	1				
market surveillance and enforcement actions	F	7	6	6	6	6	6	6
	P	6	6	5				
cosmetics portal and database	F	2	2	2	2	2	2	2
	P	2	2	2				

Justification of changes to the financial programming and/or to the performance information

Both indicators for this specific objective reflect a continued improvement in Member States authorities' follow-up activities to notifications through the Rapid Alert System. This shows that there is room to further advance and to retain the financial programming approach for next year.

In 2016, a programmed study to support the product safety knowledge base was not carried out as a result of changed priorities.

Specific Objective 2: Consumer information and education, and support to consumer organisations: to improve consumers' education, information and awareness of their rights, to develop the evidence base for consumer policy and to provide support to consumer organisations, including taking into account the specific needs of vulnerable consumers

Indicator 1: Number of complaint bodies and number of countries submitting complaints to the European Consumer Complaints Registration system (ECCRS).

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
33 complaint bodies from 7 countries. Source: ECCRS				90 complaint bodies from 22 countries			100 complaint bodies from 25 countries by 2020 ⁸
	Actual results						
	37 complaint bodies from 13 countries	73 complaint bodies from 20 countries	77 complaint bodies from 24 countries				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
evidence base	33 04 01	3	3,5
support to consumer organisations	33 04 01	3	2,5
consumer information	33 04 01	7	1,3
consumer education	33 04 01	2	1,1
Total		15	8,4

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
evidence base	F	3	3	3	3	3	3	3
	P	3	3	3				
support to consumer organisations	F	3	3	3	3	3	3	3
	P	3	3	3				
consumer information	F	7	7	7	7	7	7	7
	P	7	7	5				
consumer education	F	2	2	2	2	2	2	2
	P	2	2	2				

Specific Objective 3: Rights and redress: to develop and reinforce consumer rights in particular through smart regulatory action and improving access to simple, efficient, expedient and low-cost redress including alternative dispute resolution

Indicator 1: % of those cases dealt with by European Consumer Centres (ECCs) and not resolved directly with traders which were subsequently referred to Alternative Dispute Resolution (ADR).

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
9 % Source: Annual ECC report				40 %			75 %
	Actual results						
	16,2 %	10,2 %	10,3 %				

⁸ The 2020 target was already reached in 2015. We revise the 2020 target and milestones to make them more ambitious.

Indicator 2: Number of cases dealt with by a Union-wide online dispute resolution system							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
17 500 complaints received by ECCs related to e-commerce transactions Source: ODR platform ⁹				50 000			100 000
	Actual results						
	25 384	¹⁰	20 000				

Indicator 3: % of consumers who took action in response to a problem encountered in the past 12 months.							
Baseline 2012 ¹¹	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
83 % Source: Consumer Conditions Scoreboard			80 %		85 %		90 %
	Actual results						
	75%		69 %				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
preparation of legislation	33 04 01	5	2,0
coordination and monitoring of ADR and operation of the ODR platform	33 04 01	2	2,0
Total		7	4,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
preparation of legislation	F	5	5	5	5	5	5	5
	P	5	4	3				
coordination and monitoring of ADR and operation of the ODR platform	F	2	2	2	2	2	2	2
	P	1	2	2				

Justification of changes to the financial programming and/or to the performance information

Two outputs foreseen for 2016 have not been produced: the study on the application of the Directive on Distance Marketing of Financial Services given the delay in the adoption of the Action Plan on retail financial services; the mid-term evaluation of the Consumer Programme 2014-2020 has been postponed to 2017.

Specific Objective 4: Enforcement: to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice

Indicator 1: Level of information flow and cooperation within the Consumer Protection Cooperation (CPC) Network							
Baseline (2007-2010)*	Milestones foreseen						Target 2020
	2014	2015**	2016	2017	2018	2019	
number of requests to exchange information between CPC authorities = 129				Increase to 156 Increase to 172 Increase to 76			Increase of 30 % (to 167) Increase of 30 % (to 185) Increase of 30 % (to 82)
number of requests for enforcement measures between CPC authorities = 142	Actual results						
number of alerts within the CPC network = 63	132 130 35	122 138 45	68 194 57				

* Current situation: annualised averages 2007-10

** Cases opened in 2015. 2015 is a year with many new cases, but as the case load can vary substantially, the progress will have to be monitored over a couple of year before updating the targets. These numbers are to be confirmed once the technical problem with our reporting tool is solved.

⁹ ODR platform became operational in February 2016.

¹⁰ No figure available in 2015 since the platform was launched in 2016.

¹¹ As the methodology for the computation of the indicator has been revised in 2016, the values for 2014 and 2012 are not directly computable with those of 2016. Therefore, the values for 2014 and 2012 have been back-estimated by applying to the 2016 values the changes in percentage points observed between 2016 and 2014 and between 2016 and 2012 (computed on indicators based on the same methodology). By doing that, the values for 2014 have been slightly revised with respect to that reported in the previous edition of this document.

Indicator 2: % of enforcement requests handled within 12 months within the CPC Network							
Baseline 2007-2010	Milestones foreseen						Target 2020
	2014	2015*	2016	2017	2018	2019	
50 %				55 %			60 %
Source: CPC Network Database (CPCS)	Actual results						
	51 %	46 %	26,3 %				

* This % is to be confirmed once the technical problem with QV reporting is solved for CPCS.

Indicator 3: % of information requests handled within 3 months within the CPC Network							
Baseline 2007-2010	Milestones foreseen						Target 2020
	2014	2015*	2016	2017	2018	2019	
33 %				37 %			50 %
Source: CPC Network Database (CPCS)	Actual results						
	34 %	38 %	25,37 %				

* Cases opened in 2013, 2014 and 2015 Q1-Q3; This % is to be confirmed once the technical problem with QV reporting is solved for CPCS.

Indicator 4: Number of contacts with consumers handled by the European Consumer Centres (ECC).							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
71 000				Increase to 88 750			Increase of 50% (to 106 500), compared to 2010
Source: ECC report	Actual results						
	83 425	93 964	111 563				

Indicator 5: Number of visits to the website of the ECCs.							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015 ¹²	2016 ¹³	2017	2018	2019	
3 000 000				Increase to 3 900 000			Increase of 70 % (to 5 100 000), compared to 2013
Source: ECC-Net Evaluation Report	Actual results						
	3 868 976	4 694 205					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
CPC coordination of enforcement actions	33 04 01	4	1,6
support to the European Consumer Centres	33 04 01	2	6,6
Total		6	8,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
CPC coordination of enforcement actions**	F	4	4	4	4	4	4	4
	P	4	3*	3*				
support to the European Consumer Centres	F	2	2	2	2	2	2	2
	P	2	2	2				

Justification of changes to the financial programming and/or to the performance information

* The foreseen Grants for joint actions to improve cooperation between national authorities responsible for the enforcement of consumer protection laws (CPC) were not awarded. The call for proposals will be launched again in the new context of revised CPC Regulation.

** CPC coordinated actions include sweep, joint enforcement actions and common activities of enforcement authorities. The timing of the actions varies and they do not match the annual budget years. The number of on-going coordinated actions is taken as indicator in a given year.

¹² Data only available after ECC's final reports arrived in February 2016

¹³ The 2016 visits will be provided with the final report by end of February 2017.

5. Programme contribution to the Sustainable Development Goals

The Consumer Programme contributes to the **SDG 7** (Ensure access to affordable, reliable, sustainable and modern energy for all) by financing actions aiming at achieving the specific objective “Empowered energy consumers and enhanced competition through improved and comparable information on billing and offers, and improved tools for comparison and switching, a coherent framework to protect and incentivise consumers to opt for smarter consumption modes and self-generation”.

Example: an awareness-raising action on energy consumer rights such as switching, and household energy efficiency improvements aiming at helping to reduce energy bills and improve quality of life is in the planning to be implemented in 2017-2018. As recognised in the Clean Energy for All Europeans Package, many consumers pay too much for their bills and are not aware of the possibility to switch providers or how to save energy by improving the energy efficiency of their homes and changing their energy consumption behaviour. Awareness of the issue of energy poverty is now widespread at EU level and there is a clear mandate to take more concrete action to alleviate it.

A contribution is made also to the SDG 12 (Ensure sustainable consumption and production patterns) by financing actions listed by Annex 1 of the Consumer Programme 2014-2020 item 6.(d) “enhancing consumers’ access to information on sustainable consumption of goods and services”.

Example: a behavioural study on Consumers’ Engagement in the Circular Economy is planned for 2017-2018. The study will provide insights on consumer attitudes and behaviour regarding durability and reparability aspects and will serve as an input to the implementation of the EU Circular Economy Action Plan (COM(2015) 614 final), adopted in 2015. Moreover, the Consumer Conditions Scoreboard monitors consumers’ trust in environmental claims and the extent to which the environmental impact of goods and services inform their purchasing decisions

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 3: Security and citizenship

Creative Europe Programme

Lead DG: EAC

Associated DGs: CNECT

I. Programme update

Implementation status (2014-2016)

The Programme responds to EU strategic policy objectives including the EU 2020 objectives of smart, sustainable growth, the European Agenda for Culture and the Digital Single Market. The programme also boosts citizens' confidence in European values. Its objectives are to promote cultural and linguistic diversity and enhance the competitiveness of these sectors, by supporting small independent production and distribution companies in the audiovisual field and a wide range of operators in the cultural field.

With a budget of 1,46 billion euros over the period 2014- 2020 (56 % for the MEDIA sub-programme, 31 % for the Culture sub-programme and 13 % for the cross-sectoral strand, the programme was, in the period 2014-2016, successfully implemented in terms of results achieved and use of resources. The level of appropriations implemented reached nearly 100 %, on the final budget both in commitments and payments.

In the period 2014-2016, the programme was successfully implemented in terms of results achieved and use of resources. The level of appropriations implemented reached nearly 100 %, on the final budget both in commitments and payments.

In 2015, a total of 5 030 applications were submitted (937 under Culture and 4 093 under MEDIA), of which 2 054 were selected for funding (184 for Culture and 1 870 for MEDIA). In 2016, a total of 5408 applications were submitted (771 under Culture, 4363 under MEDIA, and 274 under the Cross-Sectoral strand call on refugees), of which 2097 were selected for funding (102 for Culture, 1983 for MEDIA and 12 under the Cross-Sectoral strand).

Typically, the MEDIA sub-programme has set a restrictive set of eligibility criteria to focus on high quality applications and reduce administrative overheads for applicants. This has also been reflected in the implementation carried out by the Education, Audiovisual and Culture Executive Agency (EACEA) which implements more than 90% of MEDIA. This results in high success rates in the closely targeted schemes such as Cinema Automatic - 90% (a two stage Call restricted to operators performing well in cross border distribution). However, the Development schemes have a lower success rate of 15% because there is high demand from independent producers for this type of "seed-funding", which is often not available at national level.

As regards the Culture sub-programme, 414 projects were selected for co-financing in the period 2014-2016, representing an average success rate of 17 %, while in 2016 the success rate drops at 13%, indicating a continuous high demand for EU support and a high number of excluded quality projects due to limited funds.

Under the cross-sectoral strand the negotiations for the Delegation Agreement of the Cultural and Creative Sectors Guarantee Facility (CCS GF) with the European Investment Fund were finalized in June 2016 thus enabling the launch of this innovative instrument. Already at the end of 2016 the CCS GF started delivering concrete results in the form of guarantee agreements and intentions of signature in a number of Member States¹.

Finally, the programme was able to prove the wideness of its scope under unforeseen circumstances by introducing an ad-hoc call in 2016, in response to the massive migration flows into the EU with the aim to address the socio-cultural dimension of the integration of refugees and migrants.

Key achievements

The combined focus of the programme on the promotion of cultural diversity and the support to the competitiveness of the cultural and creative sectors has led to positive societal benefits for European citizens and economic benefits for the European cultural and creative sectors. The programme has supported innovative projects of artistic quality, but also of economic value. Its European added value rests on its complementarity with national public funds, on the support to transnational activities and cooperation, the fostering of economies of scale and the taking into account of countries with low production capacity and/or small markets.

Moreover, the programme has seen the number of participating countries expanding. In 2016, Ukraine participated for the first time (partial participation) and the Former Yugoslav Republic of Macedonia started participating fully (partial participation since 2014), while negotiations are underway with two more European Neighbourhood Policy (ENP) countries. This is a clear indication of the relevance of the programme as a useful tool for cultural diplomacy and the recent EU strategy on the role of culture in EU external relations.

Given the threefold structure of the Creative Europe programme, the following specific achievements can be identified in the MEDIA strand, the Culture strand and the Cross-sectoral strand.

¹ <https://ec.europa.eu/digital-single-market/en/financial-guarantee-facility-culture-creative>

1. MEDIA sub-programme

MEDIA provides the main financial support for the adaptation of the audiovisual industry to the Digital Single Market. In 2016 the Distribution automatic scheme made available EUR 20 million to facilitate the circulation of non-national films, reaching an audience of 52 million people. New audiences have been targeted, for example through film Festivals. The Cinekid's Festival reached an audience of 50 000 children through over 500 audiovisual productions selected by the Festival, thus building a demand engagement for European films amongst digital native generations.

Also, MEDIA has successfully helped develop new films that are capable of reaching international audiences and acclaim. A small development grant of EUR 33 000 in 2011 led to the production of the film Toni Erdmann, which was released in 2016 and made 300,000 admissions in Germany in 3 weeks, 105 000 admissions in France in the first week, it was sold to 100 territories worldwide and it has been nominated for the best Foreign Language Film to the 2017 Oscars. MEDIA supports Europa Cinemas, a network of roughly 1,000 European cinemas in 33 European countries, screening a significant proportion of non-national European films, providing education and marketing activities. It is estimated that each euro invested in the network generates 13 euro through additional audiences.

In the light of a changing business and regulatory environment, MEDIA has financed a number of "accompanying measures" to support to audiovisual industry's efforts to adapt. For example, as changes to copyright regulations are proposed to increase online access, MEDIA supports the creation of ready-to-offer catalogues of European content. Overall 108 European films were made available in an average of 10 territories, for a total amount of about 950 online releases. Also, as the refit of the Audiovisual Media Services Directive, currently underway, seeks to ensure 20% share of European content in their catalogues, MEDIA has actively promoted European works online and incentivised innovative distribution strategies: Day and Date; Festival-to-date; Search tools; eCinema and VOD integration in theatre websites.

2016 was the 25th anniversary of MEDIA. Over this time, the MEDIA sub-programme has become recognized in the audiovisual industry at European and international level as a brand representing artistic quality and creativity. 15 of the 22 Cesars awarded in February 2016 went to 8 EU MEDIA supported films. For the 4th consecutive year, the Oscar to Best Foreign Language Film went to a MEDIA supported film, Son of Saul. Another EU co-funded film, Amy, won the Oscar for Best Documentary.

2. Cultural Sub-programme

Under the Culture sub-programme, support between 2014 and 2016 resulted in 211 European cooperation projects which stress Europe's cultural diversity, and bring about economic benefits to SMEs and microbusinesses active in cultural sectors like music, publishing and design. The emphasis, on audience development, capacity building and support for start-ups has allowed the implementation of several innovative projects of high artistic quality and economic value. More than half of the budget supports the performing arts sector (music, theatre, dance) which proves the relevance of EU support to contemporary creation and has a positive impact on professionals' careers. Cultural diversity is safeguarded with more than 15,5% of funding benefitting heritage, 7,52 % visual arts and 6,88 % books and reading.

Representing the biggest budget share, cooperation projects give organisations the possibility to co-produce and contribute to capacity building (in 2016: 40,63 %), by investing in skills & training (21,88%), new business models (7,81%) and tackling digitization challenges (10,94%). They allow artists and culture professionals to operate across borders ((in 2016: 31,52 % of projects). In 2016, 520 supported organisations expected to create 1952 jobs generating a total combined EU and other funding of EUR 93,5 million for cultural cooperation activities. In 2014/2015 147 cooperation, involved 847 cultural organisations and helped create more than 3288 jobs, of which 705 of a permanent nature. As an example, with a grant of less than EUR 300 000, a project called "Boosting careers of animation young artists with video mapping will have created 11 temporary and 5 permanent jobs job opportunities for ± 400 young animation artists, through a cooperation of creative industries, public institutions and European Universities of Art and Design.

The new action – European Platforms - has created new and more flexible ways of European programming and of targeting emerging artists. As the first of its kind, Live Europe, brings together 13 pop and rock concert venues across Europe via a quality label for those committing to European diversity, boosting the programming of young European acts and helping them to reach new audiences. 837 bands from 36 different countries have so far been showcased

Representing pan-European member-based structures gathering 4 000 professional organisations, the 23 selected European Networks constitute a concrete contribution to internationalization of careers, peer learning, collecting and promoting good practices.

Among the actions of a more symbolic nature showcase the richness and diversity of European cultures, the European Capitals of Culture (ECOCs) have a significant leverage effect on long-term cultural, social and economic benefits to the cities which have held the title. This cost-efficient leverage action (EUR1,5m in the form of the Melina Mercouri Prize) stimulates culture-led investments between EUR 6 and 100 million depending on the city (In 2015, the two ECOCs invested approximately EUR 65,5 million in Mons and EUR 13,8 million in Pilsen in the cultural programmes and EUR143,5 million in Mons and EUR48,6 million in Pilsen in associated infrastructure. In some cases, one euro invested generates 8 euros in return and overnight visitors increase on average by 12 %.

3. Cross- sectorial strand

The Cultural and Creative Sectors' Guarantee Facility is an innovative market led instrument that addresses the financing gap for SMEs in these sectors, aiming to generate over EUR 600 million in loans for cultural and creative sectors. The new instrument has been well received by the market and to date the EIF already signed three guarantee agreements with financial institutions from Spain, France and Romania. Several new applications are undergoing the due diligence process and may result in the new guarantee agreements soon.

"The European Creative Hubs Network Peer-to-peer exchange scheme" (2016-2017) supports the development and networking of 129 creative hubs across Europe and beyond as innovative models to support the creative economy and 95 created an online community. Through empowering players to work cross-sectorally and tackle digitisation, these have a direct local impact and contribute to wider societal challenges.

As mentioned above, a special call for proposals was published in 2016 supporting projects seeking to integrate migrants into the EU via cultural and audio-visual activities. The high number of applications received (about 274) confirmed strong demand and readiness of the sector but the limited funds of EUR 2.2 million allowed for only 12 actions to be co-financed. Given the continuous societal relevance of the issue social inclusion and intercultural dialogue will remain a focus area in particular under the European cooperation projects implemented under the Cultural sub-programme.

Evaluations/studies conducted

In 2017, the mid-term external evaluation of the programme foreseen by the Regulation² will be completed and, on the basis of its findings, the Commission will issue a report to the European Parliament and the Council in December 2017. An independent external evaluation is being conducted to provide a basis for the Commission's report. It will assess the impact of the projects completed under the previous Culture, MEDIA and MEDIA Mundus programmes and assess progress in implementing Creative Europe. In particular it will conduct focused evaluations on the key support schemes using counterfactual analysis, drawing on project data gathered from beneficiaries. The feedback of stakeholders will be fully taken into account, including through an online public consultation. The evaluation will also make recommendations on strengthening the Performance Monitoring Framework in order to monitor results more closely on the basis of indicators which are RACER. The arrangements for a "level-laying field" between the high, medium and low capacity countries will be assessed as regards MEDIA with a view to avoiding undue distortions of competition.

Several focused studies were completed in 2016 concerning MEDIA support schemes³. A study was undertaken to identify the skills needed in the audiovisual sector, The report confirms the relevance of the scheme to the sector and recommended greater focus on innovation and reaching out to young audiences. A performance audit was carried out in 2016 on the Europa Cinemas Network which recommended, in particular, the development of a strategic plan for the network as well as improved communication with members of the network. A study on the Distribution sector examined the challenges facing film distribution in the digital era. European films need to understand their audiences better and aggregate niches in a fragmented market. Promotion and marketing need to be significantly strengthened, including through digital tools and data, to reach new audiences cross-border. A mapping study by the European Audiovisual Observatory on the animation industry showed that Europe has many companies producing internationally recognized animations for both feature films and TV. However, to grow further, new forms of collaboration are needed. Access to finance is a particular challenge because of the high production costs. Moreover, an increased competition from Asian competitors has to be registered.

Each year, ex-post evaluations of the Capitals of Culture of the previous year are conducted. In 2015, the cities of Mons (Belgium) and Plzen (Czech Republic) reported substantial economic benefits, which have been corroborated by the external ex-post evaluation conducted in 2016⁴.

Forthcoming implementation (2017/2018)

The programme will continue to be implemented according to its 7-year schedule, with more focus on evaluation and evidence emanating from the above mentioned mid-term evaluation and results of finalised projects.

The adopted 2017 Work Programme will introduce in the MEDIA sub-programme a number of innovations in line with the overall objectives of the Digital Single Market. These included a re-designed "Promotion of European Works Online" scheme which supports innovative Video On Demand (VOD) services and the visibility of European works; the integration of online release costs in the Cinema Distribution schemes; targeted support to emerging talent in the Development scheme. The MEDIA 2018 Work Programme will propose further adjustments in line with the experience in implementation and feedback from stakeholders. These should include refocusing of the training scheme on market needs; aligning the TV scheme to market realities by increasing support to productions of second season series; fostering Film Festivals as innovation hubs.

The Culture sub-programme will focus more closely on the performance and sustainability of the European Networks and Platforms as the first contracts end in 2016 and new ones are selected in 2017). As regard the 2018 Work Programme, adjustments will be made to allow funding more small cooperation projects following repeated calls by the sector, the European Parliament and

² Article 18.3 of the Creative Europe legal base requires the Commission to submit a mid-term evaluation report by 31 December 2017.

³ Not yet published.

⁴ https://ec.europa.eu/programmes/creative-europe/sites/creative-europe/files/ecoc-2015-evaluation_en.pdf

the Member States and better aligning support to the programme priorities. European Networks and Platforms will be reinforced in terms of visibility, synergies and sustainability. On the occasion of the 2018 European Year of Cultural Heritage, the latter will be highlighted throughout the different (as well as specific) actions implemented. The preparatory promotion of this important year was, however, already included in the 2017 Annual Work Programme.

As regards the cross-sectoral strand, 2017 will be the first year of full implementation of the Guarantee Facility. New agreements are under preparation and should be signed soon. For the period 2014-2020 the Facility has a budget of around EUR 120 million. The leverage effect is estimated at 1:5,7 leading up to a total financial volume of approximately EUR 600 million for support. It is expected to leverage credit to 1 500 beneficiaries from 5 sub-sectors, from 7 participating countries. Given its success, possibilities to reinforce it are being sought.

We will continue to support cross-sectoral projects bringing together players from different sectors in joint integrated projects; the Work Programme 2017 foresees a Module for Masters in Arts and Technology which address existing skills gap by fostering cross-sectoral curricula combining creative, digital and entrepreneurial skills to support Europe's talent and creative workforce.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC	2014 - 2020	1 462,7

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	2,1	2,2	2,2	2,3	2,4	2,6	2,7	16,6
Operational appropriations	167,6	163,8	177,4	193,4	212,3	225,2	229,4	1 369,0
Executive Agency	12,2	11,7	12,2	12,2	12,2	12,3	12,6	85,5
Total	181,9	177,7	191,8	207,9	226,9	240,1	244,7	1 471,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	204,021	98,92 %	178,103	95,59 %	211,580	23,01 %	182,363	13,89 %
Authorised appropriation excluding external earmarked revenue	194,251	99,76 %	167,044	97,66 %	209,344	22,22 %	176,540	11,70 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Recognising the intrinsic and economic value of culture, the Programme shall support actions and activities with a European added value in the cultural and creative sectors. It shall contribute to the achievement of the objectives of the Europe 2020 Strategy and its flagship initiatives.

European added value shall be ensured through one or more of the following:

- the transnational character of actions and activities which complement regional, national, international and other Union programmes and policies, and the impact of such actions and activities on the cultural and creative sectors as well as on citizens and on their knowledge of cultures other than their own;
- the development and promotion of transnational cooperation between cultural and creative players, including artists, audio-visual professionals, cultural and creative organisations and audiovisual operators, focused on stimulating more comprehensive, rapid, effective and long-term responses to global challenges;
- the economies of scale and critical mass which Union support fosters, creating a leverage effect for additional funds;
- ensuring more level playing field in the European cultural and creative sectors by taking account of low production capacity countries and/or countries or regions with a restricted geographical and/or linguistic area.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed

4. Performance information

General objectives

General Objective 1: to safeguard, develop and promote European cultural and linguistic diversity and to promote Europe's cultural heritage

Indicator 1: the number of people accessing European cultural and creative works, including, where possible, works from countries other than their own

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Europeans declaring that they benefited from the following items from another European country: 1. 160 million read a book (31%); 2. 140 million watched or listened to a cultural programme on TV/radio (27%); 3. 98 million visited a historical monument or site (19%); 4. 67 million went to a musical performance (13%); 5. 52 million attended a performance, festival, etc (10%); 6. 31 million saw a ballet, dance performance, or opera (6%); 7. 21 million went to a theatre performance (4%)					To be assessed during mid-term evaluation on data until 2017		Increase of 2% in comparison to 2017 results
	Actual results						

Source: Special Eurobarometer 399 on Cultural Access and Participation (2013). The population used for extrapolating the number of people covers the EU28 as well as CH, NO and IS i.e.: 516,8 million people.

General Objective 2: to strengthen the competitiveness of the European cultural and creative sectors, in particular of the audiovisual sector, with a view to promoting smart, sustainable and inclusive growth

Indicator 1: the cultural and creative sectors' level, change in and share of employment and share of gross domestic product

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
In 2010 between 3 % and 3,8 % of the total European workforce ⁵					In view of economic crisis, to safeguard 2010 figures		4 % of the total European workforce; 4,8 % of total European GDP;
In 2010 between 3,3 % and 4,5 % of total European GDP ⁶	Actual results						
	2,9% of total number of people in employment ⁷						

(*) <http://www.teraconsultants.fr/en/issues/The-Economic-Contribution-of-the-Creative-Industries-to-EU-in-GDP-and-Employment>

(**) <http://www.creatingeurope.eu/en/wp-content/uploads/2014/11/study-full-en.pdf>

Specific objectives

Specific Objective 1: to support the capacity of the European cultural and creative sectors to operate transnationally and internationally

Indicator 1: the scale of international activities of cultural and creative organisations and the number of transnational partnerships created

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
7 000 transnational partnerships involving at least 3 countries, latest known result at end 2012			310 from MEDIA 426 from Culture sub-programme	7 600			Creation of 8 000 transnational partnerships involving at least 3 countries
	Actual results						
	available as of 2017-18						

⁵ 3,3 % of EU's active population (TERA consultants 2014, <http://www.teraconsultants.fr/en/issues/The-Economic-Contribution-of-the-Creative-Industries-to-EU-in-GDP-and-Employment>)

3,8 % of EU workforce (Ernst and Young France 2014, <http://www.creatingeurope.eu/en/wp-content/uploads/2014/11/study-full-en.pdf>)

⁶ 4,2 % of EU GDP (TERA consultants 2014); 4,4 % of EU GDP (Ernst and Young France 2014),

⁷ Culture statistics, 2016 edition, Eurostat

Indicator 2: the number of learning experiences and activities supported by the Programme which have improved the competences and increased the employability of cultural and creative players, including audiovisual professionals

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
140 000 professionals with learning experiences				190 000			240 000 professionals with learning experiences
	Actual results						
			Not available				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
MEDIA Sub-Programme:			
New skills and networking: number of courses/workshops/events	09 05 01	54	7,0
Development of audiovisual projects (including TV production): number of projects	09 05 01	300	34,0
Support to co-production funds: number of co-production funds supported	09 05 01	5	1,0
Audiovisual markets, promotion tools and stands: number of projects	09 05 01	66	10,1
TOTAL		425	52,1
CULTURE Sub-Programme:			
Cooperation measures, such as activities stimulating peer learning + Support to Project selection	15 04 02	35	16,2
European networks, such as those providing capacity building	15 04 02	20	4,0
European platforms, such as those providing a structure for international professional development	15 04 02	7	3,0
Special actions, such as Prizes, ECOC, European Heritage label	15 04 02	15	7,3
TOTAL		77	30,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
MEDIA Sub-Programme:								
New skills and networking: number of courses/workshops/events	F	45	50	48	53	54	55	57
	P	59	58	54				
Development of audiovisual projects (including TV production): number of projects	F	359	345	350	300	300	300	300
	P	345	299	280				
Support to co-production funds: number of co-production funds supported	F	7	5	5	6	5	5	5
	P	5	5	6				
Audiovisual markets, promotion tools and stands: number of projects	F	51	64	56	66	66	66	66
	P	48	61	62				
CULTURE Sub-Programme:								
Cooperation measures, such as activities stimulating peer learning	F	40	48	37	44	35	53	53
	P	40	30	37				
European networks, such as those providing capacity building	F	10	-	17	10	20	10	10
	P	16	-	19				
European platforms, such as those providing a structure for international professional development	F	4	5	4	4	7	4	4
	P	3	2	4				
Special actions*, such as Prizes, ECOC, European Heritage label	F	6	7	4	7	15	7	7
	P	5	7	5				

* In the special action output, the Melina Mercouri Prize (1,5EUR Million) will be awarded each year to the European Capitals of Culture- ECOC.

Justification of changes to the financial programming and/or to the performance information

Media

The change in the number of output is due to a slight increase in the budget for training and a decrease for co-production funds as well as to applications on average for a higher amount than expected for development and market access.

Culture

Regarding Special actions, the increase of the number of outputs results from the new actions which were added: European Year of Cultural Heritage with the budget of 3,5 M EUR in 2018,

Promotion of EU values through music and the structured dialogue with the budget of 1 M EUR and structured dialogue.

Specific Objective 2: to promote the transnational circulation of cultural and creative works and transnational mobility of cultural and creative players, in particular artists, as well as to reach new and enlarged audiences and improve access to cultural and creative works in the Union and beyond, with a particular focus on children, young people, people with disabilities and under-represented groups

Indicator 1: MEDIA Sub-programme: the number of admissions for non-national European films in Europe and European films worldwide (10 most important non-European markets) in cinemas

Baseline 2010	Milestones foreseen*						Target 2020*
	2014	2015	2016	2017	2018	2019	
69million in Europe; 61million worldwide ⁸				71 million in Europe; 85million worldwide	71 million in Europe; 85million worldwide		71 million in Europe; 85million worldwide
	Actual results ⁹						
	99 million in Europe; 82 million worldwide	91 million in Europe; 108 million worldwide					

*It should be noted that figures about cinema audiences are inherently unpredictable. In fact over the last five years the average corresponds to the baseline. There is no evidence to suggest a structural rise in cinema tickets sold, especially given the rise of digital distribution e.g. Netflix, which was not the case when the indicators were first established. Therefore the milestone and target have been revised to maintain the current levels.

Indicator 2: MEDIA Sub-programme: the percentage of European audiovisual works in cinemas, on television and on digital platforms

Baseline 2009&2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
59 % for cinemas 39 % for TV 27 % for digital platforms(2015)				Maintain 59% for cinemas and 39% for TV and 27% for digital platforms.	Maintain 59% for cinemas and 39% for TV and 27% for digital platforms.		Maintain 59% for cinemas and 39% for TV and 27% for digital platforms.
	Actual results						
	52% for cinemas 38% for TV(2013)	65% for cinemas 31% for TV 27% for digital platforms	NA for cinemas NA for TV 25% for digital platforms				

Indicator 3: MEDIA Sub-programme: the number of people in the Member States accessing non-national European audiovisual works and the number of people in the countries participating in the Programme accessing European audiovisual works

Baseline 2009	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
288 million people in the EU accessing non-national European audiovisual works 298 million people in the participating countries accessing European audiovisual works ¹⁰				288 million in the EU and 300 million in the participating countries	288 million in the EU and 300 million in the participating countries		288 million in the EU and 300 million in the participating countries
	Actual results						
	287million 291 million	293 million 298 million	Not yet available				

⁸ The definition of the indicator as defined by the legal basis specifies the meaning of "worldwide" (=10 most important non-European markets). Although the size of the market worldwide may be bigger, the circulation of European films beyond European borders is so much lower than in Europe that the number of admissions may be higher in Europe than worldwide (in the 10 most important non-European markets).

⁹ It should be noted that figures about cinema audiences are inherently unpredictable. In fact over the last five years the average corresponds to the baseline. There is no evidence to suggest a structural rise in cinema tickets sold, especially given the rise of digital distribution e.g. Netflix, which was not the case when the indicators were first established. Therefore the milestone and target have been revised to maintain the current levels.

¹⁰ The second figure covers both national and non-national European audiovisual works. In addition to EU Member States, two third countries participate in the sub-programme MEDIA for the time being i.e. Norway and Iceland.

Indicator 4: MEDIA Sub-programme: the number of European video games produced in the Union as well as in the countries participating in the Programme

Baseline ¹¹	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
in EU €21,3bn; in 5 biggest markets €13,35bn				in EU €25bn; in 5 biggest markets €14,5bn			in EU €30bn; in 5 biggest markets €16bn
	Actual results						
		in EU €22bn; in 5 biggest markets €15bn	Not yet available				

Indicator 5: Culture Sub-programme: the number of people directly and indirectly reached through projects supported by the Programme

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
No baseline, first known results (2017) available in 2018					To be assessed during mid-term evaluation of the programme based on data until 2017 and subsequently during the impact assessment in 2017/2018		Increase of 5% in comparison to 2017 results
	Actual results						

Indicator 6: Culture Sub-programme: the number of projects addressed to children, young people and under-represented groups and the estimated number of people reached

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
No baseline, first known results (2017) available in 2018 for the first time					To be assessed during mid-term evaluation of the programme based on data until 2017 and subsequently during the impact assessment in 2017/2018		Increase of 7 % in comparison to 2017 results
	Actual results						

In contrast to previous programmes, the design of the new application e-forms and final reports will make it possible under Creative Europe to collect this information for the 4 measures under the Culture Sub-programme.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018					
		Number	EUR million				
MEDIA Sub-programme:							
Distribution campaigns of European Non National films: number of projects	09 05 01	1130	32,4				
Network of cinemas screening majority of European films: number of cinema networks	09 05 01	1	10,1				
Film festivals and events: number of festivals and events	09 05 01	67	3,2				
Film literacy initiatives: number of projects	09 05 01	14	2,0				
New marketing and advertising tools: number of projects establishing e.g. film community platforms	09 05 01	30	9,4				
TOTAL			57,1				
CULTURE Sub-programme:							
Cooperation measures, such as those supporting international touring		46	23,2				
European networks, such as those promoting audience building	15 04 02	10	2,0				
European platforms, such as those fostering international careers	15 04 02	8	3,1				
Literary translations and promotional support	15 04 02	60	3,5				
Special actions, such as Prizes, ECOC, European Heritage label	15 04 02	14	6,3				
TOTAL			38,1				
Outputs	Number of outputs foreseen (F) and produced (P)						
	2014	2015	2016	2017	2018	2019	2020
MEDIA Sub-Programme:							

¹¹ The turn-over of the video-game sector is the best available proxy for this indicator. The number of video-games produced in Europe is currently unavailable. Considering that tasks related to the development and production of one single game are usually split across several countries within and outside the EU, there is no accepted definition of what should be considered as a European video-game. Furthermore being the video-game industry highly competitive, data such geographical spread of the workforce are not accessible.

Distribution campaigns of European Non National films: number of projects	F	820	754	677	1100	1130	1130	1130
	P	1 077	1 065	1089				
Network of cinemas screening majority of European films: number of cinema networks	F	1	1	1	1	1	1	1
	P	1	1	1				
Film festivals and events: number of festivals and events	F	72	87	77	67	67	67	67
	P	85	88	66				
Film literacy initiatives: number of projects	F	10	13	14	14	14	15	15
	P	16	12	16				
New marketing and advertising tools: number of projects establishing e.g. film community platforms	F	11	13	17	30	30	15	15
	P	17	18	22				
CULTURE Sub-Programme:								
Cooperation measures, such as those supporting international touring	F	60	71	43	66	46	79	79
	P	23	54	34				
European networks, such as those promoting audience building	F	15	-	4	15	10	30	37
	P	7	-	4				
European platforms, such as those fostering international careers	F	6	6	6	6	8	13	13
	P	5	3	4				
Literary translations and promotional support	F	59	63	60	45	60	45	45
	P	76	69	60				
Special actions, such as Prizes, ECOC, European Heritage label	F	9	9	5	11	14	14	14
	P	5	9	2				

Regarding literary translations, projects applied on average for a lower amount than expected and therefore more of them could be supported.

Justification of changes to the financial programming and/or to the performance information

MEDIA

For the other actions, the change in the number of output is due to reallocations of budget as well as to applications on average for a lower (especially the automatic distribution scheme) or higher amount than expected.

CULTURE

Regarding Special actions, the increase of the number of outputs results from the new actions which were added: European Year of Cultural Heritage with the budget of 3,5 M EUR in 2018, Promotion of EU values through music and the structured dialogue with the budget of 1 M EUR and structured dialogue.

Specific Objective 3: to strengthen the financial capacity of SMEs and micro, small and medium-sized organisations in the cultural and creative sectors in a sustainable way, while endeavouring to ensure a balanced geographical coverage and sector representation

Indicator 1: the volume of loans guaranteed in the framework of the Guarantee Facility, categorised by national origin, size and sectors of SMEs and micro, small and medium-sized organisations

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
20 million EUR guaranteed loans (MEDIA Production Guarantee Fund, end 2013) ¹²				180 million EUR	250 million EUR		0,5 billion EUR
	Actual results						
			none				

Indicator 2: the volume of loans granted by participating financial intermediaries, categorised by national origin

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
35 million EUR guaranteed loans (MEDIA Production Guarantee Fund, end 2013) ¹³				Higher by 30 % than the milestone set for the previous indicator	Higher by 30% than the milestone set for the previous indicator		Higher by 30 % compared to the target set for the previous indicator
	Actual results						
			none				

¹² Breakdowns by national origin, size and sectors of SMEs or organisations and by participating financial intermediaries categorised by national origin are provided in the annual report from the European Investment Fund.

¹³ Breakdowns by national origin are provided in the annual report from the European Investment Fund.

Indicator 3: the number and geographical spread of participating financial intermediaries							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2 financial institutions from 2 Member States (MEDIA Production Guarantee Fund, end 2012)				7 financial institutions from 5 Member States	8 from 6 MS	9 from 8 MS	10 financial institutions from 10 Member States
	Actual results						
			2				

Indicator 4: the number of SMEs and micro, small and medium-sized organisations benefiting from the Guarantee Facility, categorised by national origin, size and sectors

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
48 beneficiaries from audiovisual sector from 8 Member States (MEDIA Production Guarantee Fund, end 2013) ¹⁴				1 500 beneficiaries from 5 sub-sectors, from 7 participating countries	3000 beneficiaries from 5 sub-sectors, from 10 participating countries		7 000 beneficiaries from 5 sub-sectors, from 15 participating countries
	Actual results						
			0				

Indicator 5: the average default rate of loans

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10 % (estimated)					9 %		8 %
	Actual results						
			none				

Indicator 6: the achieved leverage effect of guaranteed loans in relation to the indicative leverage effect (1:5,7)

Baseline 2011 ¹⁵	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1:5,7 (estimated)				1:5,7	1:5,8	1:5,9	1:6
	Actual results						
			0				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of loans provided by banks to operators	15 04 01	1198	25,0
Number of capacity building workshops	15 04 01	5	0,5
Total			25,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016 ¹⁶	2017	2018	2019	2020
Number of loans provided by banks to operators	F	0	0	281	705	1 198	1 771	2 335
	P	0	0	0				
Number of capacity building workshops	F	0	0	7	6	5	5	5
	P	0	0	0				

Justification of changes to the financial programming and/or to the performance information

Given that there were no transactions under the Guarantee Facility in 2016, the number of outputs produced in 2016 is 0. The first agreements with the intermediaries were signed in January 2017 because the Delegation Agreement of this instrument was signed in Q3 of 2016

¹⁴ Breakdowns by national origin, size and sectors of SMEs or organisations are provided in the annual report from the European Investment Fund.

¹⁵ There is no EU wide financial instrument for the sector. An estimated ratio of 1:5,7 according to the ex-ante impact assessment for the Creative Europe programme.

¹⁶ The first agreements with the intermediaries were signed in January 2017

Specific Objective 4: to foster policy development, innovation, creativity, audience development and new business and management models through support for transnational policy cooperation

Indicator 1: the number of Member States making use of the results of the open method of coordination in their national policy development

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10 Member States	12	13	14	15	16	17	20
	Actual results						
	12	13	14				

Indicator 2: the number of new initiatives and policy outcomes

Baseline 2012	Milestones foreseen					Target 2020
	2014	2015	2016	2017	2018	
N/A			10			20
	Actual results					
		2				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Network of Creative Europe desks	15 04 01	28	5,2
Studies, evaluations and policy analysis (includes also the subsidy for the European Audiovisual Observatory)	15 04 01	7	0,8
Transnational exchanges and networking	15 04 01	1	0,5
Testing new cross-sectoral approaches	15 04 01	1	1,5
Conferences, seminars and policy dialogue	15 04 01	5	1,0
Total			9,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Network of Creative Europe desks (EAC)	F	28	28	28	28	28	28	28
	P	28	28	28				
Studies, evaluations and policy analysis (This also includes the European audiovisual observatory) (co-manage)	F	4	8	6	6	7	6	4
	P	1	2	4				
Transnational exchanges and networking (co-manage)	F	1	1	1	1	1	-	-
	P	2	1	1				
Testing new cross-sectoral approaches (CNECT)	F	-	-	1	1	1	-	-
	P	0		0				
Conferences, seminars and policy dialogue (co-manage)	F	4	5	6	6	5	4	4
	P	4	1	5				

5. Programme contribution to the Sustainable Development Goals

SGD number 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The programme contributes to the political priorities of the Commission, in particular relating to jobs, growth and investment and the European Digital Single Market by supporting the competitiveness of the cultural and creative sectors, in particular the audiovisual sector, through capacity building and skills development and through testing new business models in a rapidly evolving digital context. By allowing participation of non-EU cultural and creative operators and the participation of third countries, the programme also contributes to making the EU a stronger global actor. At another level, Creative Europe helps address current political and societal challenges through the power of culture to reach the hearts and minds of citizens and boost confidence in our shared European values. Cultural and creative operators, both within and beyond Europe, respond to societal needs in terms of inclusion, well-being and decency within their organisations and projects and for the audience they reach. The programme's openness to third countries supports capacity building in Europe's partner countries and thus indirectly sustains a more balanced development and enhanced role for Europe at the international level.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

The Cultural and Creative Sectors Guarantee Facility (CCS GF) under Creative Europe is a facility under which the European Commission through the European Investment Fund (EIF) will provide guarantees and counter-guarantees on debt financing to Financial Intermediaries in order to improve access to finance to SMEs from cultural and creative sectors. Thanks to the CCS GF,

Financial intermediaries selected by the EIF will be able to provide additional debt financing to SMEs in Participating Countries. In addition, the action will provide expertise/capacity building to the financial institutions wishing to build dedicated portfolios of loans targeting cultural and creative SMEs. This may result in an increase in the number of financial institutions which are willing to work with cultural and creative SMEs as well as maximising the European geographical diversification of targeted financial products for the sector. With a total budgetary appropriation for CCS GF of EUR 121 million in the 2016-2020 period and a targeted leverage effect of 5,7 the financial instrument may leverage around EUR 690 million of additional funding for the cultural and creative industries

III. Performance of the Predecessor programme

Please refer to the Programme Statements of the 2017 draft budget.

HEADING 3: Security and citizenship

Instrument for Emergency Support within the Union

Lead DG: ECHO

I. Programme update

Implementation status (2016)

The influx of refugees and migrants into Europe has created an exceptional situation where large numbers of people require urgent humanitarian assistance, going beyond the organisational capacity of one or several Member States. A new instrument – the Instrument for Emergency Support within the Union (ESI) - was created in 2016 that allows the Union to provide financial support, for instance through partner organisations capable of rapidly implementing emergency actions in support of those Member States that are most affected. On 16 March 2016, the Council activated the emergency support for the current influx of refugees and migrants into the Union for a period of three years.

In 2016, the European Commission allocated EUR 250 million, of which EUR 191.9 million had been contracted by 31st December 2016. Greece was the only Member State that benefited from the emergency support in 2016 and as a result, all the actions funded under this Regulation to date were exclusively aimed at tackling the humanitarian situation in Greece.

The Commission estimates that EUR 200 million would be required in 2017, in order to address the growing humanitarian needs within the European Union during the migration and refugee crisis, particularly in EU countries along the Western Balkans route. This new programme, which complements existing Union instruments and legal bases, will enable the European Union to address, within its territory, the urgent humanitarian needs of people as a consequence of crises, through the provision of emergency support in compliance with the fundamental humanitarian principles of humanity, neutrality, impartiality and independence.

Key achievements

Since the adoption of the regulation on the 16th March 2016 to December 2016 the following achievements have been recorded:

- Provision of shelter

EUR 80 million has been allocated to provide **shelter** for over 35 000 refugees in Greece. In coordination with the Greek authorities, work has taken place in more than 30 temporary and permanent sites. Activities include site development works, the provision of tents (initial stages), container units and the winterisation and rehabilitation of existing buildings. The response also included funding for the rehabilitation, upgrade and construction of water and sanitation services (WASH) heating and electricity systems.

- Winterisation activities

More specifically on the **winterisation** aspect, partner organisations have engaged in actions that contribute to winterisation and include shelter and WASH interventions and maintenance that have upgraded living conditions significantly, and provided safer shelter during the winter months. Activities undertaken include improved insulation, installation of heating devices and safety upgrades to mitigate the increased risks of fire. As a direct winterisation measure, a number of people staying in inadequate/incomplete sites, exposed to cold and bad weather conditions, improper shelter (tents, below living standards) and facing exacerbated health risks, have also been transferred to hotels. Winterisation actions performed so far have been budgeted at approximately EUR 52 million.

- Cash assistance

The total **cash assistance** provided to refugees in Greece in 2016 amounted to EUR 28.7 million. This amount covers a set of basic needs replacing in-kind distribution of relief items but excluding food aid. When sufficient kitchen facilities are ready at sites, multi-purpose grants will cover the entirety of households' basic needs in Greece, including food aid. By February 2017, over 35.000 people representing more than 55% of the official refugee population in Greece living in formal sites and in urban locations were receiving cash assistance. Cash assistance is provided through both pre-paid cards and restricted cash/vouchers depending on the location and site specific needs.

- Protection activities

EUR 33 million have been allocated to protection activities in Greece. From this amount, EUR 23 million have been dedicated to child protection activities including provision of psycho-social support, child-friendly spaces, case management systems, family tracing and 417 emergency spaces for unaccompanied minors (UAMs) in dedicated facilities, in alignment with Greek standards of care. Other activities have included the protection of women, elderly and disabled persons and ensuring that migrants and refugees are well informed of their status and rights.

- Education

EUR 2.8 million have been provided for transport of children to schools and the distribution of school kits to some of the 20,000 refugee children of school-going age (4-17 years) residing in Greece, in line with the strategy of the Ministry of Education to give access to education for all. In parallel, EUR 7.7 million was provided to support the delivery of complementary non-formal education activities to over 9,000 children residing in camps and urban centers, which include basic math and literacy lessons, and classes in Greek, English and mother tongue languages.

- Delivery of health services

In the **health sector**, almost EUR 15 million of emergency support provided primary health care, psycho-social support and referral to hospitals to more than 14,000 persons on the mainland in 22 camps during 2016. An average of 10,000 medical consultations has been provided every month.

- Provision of food, non-food items and other activities

EUR 18.6 million was spent on provision of food and non-food items. A further EUR 6.2 million has been allocated to partner organisations and covers the important aspect of site management support, support to operations as well as coordination actions.

Forthcoming implementation (2017-2018)

The Instrument for Emergency Support within the Union has been activated for the current influx of refugees and migrants into the Union for a period of three years until 15 March 2019 or until the Council decides to terminate the action. The overall objective is that by the end of the action 100% of the basic needs of refugees and migrants are covered according international humanitarian standards.

As stipulated in the regulation, the ESI complements the efforts of Member States in cooperation with them, in circumstances where the exceptional scale and impact of the disaster is such that it gives rises to severe wide-ranging humanitarian consequences and when no other instrument available to Member States and to the Union is sufficient. The ESI is therefore not intended to cover all needs.

For these reasons, and as no planning has yet been adopted by the Greek authorities for the management of the crisis for the year 2018, there are still wide uncertainties with regards to the activities and output of the ESI in 2018.

It should therefore be kept in mind that the Programme Statement of the ESI for 2018 is indicative and uncertain and the implementation of the Programme depends on the development of the crisis; political decisions for the response to the crisis; and the potential outbreaks of unforeseeable crises.

For 2017, the operational priorities are:

- Provision of adequate shelters to refugees and migrants,
- Implementation of multi-purpose cash grants covering the majority of basic needs of refugees and migrants,
- Ensuring refugee and migrant children have access to informal and formal education,

While a lot has been achieved in terms of addressing the most urgent humanitarian needs identified in Greece, a number of gaps still need to be addressed as outlined in greater detail in the 2017 Emergency Support Operational Priorities document (ESOP)¹. Emergency support will be implemented fully in line with the 2017 financial planning agreed between the Greek government and relevant Commission services, so as to ensure complementarity of all instruments and activities.

As regards **shelter**, refugees and migrants are hosted in different sites with varying quality standards, including both temporary and longer-term housing solutions. The priority for 2017 is to shift towards urban rental schemes with access to social services, as this provides a more dignified accommodation in cases of protracted stay.

Hot food rations have been provided daily in refugee camps in 2016 and the first months of 2017. In order to allow persons of concern to purchase and prepare their own **food**, the aim is to progressively extend the **multi-purpose cash system**, building on the cash assistance programmes for non-food items developed in 2016. This system will complement the infrastructure investments in the electricity network and communal kitchen facilities that were already made or are underway in sites.

In the field of **healthcare**, first aid capacity and emergency healthcare with appropriate referrals to national health system need to be ensured. Access to a basic package of health services should be ensured and facilitated with transportation and translation. Vaccination campaigns need to be expanded.

Water and sanitation facilities remain insufficient in many locations. Therefore, the provision of such facilities needs to continue.

Concerning **protection**, activities related to child protection in emergencies will be prioritised, such as family tracing and reunification, psycho-social needs of children affected by conflict and displacement. Interpretation services to facilitate information sharing with refugees and migrants in their own language(s) will also be financed. Beyond minors, protection needs include case management of vulnerable persons, such as people with disabilities, single mothers, etc.

¹ See <http://ec.europa.eu/echo>

As regards **education**, needs remain in the area of non-formal education to complement the Greek government's efforts to provide public education to all refugee and migrant children. Refugee and migrant youths (age 15-24) also need access to quality and inclusive learning opportunities, as well as vocational training and language courses for adults to build life skills and support a successful integration into the European society.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application
Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the Union	2016 - 2018

	Financial Programming (EUR million)					
	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	1,5	2,0	1,0			4,5
Operational appropriations	247,5	198,0	199,0			644,5
Total	249,0	200,0	200,0			649,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	249,000	99,58 %	140,200	99,06 %	200,000	99,17 %	219,202	8,68 %
Authorised appropriation excluding external earmarked revenue	249,000	99,58 %	140,200	99,06 %	200,000	99,17 %	219,202	8,64 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Between January 2015 and December 2016, over 1.1 million people – refugees and migrants – have made their way to the European Union using the so called Western Balkans route, seeking to escape from poverty or conflicts in their countries. At the peak of the crisis in summer 2015, 10,000 were arriving in Greece each day. This huge influx of persons created a risk of a humanitarian tragedy occurring within the EU's borders.

While the EU already benefits from a diversified toolbox of financial assistance programmes to respond to different types of internal challenges, the exceptional scale of the crisis demonstrated that none was fully suitable to address the wide-ranging structural humanitarian needs resulting from the refugee and migration crisis within the EU.

The ESI is a flexible financial tool with a quick response capacity based on European solidarity and the ability to mobilise existing expertise as needed. It was created as a response to the Commission's Communication on the Implementation of the European Agenda on Migration which highlighted the need for the EU to establish the capacity to provide humanitarian assistance within the EU in order to support countries facing large numbers of refugees and migrants.

In consequence, the objectives of the ESI cannot be sufficiently achieved by the Member States alone but can rather, by reason of scale or effects, be better achieved at Union level, through the adoption of measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union.

By the text of the regulation, the ESI can only complement efforts of Member States in cooperation with them, only in exceptional circumstances where no other instrument available to Member States and to the Union is sufficient.

The EU's added value comes, inter alia, in the form of:

- reducing the loss of human life, environmental, economic and material damage;
- immediate assistance to people within the European Union as a consequence of natural or man-made disasters;
- a more effective and rapid response to requests for assistance within the Union, through non-governmental and International Organisations, or specialised services of Member States selected by the Commission;
- a better visibility of the EU's response to crises.

Contribution to Europe 2020 headline targets

20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Inclusive Growth (employment and skills, fighting poverty)	198,0	199,0

Gender mainstreaming

Ensuring gender-age mainstreaming is of paramount importance to DG ECHO since it is an issue of quality programming. Gender and age matter in humanitarian aid because women, girls, boys, men and elderly women and men are affected by crises in different ways. Emergencies also tend to change gender dynamics. The needs and capacities of different gender and age groups among targeted populations must be adequately assessed and assistance must be adapted consistently to ensure equal access and that specific needs are addressed.

In its commitment to quality programming, ECHO has developed several assessment parameters, one of them being the Gender-Age Marker. The Gender-Age Marker is a tool that assesses to what extent humanitarian actions integrates gender and age considerations. The Gender-Age Marker uses a set of four criteria to assess how strongly humanitarian actions are adapted to and integrate gender and age considerations. To achieve this, ECHO requests that in 2017, proposals for projects financed by the ESI apply gender-age mainstreaming.

Context-specific gender-sensitive needs assessments and gender analysis must be conducted to avoid vulnerability-related assumptions (e.g. women should not be considered the most vulnerable groups by default) and to ensure a more effective targeting. On the basis of the identified needs, practical examples of assistance adapted to the needs of different gender and age groups must also be provided in proposals.

Actions targeting one specific gender and/or age group - particularly when one group is clearly more vulnerable than others — may in some instances be deemed necessary (e.g. unaccompanied minors or adolescents): such actions should respond to a clear need that has been identified through a gender and age analysis and cannot be adequately addressed through mainstreaming. While assistance may specifically target one group, the participation of other groups may prove crucial for reaching the expected impact. All project proposals/reports must demonstrate integration of gender and age in a coherent manner, including in the needs assessment and risk analysis, the logical framework, description of activities and the gender-age marker section of proposals. Gender-age mainstreaming will continue to be taken into account in evaluations of proposals and monitored during project implementation.

4. Performance information

General objectives

General Objective 1: To provide a needs-based emergency response, complementing the response of the affected Member States, aimed at preserving life, preventing and alleviating human suffering, and maintaining human dignity wherever the need arises as a result of a disaster referred.

Indicator 1: % of agreements signed within 11 working days from completion of appraisal of the last request (Source: ECHO Benchmark reports - EVA report)

Baseline Results achieved: Apr – Dec 2016	Milestones foreseen 2017	Target 2018
93%	≥ 70 %	≥ 70 %

This indicator has been adapted to evaluate speed of agreement signature along the same benchmarks as for non-emergency procedures financed under humanitarian aid. It measures the time from the completion of the appraisal of the last request to the signature of the agreement.

Indicator 2: % of proposals negotiated within 30 working days (Source: ECHO Benchmark reports - EVA report)

Baseline Results achieved: Apr – Dec 2016	Milestones foreseen 2017	Target 2018
93%	≥ 70 %	≥ 70 %

This indicator has been adapted to evaluate speed of negotiating proposals along the same benchmarks as for non-emergency procedures financed under humanitarian aid. It measures the time from the attribution of the request to an operational desk to the appraisal and negotiation of the request.

Indicator 3: % of projects in the health, nutrition, food, shelter and WASH sectors using standard output indicators ('Key Result Indicators')

Baseline Results achieved: Apr – Dec 2016	Milestones foreseen 2017	Target 2018
47%	≥ 60%	≥ 70%

The Key Results Indicators² (KRI) are standardized metrics based on international good practice in the respective sector. Their use can be interpreted as a proxy indicator for quality as good project indicators are crucial for good project management, monitoring and reporting which ultimately has a positive effect on project quality as a whole. An internal analysis of the KRI system in DG ECHO identified a number of shortcomings which may explain why the share of projects using KRI is not high. As a result, ECHO has decided to revise and streamline the KRI system to increase its use from 2017.

Specific objectives

Specific Objective 1: To provide of multi-sectoral support to meet the basic needs of refugees and migrants into the Union adversely affected, in Greece and in any other affected Member State.

Indicator 1: Shelter – number of refugees and migrants accommodated with support of the ESI in Greek mainland (Source: projects final reports)

Baseline Results achieved: Apr – Dec 2016	Milestones foreseen 2017	Target 2018
0	≥ 40 000	≥ 40 000

The provision of adequate and dignified shelter solutions for refugees and migrants is a priority, especially in the European Union where weather conditions can be difficult. Besides the ESI, other instruments of the EU will cover shelter for certain Persons of Concerns, notably in the hotspots. The foreseen milestone for 2017 and target for 2018 correspond to the approximate number of accommodation needed in the Greek mainland as estimated by Greek authorities. However, it should be kept in mind that no formal financing plan for 2018 has yet been published by the Greek government, with whom the implementation of the ESI has to be coordinated. The milestones and target indicated here are therefore indicative.

Indicator 2: Cash – number of refugees and migrants benefiting from multi-purpose cash grants (Source: projects final reports)

Baseline Results achieved: Apr – Dec 2016	Milestones foreseen 2017	Target 2018
0	≥ 51 000	≥ 51 000

One of the priorities of the ESI is to grant access to basic services, basic food and non-food items through the implementation of Multipurpose Cash Grants (MPG). MPGs are unrestricted cash transfers that place beneficiary choice and prioritisation of his/her needs at the forefront of the humanitarian response. Depending on the situation of the Persons of Concerns (e.g. freedom of movement, access to cooking facilities, etc.), MPGs will cover food, or not. Considering their particular vulnerabilities, UAMs will not receive MPGs, but will benefit directly from services, food and items. At the moment of activation of the ESI, no cash grant was distributed to migrants and refugees in Greece. The objective is to have the entire eligible population covered by MPG by 2017. However, it should be kept in mind that no formal financing plan for 2018 has yet been published by the Greek government, with whom the implementation of the ESI has to be coordinated. The milestones and target indicated here are therefore indicative.

Specific Objective 2: To provide technical assistance to the extent required for the management of the support to be provided under this Decision.

Indicator 1: % of on-going projects monitored (Source: MIPS)

Baseline Results achieved: Apr – Dec 2016	Milestones foreseen 2017	Target 2018
93%	≥95%	≥95%

Monitoring ESI-funded projects is essential to ensure that the implementation of the programme is adequate and to provide the necessary technical assistance to improve the response. The 2017 foreseen milestone and 2018 target correspond to the need to monitor each project at least once per year, but taking into consideration that it is likely that projects starting by the end of the year may be difficult to monitor before the end of the same year.

Expenditure related outputs

Outputs	Budget line	Number	EUR million
Number of beneficiaries receiving support (shelter, WASH, health, protection etc.)	18 07 01	62 000	199,0

Outputs		Number of outputs foreseen (F) and produced (P)				
		2016	2017	2018	2019	2020
Number of beneficiaries receiving support (shelter, WASH, health, protection etc.)	F	N/A	62 000	62 000		
	P	62 000				

² List of KRIs available at <https://myintracomm.ec.europa.eu/echo/partners/fpa/Documents/EN.pdf>

5. Programme contribution to the Sustainable Development Goals

The Instrument for Emergency Support within the EU aims at preserving life, preventing and alleviating human suffering, and maintaining human dignity when disaster occurs within the EU. Through activities on shelter; water and sanitation services; cash assistance; protection activities; education; health; and food, non-food items, the ESI contributes to the following Sustainable Development Goals within the EU:

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable and modern energy for all
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

7. Programme related additional information

As stipulated in the regulation, the ESI complements efforts of Member States in cooperation with them, only in circumstances where the exceptional scale and impact of the disaster is such that it gives rise to severe wide-ranging humanitarian consequences in one or more Member States and when no other instrument available to Member States and to the Union is sufficient. For this reason, and as no planning has yet been adopted by the Greek authorities for the management of the crisis for the year 2018, there are still wide ranging uncertainties with regards to the activities and outputs of the ESI in 2018. It should therefore be kept in mind that the Programme Statement of the ESI for 2018 is indicative and uncertain and the implementation of the Programme will depend on the development of the crisis; political decisions for the response to the crisis; and the potential outbreaks of unforeseeable crises.

Statement on Financial Intervention of the Communication Policy Area

Lead DG: COMM

I. Programme update

Implementation status (2014-2016)

DG COMM Work Programme 2016 (= Financing Decision) was implemented as planned. DG COMM 2016 operational budget overall implementation rate is very close to 100 %.

Key achievements

DG Communication Headquarters together with the Representations in the Member States communicate with the media, stakeholders and citizens about issues of European policy and their direct impacts on citizens daily activities.. Communication is one of the Commission's tasks resulting from its prerogatives on institutional level. The achievement of the objective to communicate simple, clear and understandable messages to citizens is underlined in 2016 by several examples:

- 100 % of top 100 press releases have been consulted in EN with more than 10 000 online views (compared to 2015: 65% of top 100 press releases attain more than 10 000 online views).
- 11% increase in followers/fans/subscribers on social media corporate accounts (from 3,6 million in 2015 to 4,0 million in 2016).
- Events were organised at Representations and European Public Spaces – with a 75% of participants agreeing that the event improved their knowledge on EU issues.
- 94% of the visitors to the Commission's Visitors' Centre declare themselves "very satisfied" with the visits.
- 77% of participants agree that the Citizens' Dialogue event improved their knowledge on EU issues.
- 84% satisfaction rate on queries replied by the EUROPE DIRECT Contact centre.

Forthcoming implementation (2017/2018)

The most important milestone for the future is the completion of the building phase of the new Europa web presence by 2017/2018.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	
Task resulting from the Commission's prerogatives at institutional level, as provided for in Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1)	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support - Heading 3	1,2	1,2	1,0	1,1	1,1	1,2	1,3	8,1
Operational appropriations Heading 3	61,0	65,0	70,0	75,2	75,2	78,4	81,8	506,7
Heading 5 appropriations	8,8	9,0	8,9	9,1	9,0	8,8	8,8	62,3
Total	71,0	75,2	80,0	85,4	85,4	88,4	91,9	577,2

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	64,843	99,87 %	57,883	98,97 %	67,184	34,59 %	66,260	24,53 %
Authorised appropriation excluding external earmarked revenue	64,843	99,89 %	57,883	97,86 %	67,184	34,61 %	66,259	24,23 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Corporate communication contributes to raising public awareness about the EU as a whole, its values and its works to address current issues in line with the 10 political priorities set out by the Commission in the annual Commission Work programme (CWP), this includes further alignment of political and corporate communication (for example, professionalization and partial centralisation)

Through its audio-visual communication tools the Commission offers citizens possibilities to inform themselves about the political and legislative process of the EU, its results and how EU policy directly impacts their daily lives. The Commission intends to bring the EU Affairs closer to the citizens, multipliers, media, politicians and other stakeholders by providing them, at local level with clear information on the EU, be it directly via for example Citizens' dialogues, or visits to the Visitors' Centres or via traditional and new media (for example EUROPA website and social media). The communication actions are implemented in partnership with the European Parliament and the Member States, and the 513 Europe Direct Information Centres and through the 37 European Commission Representations and Regional Offices in Member States.

Polling and analysis of the public opinion and media monitoring feedback provides the Commission with data comparable across the EU that can in turn feed – upstream - into the policy making process. Systematic media analysis also contributes to the coherent, well-targeted long-term media relations strategy.

4. Performance information

General objectives

General Objective 1: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making process and they know about their rights in the EU.

Indicator 1: Percentage of EU citizens having a positive image of the EU							
Baseline (August 2014)	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
39 %				32 %			Positive image of the EU ≥ 50 %
Actual results							
	39 %	37 %	35% ¹				

Specific objectives

Specific Objective 1: A simple, clear, understandable message is communicated to citizens explaining the direct impact of EU policies on their lives.

Indicator 1: Percentage of the 100 top press releases consulted in EN with more than 10 000 online views							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
43 %		60 %		65%			65 %
Actual results							
Source: Rapid reporting – DG COMM		65 %	100%				

Indicator 2: Number of multimedia productions downloads							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
96 143		120 000		150 000			200 000
Actual results							
Source: AV Analytics and Web Analytics	146 094	179 964	119 700 ²				

¹ This figure is lower than 2015 as it is influenced by many factors and externalities, including international, national and economic factors/developments.

² The AV Corporate production team has refocused on the 10 priorities of President Juncker and by doing so, the number of productions has gone down. The aim is to go for fewer, but higher quality productions – each of them therefore requiring more production time.

Indicator 3: Satisfaction rate on queries replied by the EUROPE DIRECT Contact centre							
Baseline 2013	Milestones foreseen ³						Target 2020
	2014	2015	2016	2017	2018	2019	
82%				85%			90%
Source: Ratings extracted from the EDCC citizens' enquiries database and submitted in monthly reports	Actual results						
	83%	87%	84%				

Indicator 4: Percentage of visitors to the Commission very satisfied with the visits							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
69 %				90 %			90 %
Source: forms filled in by each visiting group	Actual results						
	80 %	90 %	94%				

Indicator 5: Percentage of participants at Representations and European Public Spaces events agree that the event improved their knowledge of EU issues							
Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
71 %				80 %			85 %
Source: based on responses to questionnaires distributed after events	Actual results						
	71 %	77 %	75%				

Indicator 6: Number of unique visitors to the EUROPA website							
Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
258 298 695	258 298 695	233 635 832		300 000 000+			350 000 000+
Source: SAS Analytics (corporate data collection tool)	Actual results						
	258 298 695	233 635 832 ⁴	220 420 315 ⁵				

Indicator 7: Number of followers/fans/subscribers of the EU Commission social media corporate accounts including the Representations							
Baseline 2013	Milestones foreseen ⁶						Target 2020
	2014	2015	2016	2017	2018	2019	
Twitter: 172 000				850 000	805 000	903 000	1 000 000 800 000 1 800 000 575 000 50 000 800 000 800 000
Facebook: 230 000				750 000	750 000	780 000	
Google+: 711 000		391 417	608 000	750 000	1 720 000	1 780 000	
LinkedIn: 174 591		481 250	545 000	1 900 000	441 530	508 265	
EUTube: 22 500		1 309 583	1 407 667	365 000	43 000	46 000	
Representations:		241 326	308 061	45 000			
Twitter 88 000		31 000	35 000	540 000	565 000	680 000	
Facebook 150 000				670 000	630 000	715 000	
	Actual results						
	319 700	510 631	675 000				
Source: Engagor (corporate social media monitoring tool) and the data available on the social media platforms themselves	417 500	537 017	633 700				
	1 211 500	1 597 844	1 700 000				
	174 591	243 601	309 000				
	28 100	33 372	38 500				
	164 000	306 000	420 000				
	251 000	374 000	500 000				

³ Satisfaction rate for 2016 dropped due to a new EDCC contractor. DG COMM is working closely with the contractor to improve the situation; hence the target 2017 and target 2020 were adapted.

⁴ Quantitative indicators, such as unique visitors and visits, do not necessarily indicate success or failure of a website. Unique visitors can be affected by the content that is published in a given year..

⁵ In 2016, the figure is lower than the baseline due to the deletion of content following migration and transformation of sites in 2016. This indicator has been changed to "visits" in 2017 Management Plan. In addition, the current one concerns all European Commission websites on Europa.

⁶ Given the good results in 2014 and 2015, the future milestones for 2017 have been revised upwards.

Indicator 8: Percentage of participants agreeing that the Citizens' Dialogue event improved their knowledge on EU issues							
Baseline	Milestones foreseen ⁷						Target 2020
	2014	2015	2016	2017	2018	2019	
Start in 2015 Source: Based on information collected on the site through voting devices or on responses to questionnaires distributed after events	n.a.	30 %	70 %	80%	75 %	77 %	80 %
	Actual results						
		73 %	77%				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
RAPID	16 03 02 03	1	0,5
Audio-visual productions and multimedia projects for the general public	16 03 01 02	200	0,7
TV uptakes from Europe by Satellite (in minutes)	16 03 01 02	85000	3,1
Media library: conservation and availability to the public of audio-visual material (audio, video and photo), web development	16 03 01 02	50	1,8
Meetings with the media/HQ	16 03 01 02	1	0,1
Information events for journalists/REPs	16 03 01 02	620	0,5
Management of audio-visual technical facilities (number of AV products provided to the College - messages, interviews, statements, clips) (Heading 5)	16 03 02 02	800	5,7
Visits to the Commission	16 03 02 01	1700	4,0
Number of Europe Direct Information Centres (EDICs)	16 03 01 03	518	15,5
Organisation of events under the 10 priorities of the Juncker's Commission and information events by the Representations (Events&Actions database)	16 03 01 04	2500	16,4
Communication actions on budget focused on results(BUDG)	16 03 01 04		0,2
European Public Spaces organise information events (Events&Actions database) (Heading 5)	16 03 01 05	1400	1,2
European Public Spaces (Heading 5)	16 03 01 05	21	
Number of consultations kids' corner and teachers' corner (Heading 5)	16 03 02 04	18.2	0,5
Publications, including Commission's General Report (Heading 5)	16 03 02 04	30	1,7
Operation of EDCC	16 03 02 03	1	3,5
Electronic/paper publications (REPs)	16 03 02 03	30	3,5
Local social media profiles regularly updated (REPs)	16 03 02 03	90	1,0
Number of Citizens' Dialogues	16 03 01 04	90	1,8
Management of EUROPA websites (COMM) and EU results website(BUDG/DIGIT)	16 03 02 03	n/a	6,0
House of European History (DG EAC)	16 03 04	n/a	3,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
RAPID	F	1	1	1	1	1	1	1
	P	1	1	1				
Audio-visual productions and multimedia projects for the general public	F	176	75	150	200	200	200	200
	P	64	125	107 ⁸				
TV uptakes from Europe by Satellite (in minutes)	F	40000	85000	85000	85000	85000	85000	85000
	P	80091	94320	64113 ⁹				
Media library (in thousands): conservation and availability to the public of audio-visual material (audio, video and photo), web development	F	28,5	50,0	50,0	50,0	50,0	50,0	50,0
	P	47,0	48.6	50.0				
Meetings with the media/HQ	F	1	1	1	1	1	1	1
	P	1	1	1				
Information events for journalists/REPs	F	540	560	580	600	620	630	650
	P	540	517 ¹⁰	620				
Management of audio-visual technical facilities	F	900	800	800	800	800	800	850

⁷ Given the good results in 2015, milestones and target have been revised upwards.

⁸ The AV Corporate production team has refocused on the 10 priorities of President Juncker and by doing so, the number of productions has gone down. The aim is to go for fewer, but higher quality productions – each of them therefore requiring more production time.

⁹ See footnote 11

¹⁰ Information events for journalists are based on the needs. DG COMM will follow the situation and may revise the forecast for future years.

(number of AV products provided to the College - messages, interviews, statements, clips)	P	780	762 ¹¹	647 ¹²				
Visits to the Commission	F	1700	1700	1700	1700	1700	1700	1700
	P	1733	1736	1700				
Number of Europe Direct Information Centres (EDICs)	F	500	515	518	518	518	518	518
	P	507	518	513 ¹³				
Organisation of events under the 10 priorities of the Juncker's Commission and information events by the Representations (Events&Actions database)	F	N/A	3000	3000	2500	2500	2000	
	P	N/A	2989	2910				
European Public Spaces organise information events (Events&Actions database)	F	1200	1200	1300	1350	1400	1450	1600
	P	1000	1208	1440				
European Public Spaces	F	18	18	19	20	21	22	23
	P	18	18	18				
Number of consultations kids' corner and teachers' corner (in millions)	F	10,8	13,5	15,0	16,5	18,2	19,0	19,0
	P	11,8	11,1 ¹⁴	10,5 ¹⁵				
Publications, including Commission's General Report	F	50	50	50	58 ¹⁶	30	30	30
	P	50	50	48				
Operation of EDCC	F	1	1	1	1	1	1	1
	P	1	1	1				
Electronic/paper publications (REPs)	F	50	50	30	30	30	30	30
	P	50	32 ¹⁷	40				
Local social media profiles regularly updated (REPs)	F	67	70	90	90	90	90	90
	P	67	90	90				
Number of Citizens' Dialogues ¹⁸	F	n/a	10	80	85	90	20	50
	P	n/a	53	73				

Justification of changes to the financial programming and/or to the performance information

Indicator 6 is changed to keep trace of "unique visitors" instead of "visits" to EUROPA website. This indicator change guarantees for a better follow-up of the real reach of content.

Specific Objective 2: A coherent and effective corporate communication is developed and maintained.

Indicator 1: Digital Transformation / overall completions (in %)

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
547 websites; 3 000 000 web pages for all DGs		1 class transitioned 50 %; 3 classes transitioned 25 % (8,3 % overall completion)	4 themes transitioned 100 %; 3 themes transitioned 50 % (37 % overall completion)	15 themes at 100 % (100 % overall completion)	One coherent web presence for the entire Commission, to be continuously improved and maintained	One coherent web presence for the entire Commission, to be continuously improved and maintained	One coherent web presence for the entire Commission, to be continuously improved and maintained
Source: Commission sites inventory	Actual results						
	133 websites cut for all DGs; 925 070	8 classes at 15 % (8 % overall completion)	2 themes at 60% 1 theme at 58% 1 theme at 46%				

¹¹ Decrease due to focussing on TV productions linked with the 10 priorities.

¹² In 2016, compared to 2015 a decrease in the number of AV facilities, as fewer people are mandated to speak directly to the media, a new thematic structure of the Spokesperson Service where there is no longer one Spokesperson per Commissioner and a general shift from requests for traditional AV productions to items suitable for the social media.

¹³ The number of EDICs decreased slightly in 2016 because the structures hosting EDICs either terminated the agreement with the European Commission to host EDIC or they did not submit an annual action programme for EDIC activities.

¹⁴ "Kids' corner" is a web-portal that presents a number of online educational games on EU matters, produced by different services within the EU institutions. It has a large and stable audience over years, but the exact figures fluctuate, depending on whether specific games are added or redrawn, and also for technical reasons related to how the audience is counted with respect to different web-technologies. "Teachers' corner" is a portal helping teachers to find material to use in their classes to teach about the EU, and its audience is growing.

¹⁵ The way of measuring consultations of Kids' Corner and Teachers' Corner has been modified to reflect visits rather than page views/consultations, as this is a more accurate way of measuring audience and aligns the methodology for calculating the figures with that used by other services, thus ensuring a corporate approach across the institution. Naturally, given this new approach, the figure cannot be compared with the figure from previous years.

¹⁶ The 32 titles in the 'EU explained' series of publications will be phased out and replaced by short citizen-friendly factsheets on the EU's 10 political priorities and on other important topics for citizens. Both the 'EU explained' series and the factsheets will co-exist in 2017, resulting in a higher number of publications than in previous years, before stabilising at a lower number of far more regularly updated publications from 2018 – the factsheets will be updated up to four times per year compared to the annual update of the titles in the 'EU explained' series

¹⁷ The general policy to rationalise and use material already available from the Headquarters is resulting in a smaller number of publications. The forecast was thus reduced.

¹⁸ In principle, number of outputs foreseen has been revised upwards. In year 2020, new Commissioners will have to get familiar with the format; therefore the planned number of Dialogues corresponds to the number of 2015.

	webpages cut		1 theme at 37% 1 theme at 32% 1 theme at 25% 1 theme at 20% 1 theme at 16% 1 theme at 1% (31% overall completion)				
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Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Intra-muros expertise to create the new web presence (data analysis, user research, user experience, design, usability, content and communication)	16 03 02 03	43	6,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Intra-muros expertise to create the new web presence (data analysis, user research, user experience, design, usability, content and communication)	F	23	30	45	43	43	43	43
	P	23	28	36				

Justification of changes to the financial programming and/or to the performance information

Change of indicator from 2015-2016: The digital transformation programme aims to create one single coherent, relevant and cost effective web presence for the entire Commission by the end of 2017. From 2016 the project requires a change of indicator, as it shifts from the rationalisation and research phase to the phase of building the new platform. The new web presence will be thematic and will be organised by groupings called 'themes'. The content of the current web presence will be gradually transitioned to the new web presence 'themes by themes'. This is reflected in the new indicators above.

Milestone for 2017 has been changed to 15 themes foreseen to be completed 100 %. Additionally, for a clearer picture, yearly overall completion rate planned and implemented in % is added.

Specific Objective 3: Country specific information and analysis are fed into College's decision making process

Indicator 1: Number of political and economic reports and analysis produced

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
940				500			500
Source: Political reporting tool and statistics on ESO reports (DG COMM)	Actual results						
	940	634 ¹⁹	606				

Indicator 2: Satisfaction rate on the media monitoring services

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
n/a	n/a	60 %		76 %			75 %
Source: DG COMM survey	Actual results						
		76 %	n/a ²⁰				

Indicator 3: Satisfaction rate concerning Eurobarometer products

Baseline 2015	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
n/a				60 %			75 %
Source of data: COMM.A1 survey - Survey conducted as of 2017 annually each Autumn	Actual results						
	n/a	n/a	n/a				

¹⁹ This figure includes all horizontal products (horizontal reports, and crisis reports – 28 contributions from European Commission Representations, counted here as one).The number of individual reports have been reduced to produce more focused and relevant reports including regional and horizontal reports..

²⁰ The survey is conducted every 2nd year

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Production of media monitoring and other media analysis products	16 03 02 05	30	1,4
Production of Eurobarometer public opinion surveys	16 03 02 05	7	5,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Production of media monitoring and other media analysis products	F	60	50	30	30	30	30	30
	P	51	21	30				
Production of Eurobarometer public opinion surveys	F	7	7	7	7	7	7	7
	P	8	11	9				

Justification of changes to the financial programming and/or to the performance information

In 2016, media analysis reports were further streamlined to ensure the production of fewer, more focused, high quality media analysis reports.

Regarding Indicator 3 (Satisfaction rate concerning Eurobarometer products), as of 2017, a survey will be conducted annually to access user satisfaction in the Commission as regards to Eurobarometer surveys and visualisation of the Eurobarometer results



► **HEADING 4**
Global Europe

HEADING 4: Global Europe**Instrument for Pre-accession Assistance (IPA II)****Lead DG: NEAR**

Associated DGs: EAC, AGRI, REGIO, EMPL

I. Programme Update***Implementation status (2014-2016)***

Multiannual indicative programming documents were adopted in 2014 and have been revised in 2017 for each of the seven IPA II beneficiaries. These documents, which under IPA II are called Indicative Strategy Paper(s)’:

- set the framework for the assistance’s objectives for 2014-2020
- identify priorities and sequencing for reforms and investments to ensure consistency with the enlargement agenda.

An indicative multi-country strategy paper was also adopted in 2014 and has been revised in 2017. This identifies priorities and conditions for multi-beneficiary programmes for 2014-2020 for:

- Horizontal support to sector policies and reforms, including support measures for the implementation, monitoring, audit and evaluation of IPA programmes, as well as for information and communication activities;
- Regional structures and networks;
- Regional investment support; and,
- Territorial cooperation.

In 2014, the following programmes were adopted, in particular:

- eight annual action programmes (including one multi-country programme);
- five multiannual sector operational programmes for Turkey and the former Yugoslav Republic of Macedonia;
- eight cross-border cooperation programmes in the Western Balkans and a cross-border cooperation technical assistance programme;
- one multiannual programme to support civil society and media;
- four support measures;
- one individual measure (support to the Office of the High Representative (OHR) in Bosnia and Herzegovina);
- one special measure on flood risk protection in Bosnia and Herzegovina and Serbia.

Total operational commitments for IPA II in 2014: EUR 1.4 billion.

An additional action programmes were adopted in 2015, in particular:

- nine annual action programmes (including two multi-country programmes);
- eight multiannual cross-border cooperation action programmes;
- measures to support TAIEX and the OHR in Bosnia and Herzegovina;
- measures for horizontal support;
- special measures over the migration crisis.

IPA 2016 programming exercise was carried out, which took into account the sector readiness with a particular focus on project maturity to ensure impact and added value of EU financial assistance. In total, 9 annual action programmes, including multi-country programmes, were adopted in a total value of EUR 662 million.

Most of these programmes are still at an early stage of implementation, with mostly contracts under the multi-country allocation and several sector reform contracts already signed.

Key achievements

IPA funds help beneficiaries aspiring to join the EU prepare to fulfil the obligations that come with EU membership and benefit from the rights that are enshrined in the EU through support to reforms that provide citizens in the enlargement region with better opportunities and allow for development of standards equal to the ones enjoyed by EU citizens. The funds also help the EU reach its own objectives regarding a sustainable economic recovery, security of energy supply, improved transport connections, enhanced environmental standards, more effective action to combat climate change, etc.

Although the 2014-2016 programmes are only at an early stage of implementation, there are already some measurable achievements. The new sector-based approach and several sector reform contracts introduced under IPA II have contributed to improved governance and public administration and public financial management. Furthermore, the implementation of the connectivity agenda has progressed well with the breaking ground of several important infrastructure projects agreed at the Vienna summit in 2015.

In terms of concrete results, more specifically:

- Throughout 2016, the EU continued providing financial support to those affected by migratory pressure along the Western Balkans route (in particular Serbia and the former Yugoslav Republic of Macedonia) to implement the commitments made at the October 2015 Leaders' Meeting on the Western Balkans Migration Route. In 2015 and 2016 EUR 39 million has been allocated through IPA to support Serbia and the former Yugoslav Republic of Macedonia in managing the migration flow.
- Continued progress has been achieved on the Connectivity agenda. More than a third of the 24 priority projects on the list agreed in Vienna were approved and are under implementation. The interim milestone regarding the 20 electricity and gas projects in 2013 Projects of Energy Community interest (PECI) list. On the other hand, only limited progress can be reported on the implementation of soft measures (renamed into reform measures in 2016) for energy and transport, which were agreed in Vienna. The measures have proven much more difficult than foreseen to implement but the absolute figures hide a large amount of preparation.
- The implementation of the PFM programme (including the transfer of funds, the policy dialogue as well as the complementary technical assistance) has contributed to improvement of the legal and fiscal framework with the adoption of the amendments to the Organic Budget Law setting out the requirements for legally binding medium term budget ceilings, the improved budget transparency with the publication of the citizens' budget for the 2016 draft budget along with the list of public investments under the medium-term budget programme and steps taken to strengthen the external audit by adoption of new compliance audit manual and a financial audit manual in line with the INTOSAI standards. PFM budget support programme has also contributed to strengthening the capacities for sector coordination with the setting up of a new unit in the Ministry of Finance to monitor PFM strategy implementation and the elaboration of a performance assessment framework.
- The overall objective of the Action 'ICMP Assistance to BiH to Account for Persons Missing from the Conflicts of the 1990s' (IPA 2014) implemented by the International Commission on Missing Persons (ICMP) is to support Bosnia and Herzegovina's (BiH) efforts to address the issue of persons missing from the conflicts of the 1990s. This assistance helps the Country to deal with its painful past and contributes significantly to transitional justice mechanisms. Implementation of this Action produced the following results: the NN ("No Name") Working Group reviewed all 10 mortuary facilities (Mostar, Nevesinje, Travnik, Tuzla, Banja Luka, East Sarajevo, Gorazde, Visoko, Modrica and Odzak); ICMP provided technical assistance to the Government of BiH in terms of exhumation and examination of mortal remains located in clandestine graves; provided continued access to DNA matching and identification of missing persons cases; finally the ICMP's Identification Database Management System became fully accessible on-line. Implementation of this project, worth EUR 1 million and implemented as a direct grant to the ICMP, started in April 2016 and will be completed in April 2017. Under IPA 2016 additional EUR 3 million were allocated for the continuation of the ICMP work beyond April 2017. This Action builds up on assistance provided under IPA 2007 and IPA 2010. This represented a major contribution to enabling the ICMP to help the Western Balkans region to account for over 70% of the 40,000 registered as missing persons, namely the IPA assistance helped finding 28,000 missing. The ICMP has done this by applying an holistic approach to addressing the issue of the missing – involving BiH government institutions, civil society, and the international community, and deploying state-of-the-art forensic sciences. The aim of all Actions in this field has been enabling the ICMP to continue providing integrated anthropological, archaeological and advanced DNA identification system support for the identification of persons missing as a result of the conflict in BiH. Ultimately, evidence gathered was made available to the International Criminal Tribunal on the former Yugoslavia (ICTY) and domestic courts through ICMP's Assistance to Justice Program.

Evaluations/studies conducted

The mid-term evaluation of IPA II, in the framework of the global Mid –term review of all external financing instruments, has been launched in 2016. An Open Public Consultation, based on a preliminary report, has been launched in February (https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en), but it will only be finalised by end of June 2017..

Forthcoming implementation (2017-2018)

IPA II programming will continue to focus on the 'fundamentals first' in line with the enlargement strategy. The planned 2017 IPA interventions continue to address the political priorities of the Commission, in particular the fundamentals of enlargement such as the rule of law and democratic governance, economic growth and jobs, including important priorities such as the connectivity agenda.

This will involve:

- strengthening democratic functioning and governance (e.g. public administration reform, public finance management);
- supporting the rule of law and fundamental rights (judiciary, anti-corruption, border/boundary management, anti-discrimination, etc.).

Other important future actions are:

- competitiveness and growth, including connectivity in the Western Balkans;
- support to employment and education,;
- energy;
- environment;
- SME support.

Specific attention will continue to be paid to managing the consequences of the refugee and migration crisis. Several actions have already been programmed (with implementation ongoing or starting) addressing emergency issues such as border/boundary surveillance/management or provisioning of accommodation and basic services for migrants/asylum seekers. A fourth Special Measure for the Western Balkans (targeting primarily Serbia and the former Yugoslav Republic of Macedonia) is under preparation. Furthermore, an additional focus for the period 2017-2018 will be on security, in particular on tackling counter-terrorism, radicalisation and violent extremism and serious crime actions, IPA will provide support to the Western Balkan Integrative Internal Security Governance, as well as the deployment of EUROPOL liaison officers, which will help better assess the situation on the ground and needs.

- Concerning Turkey, in 2017 key priorities will be to sustain EU-Turkey dialogue and participation at the level of citizens, NGOs, students and professionals, and Turkey's participation in Union Programmes. Support to address the effects of the refugee crisis in Turkey will be channelled mainly under the Facility for refugees in Turkey. Continuous support to civil society will be particularly important in the context of growing polarisation of the Turkish society and social unrest, increased by the measures taken in the aftermath of the coup attempt. In the sector of fundamental rights, anti-discrimination, with a special emphasis on minorities' rights, remains a priority, as well as the need to tackle gender inequality as well as domestic violence. Nevertheless, the consequences of the recent events in Turkey for key beneficiaries in this field also call for careful assessment of financing possibilities. Concerning 2018, given the very dynamic situation in the country, the details of IPA financial assistance will be established at a later stage.

Some of the programmes will also address the country-specific recommendations issued by the Commission in response to the countries' economic reform programmes.

A mid-term review will be organised in 2017 for the Indicative Strategy Paper(s). These may be revised as appropriate in accordance with the enlargement policy framework.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)	2014 - 2020	11 698,7

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	50,7	41,7	41,8	44,6	45,7	49,2	50,3	324,0
Operational appropriations	1 426,8	1 531,2	1 635,5	2 069,4	1 697,4	1 720,2	1 728,7	11 809,2
Executive Agency	1,0	0,8	0,8	0,8	0,7	0,7	0,6	5,5
Total	1 478,6	1 573,7	1 678,1	2 114,7	1 743,8	1 770,1	1 779,6	12 138,6
<i>Of which contribution to Erasmus+</i>	<i>30,3</i>	<i>31,9</i>	<i>32,9</i>	<i>33,9</i>	<i>31,0</i>	<i>33,0</i>	<i>33,0</i>	<i>225,9</i>

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 589,763	98,93 %	776,591	93,33 %	2 734,491	45,46 %	1 129,470	11,29 %
Authorised appropriation excluding external earmarked revenue	1 678,378	99,94 %	471,468	91,09 %	2 114,911	30,46 %	1 111,341	11,09 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The purpose of assistance under the Instrument for Pre-Accession Assistance (IPA II) is to support the Enlargement policy of the Union. Enlargement policy itself is part of the external action of the Union and contributes to meeting the common objectives in terms of global challenges, global response and global leadership. The Enlargement policy contributes to ensuring stability, security and prosperity in the immediate neighbourhood of the Union.

The successive enlargement of the EU is by its very nature common task which can be pursued only at EU level. Only the Member States acting together can decide on the accession requests by new candidates. The pre-accession assistance provided through the EU budget is designed to help candidate countries and potential candidates: IPA is built to give IPA II beneficiaries a "test run" of obligations of membership (such as putting in place institutions for managing EU funds, and/or adopting the *acquis* and EU standards). Granting pre-accession assistance under one single instrument on the basis of a single set of criteria is more efficient

than granting assistance from multiple sources (including the national budgets of the Member States) following different procedures and priorities.

Pre-accession assistance is designed to help the beneficiaries listed in Annex I of the IPA II-Regulation coming closer to the accession benchmarks. By its very nature, IPA II is an enabling instrument which helps the beneficiaries in implementing the necessary reforms and achieving their respective targets related to the 1993 Copenhagen criteria as well as the conditionality of the Stabilisation and Associations process. The success of pre-accession assistance is therefore to be measured against the criterion how effective the assistance was to enhance the capability of the beneficiaries to come closer to the accession benchmarks.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Inclusive Growth (employment and skills, fighting poverty)	33,1	30,3

100% line 22 02 04 02 (Contribution to Erasmus +)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Specific objectives 2, but also 3 and 4	305,4	250,8

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
90,07	210,29	171,67	305,43	250,77	270,06	288,37	1 586,66

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

The estimated amount for climate related expenditure for 2014-2017 is based on the analysis of the climate related expenditure under IPA II.

Estimates reflect the OECD/DAC reporting methodology for the Rio-markers on climate mitigation and climate adaptation. The budget of marked actions is weighted 100% if climate mitigation/adaptation is marked as "principal objective" and 40% if it is marked as "significant objective".

Estimates for 2018-2020 are based on DG NEAR targets.

Rio-markers apply to actions funded in all sectors; however, past trends indicate that relevant actions tend to concentrate in the sectors of rural development, environment, energy and management of natural resources – hereby tentatively associated to Specific Objective 2 (Support for economic, social and territorial development). However, climate-related expenditure might contribute also to achieving Specific Objective 3 (Strengthening the ability of the beneficiaries to fulfil the obligations stemming from Union membership) as well as Specific Objective 4 (Strengthening regional integration and territorial cooperation).

IPA II supports the beneficiaries in their efforts to align to the EU2020 Strategy, which includes increasing energy efficiency in the industry, in transport and housing and increasing the share of renewable energy sources. Support in this area is channelled to the beneficiaries in particular through financial instruments; in the first instance the Western Balkan Investment Framework (WBIF) and the Green for Growth Fund (GGF).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Specific objectives 2, but also 3 and 4	15	12,3

The amount constitutes around 0.5-0.7% of the IPA operational credits, excluding Erasmus+.

Estimates reflect the OECD/DAC reporting methodology for the Rio-marker on bio-diversity. The budget of marked actions is weighted 100% if bio-diversity is marked as "principal objective" and 40% if it is marked as "significant objective".

Rio-markers apply to actions funded in all sectors; however, past trends indicate that relevant actions tend to concentrate in the sectors of rural development, environment, energy and management of natural resources – hereby tentatively associated to Specific Objective 2 (Support for economic, social and territorial development). However, biodiversity-related expenditure might contribute also to achieving Specific Objective 3 (Strengthening the ability of the beneficiaries to fulfil the obligations stemming from Union membership) as well as Specific Objective 4 (Strengthening regional integration and territorial cooperation).

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
0	0,4	11,68	14,98	12,3	12,42	12,48	64,26

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

The IPA follows the commitments set out in the SWD (2015)182 – "Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020" (Gender Action Plan), endorsed by the Council Conclusions of 26-10-2015.

Estimates on past commitments: 27.09% of the IPA operational credits (excluding Erasmus+) in 2016. It is expected to keep the percentage in the range of 10-15% for all subsequent years.

Estimates reflect the OECD/DAC reporting methodology. The budget of marked actions is weighted 100% if gender equality is marked as "principal objective" and 40% if it is marked as "significant objective". Gender markers apply to actions funded in all sectors respectively specific objectives.

4. Performance information

General objectives

General Objective 1: The Instrument for Pre-accession Assistance ("IPA II") shall support candidate countries and potential candidates in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by the beneficiaries listed in Annex I to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership. Through such support, IPA II shall contribute to stability, security and prosperity in the beneficiaries.

The achievements of the general objective of IPA are measured in particular through the three composite indicators (set-out below) measuring each the state of play of where the seven enlargement countries stand in terms of their preparation for meeting one of the three accession criteria (i.e. political criteria, economic criteria; criterion on the administrative and institutional capacity to effectively implement the *acquis** and ability to take on the obligations of membership).

*Candidate countries- Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania

**Potential candidates- Bosnia and Herzegovina, Kosovo*

Kosovo* - this designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the International Court of Justice (ICJ) Opinion on the Kosovo declaration of independence.

Specific objectives

Specific Objective 1: Support for political reforms.

Indicator 1: Composite indicator on the readiness of enlargement countries on fundamental areas of the political accession criteria. These areas are: Judiciary, Fighting organised crime, Freedom of expression, Fight against corruption and Public administration reform

Definition: This composite indicator aims at showing where the candidate countries and potential candidates stand in terms of their preparations for meeting five key areas of the political criteria, namely the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and Public administration reform.

In each of these areas, the state of play (i.e. the readiness) in the candidate countries and potential candidates is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced.

This composite indicator is based on a careful analysis of the situation under each of the areas. Particular emphasis is given to the importance of implementation and track records of concrete results in each area. Accordingly, these aspects are given more weight than legal alignment and institutional framework in the overall assessment. These indicators have been introduced in the enlargement reports of 2015. Upcoming enlargement reports will provide an assessment of the areas, used for the preparation of this composite indicator. For further details, please see the Communication on the EU Enlargement Strategy¹.

These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy, including financial assistance through the Instrument for Pre-accession Assistance as regards two main fundamentals of the enlargement strategy (i.e. the rule of law and fundamental rights and public administration reform). DG NEAR role is to support the candidate countries and potential candidates to address the core issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders

¹ COM (2015) 611 final, 10.11.2015

Baseline 2015	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Five cases of early stage of preparation in these areas (i.e Albania on the Judiciary, Bosnia and Herzegovina on Public Administration Reform and Kosovo ² on the Judiciary, Fighting organised crime, and Fight against corruption)					Reduced number of cases of early stage of preparation in these areas		A majority of countries are moderately prepared in these areas**
	Actual results						
	Not available as this indicator has been introduced in 2015*	Five cases of early stage of preparation in these areas					

Source of data: Annual enlargement country reports – European Commission

* Results for 2014 are not available since the assessments, used for the preparation of this composite indicator, have been first done in 2015.

** Assuming that there will not be any backsliding on these areas, the target implies that by 2020 at least 3 more candidate countries and potential candidates become moderately prepared on the functioning of the judiciary; at least four more become moderately prepared on the fight against corruption; at least four more become moderately prepared on the fight against organised crime; at least four more become moderately prepared on freedom of expression. As for the public administration reform area, a majority of candidate countries and potential candidates are moderately prepared in this area already in 2015.

Indicator 2: Weighted score based on 8 external sources taken in three groups, each weighted one third 1. [Corruption Index (Transparency International) and Control of Corruption (World Bank); 2. Press Freedom (Reporters without Borders) and Freedom of Press (Freedom House); 3. Government Effectiveness (World Bank), Rule of Law (World Bank), Regulatory Quality (World Bank) and Voice and Accountability (World Bank)]*

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Western Balkans: 51.54 (51.19 in 2013)				>52			>55
	Actual results						
	51.87	51.05	not yet available				
Turkey: 52.01 (53.71 in 2013)				>53			>55
	Actual results						
	50.96	49.37	not yet available				

Values: 1 (Worst) - 100 (Best). Based on:

- Corruption Index (Transparency International) -<http://www.transparency.org/country>
- Control of Corruption (World Bank) -<http://web.worldbank.org>
- Press Freedom (Reporters without Borders) -<https://rsf.org/index2014>
- Freedom of Press (Freedom House) -<http://www.freedomhouse.org/>
- Government Effectiveness (World Bank) -<http://web.worldbank.org>
- Rule of Law (World Bank) -<http://web.worldbank.org>
- Regulatory Quality (World Bank) -<http://web.worldbank.org>
- Voice and Accountability (World Bank) -<http://web.worldbank.org>

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1.Measures to support for political reforms and related progressive alignment with the Union acquis - Western Balkans, of which (EUR million indicative as per CSPs)	22 02 01 01	8	189,3
2. Measures to support for political reforms and related progressive alignment with the Union acquis - Turkey	22 02 03 01	1	217,4
Total			406,7

Expenditure related output covering: Specific Objective 1 - Support for political reforms AND relevant part for Specific Objective 3 - Support for progressive alignment with, and adoption, implementation and enforcement of, the Union acquis, including

² This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Measures to support for political reforms and related progressive alignment with the Union acquis - Western Balkans	F	8	8	8	8	8	8	8
	P	8	9	9				
Measures to support for political reforms and related progressive alignment with the Union acquis - Turkey	F	1	1	1	1	1	1	1
	P	1	2	2				

Specific Objective 2: Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth.

Indicator 1: Composite indicator on the readiness of candidate countries and potential candidates on fundamental areas of the economic criteria These areas are: functioning market economy and competitiveness in the EU

Definition: This composite indicator aims at showing where candidate and potential candidates stand in terms of their preparations for meeting key areas of the two economic criteria, namely the existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the Union. In each of these areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced

This composite indicator is based on a careful analysis of the situation under each of the areas. Particular emphasis is given to the importance of implementation and track records of concrete results in each area. Accordingly, these aspects are given more weight than legal alignment and institutional framework in the overall assessment. Upcoming enlargement reports will provide an assessment of the areas, used for the preparation of this composite indicator. These indicators have been introduced in the enlargement reports of 2015. For further details, please see the Communication on the EU Enlargement Strategy.

These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy including financial assistance through the Instrument for Pre-accession Assistance as regards one main fundamental of the enlargement strategy (i.e. economic criteria). DG NEAR role is to support including through financial support the candidate countries and potential candidates to address the core issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.

Baseline 2015	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Four cases of early stage of preparation in these areas (i.e. Bosnia and Herzegovina on functioning market economy and competitive pressures; Kosovo* on functioning market economy and competitive pressures					Reduced number of cases of early stage of preparation in these areas		A majority of candidate countries and potential candidates reach a good level of preparation in these areas**
	Actual results						
	Not available as this indicator has been introduced in 2015*	Four cases of early stage of preparation in these areas					

Source of data: Annual enlargement reports – European Commission

* Results for 2014 are not available since the assessments, used for the preparation of this composite indicator, have been first done in 2015.

** Assuming that there will not be any backsliding on these areas, the target implies that by 2020 at least two more candidate countries and potential candidates reach a good level of preparation on the functioning market economy; at least three more reach a good level of preparation on the capacity to cope with competitive pressures and market forces within the Union..

Indicator 2: World Bank's "Distance to frontier" (Doing Business) score*							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1. Western Balkans: 59.63**				70			72
	Actual results						
	68.66	68.63	71.28				
2. Turkey: 65.3**				71			73
	Actual results						
	69.96	67.30	67.19				

* The indicator shows the distance of each economy to the “frontier”, that means the highest performance observed on each of the indicators across all economies: 1 (Worst) - 100 (Best)

Source: <http://www.doingbusiness.org/data/distance-to-frontier>.

** The last DB Report has updated the methodology: both baseline values have been slightly revised upward. Milestones and targets have been slightly adjusted accordingly.

Indicator 3: Average of exports and imports of goods and services/ GDP - % (Source: Eurostat)							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Western Balkans: 42.24 (44.83* in 2013)				52			55
	Actual results						
	48.68	52.76	Data not available				
Turkey: 20.46 (24.51 in 2013)				32			35
	Actual results						
	25.02	23.93	Data not available				

The indicator shows the degree of economic convergence of candidate countries and potential candidates towards the European average

The projections are based on a hypothesis of growth rate of 1.9% in the EU area and 3.35% in both Western Balkans and Turkey

* Excluding Kosovo*

Indicator 4: GDP per capita (current prices-PPS) as % of EU level (Source: Eurostat)*							
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Western Balkans: 32.65% ** (33.43% in 2013)				38%			43%
	Actual results						
	32.53%	33.34	Data not available				
Turkey: 49% (53% in 2013)				60%			65%
	Actual results						
	53%	52%	Data not available				

*The indicator shows the degree of economic convergence of candidate countries and potential candidates towards the European average

** Excluding Kosovo*

Indicator 5: Number of economic entities benefitting from IPA II assistance performing modernisation projects in agri-food sector

General comments related to the indicators measuring the IPA II assistance in the agriculture and rural development.

IPA resources for modernisations and upgrading of farms and food companies are very limited compared to the sector size in respective candidate countries and potential candidates and therefore targets are set only for the supported projects financed from the budget and not for the sector

The specific contracts in IPA II agriculture and rural development assistance are implemented in accordance with the N+3 rule which means that a given budget allocation in this programme may actually be implemented (contracted and paid to projects) within a period of 3 years following year N. Therefore:

* in 2014 no effective expenditure made/projects implemented;

** the target for budget year 2020 will be actually implemented as output by the end of 2023.

	Milestones foreseen						Target 2020
	2014*	2015	2016	2017	2018	2019	
1. Western Balkans	0			520			5 250
	Actual results						
	0		0				
	Milestones foreseen						Target 2020
	2014*	2015	2016	2017	2018	2019	
2. Turkey	0			120			1 220
	Actual results						
	0	0	0				

Indicator 6: Overall investment in physical capital in agri-food and rural development (EUR) implemented by beneficiaries of IPA II assistance

	Milestones foreseen						Target 2020**
	2014*	2015	2016	2017	2018	2019	
1. Western Balkans	0			52 600 000			710 000000
	Actual results						
	0	0	0				
	Milestones foreseen						Target 2020**
	2014*	2015	2016	2017	2018	2019	
2. Turkey	0			200 000 000			1 586 000 000
	Actual results						
	0	0					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis - Western Balkans, of which (indicative as per CSPs)	22 02 01 02	6	307,1
Support for economic, social and territorial development and related progressive alignment with the Union acquis	05 05 03 02	4	59
2. Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis - Turkey	22 02 03 02	5	274,4
Support for economic, social and territorial development and related progressive alignment with the Union acquis	05 05 04 02	1	148,0
Total		16	788,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis - Western Balkans	F	9	9	10	10	10	10	10
	P	10	9					
Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis - Turkey	F	6	6	10	6	6	6	6
	P	6	7	7				

Expenditure related outputs covering: Specific Objective 2 - Support for economic, social and territorial development AND the relevant part from Specific Objective 3 - Support for progressive alignment with, and adoption, implementation and enforcement of, the Union acquis, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development

Specific Objective 3: Strengthening of the ability of the beneficiaries listed in Annex I of the IPA II-Regulation to fulfil the obligations stemming from Union membership by supporting progressive alignment with, and adoption, implementation and enforcement of, the Union acquis, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development

Indicator 1: Composite indicator on the readiness of candidate countries and potential candidates on alignment to the acquis

Definition: This composite indicator aims at showing where the candidate countries and potential candidates countries stand in terms of their preparations for fulfilling the obligations stemming from the membership, including the alignment to the 33 *acquis* chapters. In each of the *acquis* chapters³, the state of play (i.e. the readiness) is assessed according to the following five-tier

³ BiH and Kosovo* are assessed according to the European Standards, not the chapter structure.

standard assessment scale: Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced

This composite indicator is based on a careful analysis of the situation under each of the 33 *acquis* chapters. Particular emphasis is given to the importance of implementation and track records of concrete results in each chapter. Upcoming enlargement reports will provide an assessment of these *acquis* chapters, used for the preparation of this composite indicator. For further details, please see the Communication on the EU Enlargement Strategy⁴.

These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy including financial assistance through the Instrument for Pre-accession Assistance as regards the third criteria⁵. DG NEAR role is to support including through financial support the candidate countries and potential candidates to address the issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.

Source of data: Annual enlargement country reports – European Commission							
Baseline 2015	Milestones foreseen						Target 2020
		2015	2016	2017	2018	2019	
- 51 cases of early stage of preparation in the 33 chapters ⁶ . - No majority of candidate countries and potential candidates which are moderately prepared in 10 out of 33 chapters.					Reduced numbers of early stage in these areas		A majority of candidate countries and potential candidates are moderately prepared in at least 30 out of 33 chapters.
	Actual results						
	Not available as this indicator has been introduced in 2015	- 51 cases of early stage of preparation in the 33 chapters ⁷ . - No majority of candidate countries and potential candidates which are moderately prepared in 10 out of 33 chapters.					

Indicator 2: Number of economic entities progressively upgrading towards EU standards in agri-food sector							
	Milestones foreseen						Target 2020**
	2014*	2015	2016	2017	2018	2019	
1. Western Balkans	0			330			3 328
	Actual results						
	0	0	0				
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2. Turkey	0			100			1 115
	Actual results						
	0	0	0				

* and ** - see explanations under indicator 3 and 4 of the SO 2.

Expenditure related outputs

The Expenditure related outputs designated for Specific Objective 3 - Support for progressive alignment with and adoption, implementation and enforcement of, the Union *acquis*, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development are split in the Expenditure related outputs of the following specific objectives, depending on their relevance:

Specific Objective 1 - Support for political reforms

Specific Objective 2 - Support for economic, social and territorial development

Specific Objective 4: Strengthening regional integration and territorial cooperation involving the beneficiaries listed in Annex I of the IPA II-Regulation, Member States and, where appropriate, third countries within the scope of Regulation (EU) No 232/2014 of the European Parliament and of the Council

⁴ COM (2015) 611 final, 10.11.2015

⁵ This criteria is about the administrative and institutional capacity to effectively implement the *acquis* and ability to take on the obligations of membership.

⁶ BiH and Kosovo* are assessed according to the European Standards, not the chapter structure.

⁷ BiH and Kosovo* are assessed according to the European Standards, not the chapter structure.

Indicator 1: Number of cross-border cooperation programmes concluded among IPA beneficiaries and between IPA/ EU Member States

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
IPA-IPA beneficiaries: 8	Actual results						10
	8	8					
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
IPA-EU MS: 12 REGIO	Actual results						12
	0	10	10				
Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Total CBC programmes: 20	Actual results						22
	8	18					

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Multi-country programmes, regional integration and territorial cooperation**	22 02 04 01	24	411,4
Contribution to Erasmus+	22 02 04 02	1	30,3
Contribution to the Energy Community for South-East Europe	22 02 04 03	1	4,5
Cross-border cooperation (CBC) — Contribution from Heading 4	13 05 63 02	12	46,4
Participation of candidate countries and potential candidates in ERDF ETC— Contribution from Heading 4 (IPA II)	13 03 64 02	1	9,6
Total		42	508,5

* Expenditure related outputs include communication, monitoring, evaluation and audit actions.

** Multi-country programmes include contributions by the Union budget to financial instruments.

5. Programme contribution to the Sustainable Development Goals

All SDGs are somewhat addressed through IPA II cooperation and policy dialogue.

Indeed, the EU Enlargement Policy, and IPA II, as consequence, will continue to focus efforts on the rule of law, including security, fundamental rights, democratic institutions and public administration reform (goal 16), as well as on economic development and competitiveness (goal 8). The fundamentals for meeting the Copenhagen and Madrid membership criteria are fully consistent with the fundamentals of the 2030 Agenda. Also considering that gender equality still represents a reason of concern of the agenda, priority will be given to this goal (5) by means of implementation of actions consistent with the Gender Action Plan.

Whenever possible, and in relation to the development of relevant statistical indicators, the above-mentioned areas, as well as other less explicitly focused, will be addressed.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

For the IPA countries the following instruments are provided:

Guarantee Facility I under the Western Balkan Enterprise Development and Innovation Facility (EDIF)

The Financial Instrument of the European Union for the Guarantee Facility contributes to achieving the objectives of enhancing socio-economic growth of the Western Balkans.

Its major objectives are the creation of preconditions for the emergence and growth of innovative and high-potential companies. The instrument will guarantee SME loan portfolios issued by commercial banks for new SME lending. This will entail improving SME access to lending and potentially lowering the cost of borrowing.

Guarantee Facility II under the Western Balkan Enterprise Development and Innovation Facility (EDIF)

The Financial Instrument of the European Union for the Guarantee Facility contributes to achieving the objectives of enhancing socio-economic growth of the Western Balkans.

Its major objectives are the creation of preconditions for the emergence and growth of innovative and high-potential companies. The instrument will guarantee SME loan portfolios issued by commercial banks for new SME lending. This will entail improving SME access to lending and potentially lowering the cost of borrowing.

Enterprise Expansion Fund (ENEF) under the Western Balkan Enterprise Development and Innovation Facility

The Financial Instrument of the European Union for the Enterprise Expansion Fund (ENEF) contributes to achieving the objectives of enhancing socio-economic growth of the Western Balkans.

Its major objectives are the creation of preconditions for the emergence and growth of innovative and high-potential companies. The instrument will finance development and expansion capital in established SMEs with high-growth potential in their respective markets through equity participation. Under the instrument, equity and quasi-equity investment can be used.

Enterprise Innovation Fund (ENIF) under the Western Balkan Enterprise Development and Innovation Facility

The Financial Instrument of the European Union for the Enterprise Innovation Fund (ENIF) contributes to achieving the objectives of enhancing socio-economic growth of the Western Balkans. Its major objectives are the creation of preconditions for the emergence and growth of early stage innovative companies through equity investments. The instrument will finance early to development and expansion stage capital in innovative SMEs. Under the instrument, equity and quasi-equity investment can be used.

Other mixed instruments:

European Fund for Southeast Europe (EFSE)

The European Fund for Southeast Europe (EFSE) is a form of public-private-partnership. Its objective is to attract capital from the private sector thereby leveraging public donor funds that will assist the development of the private sector in the region. EFSE extends loans to local commercial banks and micro-finance institutions in the Western Balkans for on lending to micro and small enterprises and households. European Investment Fund (EIF) manages the EFSE, the latter generating impacts at three different levels:

- supporting micro and small enterprises as the backbone of the local economies, thereby contributing to generating income and creating employment,
- satisfying the basic need of decent shelter,
- strengthening local financial markets.

Green for Growth Fund (GGF)

The mission of the Green for Growth Fund, Southeast Europe is to contribute, in the form of a public private partnership with a layered risk/return structure, to enhancing energy efficiency (EE) and fostering renewable energies (RE) in Southeast Europe and Turkey, predominantly through the provision of dedicated financing to businesses and households via partnering with financial institutions and direct financing.

GGF's investments seek to achieve a 20% reduction in energy consumption and/or a 20% reduction in CO₂ emissions, by

Refinancing Financial Institutions (local commercial banks, non-bank financial institutions such as microfinance institutions and leasing companies and other selected financial institutions) providing loans to households, businesses, municipalities and public sector for energy efficiency measures or renewable energy projects. Investments through Financial Institutions will constitute the majority of GGF's investments.

Providing direct financing to Non-Financial Institutions (energy service companies, renewable energy companies or projects, small scale renewable energy and energy efficiency service and supply companies) that meet GGF energy saving and/or emissions targets, and comply with the technical criteria and GGF exclusion list.

SME Recovery Support Loan for Turkey

The overall objective of the SME Recovery Support Loan for Turkey is to mitigate the crisis impact for SMEs and contribute to the development of the Turkish economy and employment sector. The main objective is to support SMEs with concrete productive investments by providing access to attractive and longer-dated debt financing. The co-financing of loans is to be provided to local commercial banks operating in Turkey (the 'financial intermediaries') for the benefit of eligible investments carried out by SMEs. In the context of the action, the European Investment Bank (EIB) shall extend loans from its own resources together with the Union contribution loans.

More information regarding the Financial instruments can be found at the documents accompanying the Draft Budget as per Art. 38(5) FR, Art. 49(1)(e) FR, Art. 140(8) FR.

TRUST FUNDS

EUTF "Madad Fund"

Since its establishment in December 2014, most non-humanitarian aid for Syria's neighbouring countries is channelled through the EU Regional Trust Fund in response to the Syrian crisis, the "Madad Fund" (EUTF Madad). The EUTF aims to bring a more coherent and integrated EU response to the crisis by merging various EU financial instruments and contributions from Member

States into one single flexible mechanism for quick disbursement. The Trust Fund primarily addresses longer term resilience needs of Syrian refugees in neighbouring countries such as Jordan, Lebanon, Turkey and Iraq, as well as the hosting communities and their administrations.

The mandate of the Trust Fund has been extended so that it can also operate in the Western Balkans where relevant to the flow of Syrian refugees. In the future the Trust Fund may also start financing resilience activities inside Syria and could become a funding tool for reconstruction, resettlement and governance support following a political settlement of the crisis. By the end of 2016, projects focusing on education, livelihoods, health have already been approved to a total of EUR 628.

IPA contribution to EUTF Madad:

- EUR 172.3 million in 2015 (committed)
- EUR 70 million in 2016 (including EUR 18 million transferred from ENI to IPA) (committed)

IPA contributions (commitments made) for EU TF for Syria

	Budget Nomenclature	EUR million committed in 2015	EUR million commitments in 2016
DG NEAR IPA Budget lines			
Support for political reforms and related progressive alignment with the Union acquis (WB)	22 02 01 01		15,0
Support for economic, social and territorial development and related progressive alignment with the Union acquis (Turkey)	22 02 03 02	18,0	
Support for political reforms and related progressive alignment with the Union acquis (Turkey)	22 02 03 01	6,944	
IPA (Turkey) – Completion of former pre-accession assistance (prior to 2014)	22 02 51 00	7,648	
DG EMPL Budget lines*			
IPA – completion of actions (prior to 2014) – IPA human resource development	04 05 51	19,0	
DG REGIO Budget line*			
IPA – Completion of regional development component (2007 to 2013)	13 05 02	120,686	
FRT (Facility for Refugees in Turkey)	22 02 03 02		55,0
Including EUR 37 million IPA and EUR 18 million transfer from ENI			
Total		172,278	70,0

7. Programme related additional information

IPA contribution to the Facility for Refugees in Turkey (FRT):

Budget Line	Budget 2016 (EUR million)		Budget 2017 (EUR million)
	Amount Committed	Amount Paid	
22.020302	55 MEUR	0 MEUR	595 MEUR

- EUR 55 million (EU budget) committed in 2016 under voted budget appropriations (including EUR 18 million transferred from ENI to IPA) at budget line 22.020302.
- EUR 910 million (external assigned appropriations coming from Member States' contributions) were made available in 2016 at DG NEAR budget line 22.020302.
- EUR 595 million (EU budget) is earmarked for the Facility in 2017 on budget line 22.020302 (including EUR 85 million in upcoming transfer from CFSP)

Policy areas

Pre-accession assistance is intended to support the Enlargement policy of the Union, i.e. to prepare candidate countries and potential candidates with a European perspective. In this context, the assistance pursues four specific objectives which are equally valid for all beneficiaries listed in Annex I of IPA II Regulation. However, the assistance needs to be tailored to the specific situation of the individual IPA II beneficiary, depending on its current state of preparedness and the foreseeable further path to accession. There will therefore be a different mix of measures to provide the assistance and some of the specific objectives of the instrument will be more relevant for one IPA II beneficiary than for another.

The assistance is provided on the basis of a thorough analysis of the needs and capacities of the individual IPA II beneficiary. These needs and capacities are described in the Indicative Strategy Paper: a high level planning document valid for the years 2014-2020. This document describes the priorities for assistance and the sequencing of measures. The Assistance is also provided partially in the frame of candidate/potential candidate programmes and partially in the form of regional programmes covering the needs of several beneficiaries. Programmes normally have a time horizon of several years since they are intended to support sector reform plans in the candidate countries and potential candidates; such reforms usually take several years to bear fruit.

Pre-accession assistance under IPA II is to be provided to the beneficiaries following a holistic approach, based on the needs and capacities of the beneficiaries. The Indicative Strategy Paper(s) outline the support in the five policy areas identified in the basic legal act. In line with the

coordinated and comprehensive approach to managing pre-accession assistance, all allocations for IPA II are therefore initially brought under the same budget Title 22.02.

There is, however, one major exception. In the policy area "agriculture and rural development", assistance includes management by DG AGRI in the beneficiaries which are already operating under indirect (formerly decentralised) management or which are preparing for indirect management. Given the complexity of the rules and the size of the Union acquis, preparations for the implementation of the Common Agricultural Policy and shared management of related Union Funds need to start very early; these preparations are best led by the competent service of the Commission, i.e. DG AGRI. This justifies bringing the necessary amounts under Title 5. In addition, cross-border co-operation between candidate countries and potential candidates and Member States continues to be managed by DG REGIO.

Overall, the agriculture and rural development policy area will seek to contribute to security and safety of food supply as well as competitive, sustainable and efficient agriculture and maintenance of diversified and viable farming systems in vibrant rural areas of the Western Balkans and Turkey, whilst strengthening their ability in the agricultural sector to fulfil the obligations stemming from membership. Rural development programmes under the agriculture and rural development policy area aim to, in line with Union priorities for rural development, by the means of development of human and physical capital, increase ability of the agri-food sector to cope with competitive pressure and market forces as well as to progressively align with the Union standards. At the same time it is pursuing economic, social and environmental goals in balanced territorial development of rural areas. Investment support will be channelled through management and control systems which correspond to the good governance standards and the principles of modern and efficient public administration, and resemble these respective structures with functions established in the EU Member States for similar purposes.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe**Instrument of financial support for encouraging the economic development of the Turkish Cypriot community and amending Council Regulation (EC) No 2667/2000 on the European Agency for Reconstruction**

Lead DG: SRSS

I. Programme Update**Implementation Status**

The Aid Regulation dates from 2006 ((EC) No 389/2006) and the Commission since then continues to deliver assistance under the Aid Regulation to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot Community, by working under six objectives:

- Objective 1: Developing and restructuring of infrastructure
- Objective 2: Promoting social and economic development
- Objective 3: Fostering reconciliation, confidence building measures, and support to civil society
- Objective 4: Bringing the TCc closer to the EU
- Objective 5 and 6: Preparing the Turkish Cypriot community to introduce and implement the *acquis*.

The Aid Programme continues to target the six objectives of the Aid Regulation (EC) No 389/2006. It will also remain ready to accommodate developments in the settlement process and finance confidence-building measures resulting from this process, as already done in the case of the opening of two new crossing points.

Difficulties encountered in the implementation of the programme have included problems arising from the non-recognised status of the beneficiary, poor absorption capacity and disputes with contractors

The Multiannual Financial Framework (MFF)¹ 2014-20 provides a multi-annual perspective to the programme with a provision for stable, annual funding. The assistance programme is, however, of an exceptional, transitional and temporary nature, aiming to facilitate the reunification of Cyprus and Council Regulation No 1311/2133, laying down the MFF, allows for a revision in the case that a reunification is achieved during the MFF period (in the absence of this, no major changes of strategy can be made).

Between 2006 and the end of 2017, EUR 481 million was programmed for operations under the Aid Regulation. In the period of 2014-2017 the allocations amount to EUR 130 million.

Key achievements

The Programme aims at facilitating the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the EU *acquis*.

Major infrastructure works mostly contracted in 2009 have been completed. The 'confidence building measures' (support for Committee on Missing Persons and support for the Technical Committee for Cultural Heritage) have shown solid progress and good bi-communal acceptance. Two new Green Line crossing points, specifically requested as a confidence building measure, are being funded. Intensive efforts continue on the preparation for the implementation of the *acquis* in the areas of the Republic of Cyprus where the government does not exercise effective control upon the entry into force of a comprehensive settlement of the Cyprus problem.

The Commission reports annually on implementation of the Regulation². Some examples and more details of programme achievements since inception are:

- The large Mia Milia/Haspolat wastewater treatment plant was inaugurated in 2014. This is the largest such plant on the island and serves 300 000 "population equivalent" in both communities in Nicosia. It was financed partly by the Sewerage Board of Nicosia and partly by the Aid Programme. The technology used allows the use of the treated water for agriculture purposes.
- The "Next Generation Network" telecommunication equipment, replacing the "legacy system" with modern technology was handed over.
- Around 400 grant awards have been made for farmers, private sector development, community development, civil society and lifelong learning establishments. These covered a wide range of topics: they helped farms and business to modernise and improve competitiveness; and they helped schools and other educational establishments to improve teaching methods and develop child-centred education. Work in the communities and with civil society organisations helped to develop advocacy, improve community services and engagement.

¹ Council Regulation 2015/623 of 21 April 2015.

² The 10th annual report, covering 2015, was published on 4.8.2016 (COM(2016) 495 final).

- A high level of output was achieved by the Committee on Missing Persons (CMP), which has exhumed 1201 sets of remains out of 2001 missing, of which 742 were genetically identified (January 2017 figures). The CMP establishes the fate of those persons declared missing by both communities as a consequence of the tragic events of 1963-64 and 1974. The Committee has no mandate to establish the cause of death or attribute responsibility. The CMP aims to bring a sense of closure to the families and end a painful chapter in the history of the island. This is further encouraged by the participation of bi-communal scientific teams at all stages of the process e.g. in undertaking awareness sessions on the CMP in high schools in both communities. The aid programme has financed around 75% of the CMP costs since 2006.

- The bi-communal Technical Committee for Cultural Heritage (TCCH) was established in 2008 for the promotion and protection of the rich and diverse cultural heritage of the island. A 2010 study, requested by the European Parliament, produced an inventory of approximately 2800 sites island-wide, examined conditions and estimated restoration costs. Around 250 sites were ranked and about 120 detailed technical assessments were made. EU contributions under the Aid Regulation started in 2011 and amount to EUR 11.7 m to date. A total of 66 cultural heritage sites are benefitting from this assistance (19 completed, 23 on-going and 24 in the pipeline), including big intervention projects, like the Othello Tower that was reopened to the public in 2015, and the first phase of the renovation of the monastery of Agios Pantelimonas, to be concluded in early 2017.

- Preparation for the *acquis* takes place mainly through the TAIEX instrument (expert missions, training courses, workshops and study visits) with around 721 TAIEX actions in 2014-2016.

- There was also a high number of visibility actions (378) in 2014-2016, including actions through the new 'Infopoint' programme that started in 2015.

- The aid programme supports scholarships for Turkish Cypriot students and professionals, which both provide experience and a route to qualifications abroad and contribute to the image of the EU among Turkish Cypriots. Students and teachers from the TCc have no or only limited access to EU scholarship programmes. Since 2007, 10 annual grant schemes have delivered over 1000 grants for study in EU places of learning. There is always considerable demand for these scholarship grants and the application process has been consistently refined since 2007. The EU scholarship programme has been outsourced for the period 2015-2020, with about 394 scholarships awarded for the academic years 2014, 2015 and 2016 under this outsourced operation.

Contribution to policy achievements

The main policy objective under the legal base (Regulation (EC) No 389/2006) is the reunification of Cyprus and the aid programme has supported this with a distribution of resources among the objectives specified in the Regulation. The European Court of Auditors in its Special Report³ concluded: "The Commission succeeded in developing a programme where the objectives of the instrument were reflected in the interventions funded."

Evaluations/ Studies conducted

The evaluation of TAIEX activities in support of the TCc aid programme was completed in 2014 with recommendations on methods for priority setting, quality control, detailing of milestones and respecting absorption capacity. Following the general evaluation of the aid programme in 2013, a reassessment of programme indicators was carried out. Data were collected for many sectors and a series of new indicators was proposed. It is clear, however, that much data concerning the TCc are not available and that adequate mechanisms for data collection are not in place.

A 2012 audit by the European Court of Auditors (Special Report 6/2012) was generally positive about the intervention methods and results. The ECA main conclusions were:

- The Commission succeeded in developing a programme where the objectives of the instrument were reflected in the interventions funds;
- The programme addresses and appropriately prioritises all sectors referred to in the regulations objectives;
- The programme has assisted many different beneficiaries across the TCc and some important results have been achieved.

In 2015, the European Court of Auditors carried out a follow-up on the 2012 audit of the programme and reported its statement of Preliminary Findings to the Commission in early 2016. The Court considered that the majority of the audit recommendations made in respect of the controls and functioning of the Task Force for EU assistance to the TCc were fully implemented or met in most aspects. Some other recommendations (e.g. giving priority to a new project in the water supply sector or developing a programme to enable the whole country to benefit from EU funding following reunification) were assessed as "no longer relevant" in light of changed circumstances. The Commission agreed with the Court's conclusions.

Forthcoming implementation (2017/2018)

A major unknown at the beginning of 2017 is the point at which a major breakthrough will be achieved in the settlement process, although this is assumed to be imminent. In that case, a significant revision of the programme may well be needed, together with a focus on providing support to carry forward the results of negotiations. Much will depend on the nature of the agreement.

The mandate of the Aid Regulation remains unchanged in the meantime and the Commission stands ready to provide support. A maximum degree of flexibility is therefore necessary. The situation and needs for 2018 cannot be easily predicted.

The 2017 annual action programme is, in the meanwhile, being prepared for adoption in the second half of 2017. Confidence-building actions will continue.

³ Special Report No 6/2012 — European Union assistance to the Turkish Cypriot community.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	
Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community and amending Council Regulation (EC) No 2667/2000 on the European Agency for Reconstruction	

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Operational appropriations	31,5	30,6	33,2	34,8	32,5	33,1	33,8	229,5
Total	31,5	30,6	33,2	34,8	32,5	33,1	33,8	229,5

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	33,408	100,00 %	23,978	94,17 %	34,836	0,00 %	39,032	6,43 %
Authorised appropriation excluding external earmarked revenue	33,408	100,00 %	23,978	94,17 %	34,836	0,00 %	39,032	6,43 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The programme is the only EU funding for the Turkish Cypriots, who are EU citizens. There is very little assistance from individual Member States due to difficult legal and political circumstances in the de-facto divided island. The overall aim of the programme is to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community. The EU programme supports reunification efforts and prepares the Turkish Cypriots for the lifting of the suspension of the application of the acquis in those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control. The EU contribution, in supporting the political process, the economic integration and improved living standards, will be vital. Economic development of the Turkish Cypriot community in order to facilitate the reunification of Cyprus is mentioned very prominently in the Aid Regulation. The Aid Programme contributes significantly through private sector development schemes, facilitating the involvement of the World Bank and the European Bank for Reconstruction and Development, and human capital development. Measures to be financed under the Aid Programme are of an exceptional and transitional nature and are intended, in particular, to prepare and facilitate, as appropriate, the full application of the EU acquis in the areas where the Government of the Republic of Cyprus does not exercise effective control, in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession, following a solution to the Cyprus problem.

Contribution to Europe 2020 Strategy

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)
The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	2,0	2,0
Sustainable Growth (competitiveness, climate, energy and mobility)	3,0	3,0
Inclusive Growth (employment and skills, fighting poverty)	2,0	2,0
Total	7,0	7,0

The types of actions foreseen are:

- Smart Growth: projects (grants/technical assistance) supporting SMEs and improvement of product standards and smart specialisation
- Sustainable growth: grants to develop competitiveness of SMEs, and projects contributing to improvements in vehicle driver licensing and investments for vehicle safety inspections
- Inclusive growth: projects (grants/technical assistance) contributing to labour market development and for harmonisation of standards in vocational education, grants for lifelong learning establishments

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
Waste water re-use	0	10
Renewable energy	0	0
Solid waste recycling	3	2
Total	3	12

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
3	11.5	16.5	3	12	-	-	46

The Aid Programme for the TCc includes assistance for infrastructure development and environment as objectives of the Aid Regulation. Major infrastructure works mostly contracted in 2009 have been completed. Additional ones, in the sector of environment, will be contracted between 2017 and 2018.

Specifically, projects budgeted in Financing Decisions 2014, 2015 and 2016 contracted in 2016 and to be continued in 2017 are:

- **2016:** Infrastructure Programme Management Unit EUR 1.4 million; Infrastructure supervision services for the waste sector: EUR 0.8 million;
- **2017:** Sewerage networks, connections to wastewater treatment, water re-use (works): EUR 10 million; Solid waste sector (Landfill extension works + design): EUR 3 million; Solid waste sector (Animal by-product works): EUR 2.4 million;

It is foreseen to allocate a substantial amount before the end of 2017 for the repair works of the Famagusta Sewage Network. Additional budget for infrastructure for 2017 onward will be decided depending on the results of the settlement process.

In addition, TAIEX activity targets several issues related to the EU Environmental Acquis.

All the actions listed above can be considered directly or indirectly climate actions (both for mitigation and adaptation). Environmental infrastructures (solid waste management system and sewer systems) will allow direct reduction of greenhouse gas emissions. Multi-stakeholders capacity building activities in water and waste sector as well as TAIEX assistance in the EU Environmental Acquis will allow mainstreaming climate change issues and derived actions at different levels.

Gender mainstreaming

Through its assistance to civil society, the programme has provided support to different Women's Associations and Networks.

4. Performance information

General objectives

General Objective 1: To facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the *acquis communautaire*.

Specific objectives

Specific Objective 1: To facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the *acquis communautaire*.

Indicator 1: Reconciliation and confidence building: "Tendency to trust the EU as an institution"

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
57%			53%	55%	56%	57%	60%**
	Actual results						
	66%*	51%	52%				

*The 2014 figure may have been the result of re-starting the settlement talks and high optimism

** Minor increase compared to baseline due to slow process of approximation to the Acquis

Source of data: Eurobarometer

Indicator 2: Number of enterprises having received EU support in the form of a grant

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
290		330		370	370	420	420
	Actual results						
		330	330				

Indicator 3: Cross-green-line trade volume in process of progressive increase

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
EUR 3.411.593				EUR 6.500.000			EUR 8.500.000
	Actual results						
	EUR 3,520,045	EUR 3,613,989.13	EUR 4,374,968.06				

Source: Republic of Cyprus

Indicator 4: To increase EU visibility in northern Cyprus: Communication actions

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
49 actions/year			50	90	90	90	60 actions/year
	Actual results						
	53	188*	138				

Source of data: Commission

* The high result (188 actions) obtained in in 2015 is due to a very active, new "Infopoint" project, which delivered a much higher output than expected.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. development of infrastructure actions	13 07 01	3	5,8
2. social/economic development actions	13 07 01	12	9,6
3. reconciliation, confidence building actions	13 07 01	3	8,1
4. bringing TCs closer to the Union	13 07 01	2	1,5
5/6. preparation for acquis	13 07 01	220 TAIEX actions, of which 11 Green Line missions	
7. horizontal actions	13 07 01	5	5,0
Total		245	32,5

5. Programme contribution to the Sustainable Development Goals

Through its activities, the Programme is contributing to achieve the following main SDGs:

- 4. Quality Education – via grants the programme helps in promoting lifelong learning opportunities for all.
- 9. Industry, Innovation and Infrastructure – the programme helps in building resilient and sustainable infrastructure and fosters innovation.
- 12. Responsible Consumption and Production – Through assistance to SMEs to upgrade standards, the programme promotes sustainable production patterns.
- 16. Peace, Justice and Strong Institutions – through assistance to Civil Society Organisations and public awareness, the programme promotes peaceful and inclusive societies for sustainable development.

HEADING 4: Global Europe**European Neighbourhood Instrument (ENI)****Lead DG: NEAR**

Associated DGs: EAC, REGIO

I. Programme Update**Implementation Status (2014/2017)**

The ENI Regulation was adopted in March 2014 and the Implementing Regulation for Cross-Border Cooperation (CBC) programmes was adopted in August 2014. The first set of multi-annual programming documents were adopted in 2014 and 2015.¹

The first round of Annual Action Programmes, Individual Measures and Special Measures were adopted in April-December 2014, with total commitments of EUR 2.3 billion (100 % budget execution reached). The second round was adopted in February-December 2015, with total commitments of EUR 2.4 billion (100 % budget execution reached). The third round was adopted in February-December 2016, with total commitments of EUR 2.3 billion (100 % budget execution reached). Commitments included allocation through the ENI 'umbrella programme' of:

- EUR 200 million to seven countries (in 2014);
- EUR 184.8 million to four countries (in 2015).
- EUR 193.5 million between East and South Neighbourhood (in 2016).

The umbrella programme is an incentive-based mechanism that rewards progress in building deep and sustainable democracy. This additional funding is not pre-allocated in the countries' programming documents (see articles 4 and 7 of the ENI Regulation).

Implementation of ongoing and new programmes continued. Total spending in 2014 was EUR 1.6 billion and EUR 1.6 billion in 2015, with 100 % of the budget executed. However, the shortage of payment credits continues to create delays in payments that get rolled over from one year to the other.

The situation in the European Neighbourhood region is increasingly volatile due to:

- the Syrian and Ukraine crises;
- major displacement of people within countries and across borders;
- mass migration movements towards the EU;
- unsolved conflicts;
- mounting geopolitical pressure.

The 2015 Review² of the European Neighbourhood Policy (ENP) highlights the need for more flexibility in the use of financial assistance, built on the need to foster societal and economic resilience. Partner countries will engage with the EU based on the principles of ownership and differentiation. In the Eastern neighbourhood following the Riga summit in 2015 there is a consensus on working together on good governance, people-to-people and mobility, connectivity and economic development, which was also confirmed in 2016 in ministerial meetings, also in the view of the upcoming Brussels 2017 Summit. More joined-up efforts with EU Member States.

Key achievements

The ENI proved a flexible and responsive instrument to address the ENP's political priorities and react to protracted crises (refugee crisis, crisis in Syria and Ukraine).

In the East, the Association Agreements guide political engagements that reflects also in financial assistance priorities Georgia, Moldova and Ukraine, while partnership priorities (which are about to be agreed) guide assistance to Armenia, Azerbaijan and Belarus. In the south, the political priorities are democratic transition and socioeconomic reforms.

Southern Neighbourhood

Since 2011 the EU has responded to the Syrian crisis by supporting the broader needs of the Syrian population not only inside the country but also in neighbouring Lebanon and Jordan. These 'Compacts' elaborated in 2016 between the EU and those 2 partner countries are the framework through which the mutual commitments made at the London Conference on "Supporting Syria and The Region" (February 2016) are translated into actions. The **EU-Jordan Compact** foresees amongst other EU additional financial support and simplified rules for Jordanian exports of a large number of products from 18 special economic zones towards the EU for a 10 year duration, provided job opportunities are given to Syrian refugees, along with Jordanians. Under the compact, Jordan

¹ 17 multiannual programming documents (Single Support Frameworks and Multi-annual Indicative Programmes) were adopted in July-October 2014, four multiannual programming documents were extended by one year in December 2015 (2014-2016) and 13 Cross-Border Cooperation joint operational programmes were adopted in December 2015 (2015-2020).

² JOIN(2015)50 – 18.11.2015).

will make it possible for more Syrian children to take part in education and vocational training. Jordan currently hosts more than half a million Syrians.

The **EU-Lebanon Compact** foresees EU additional financial support and increased assistance in a number of policy areas. Lebanon would continue seeking ways to improve the regulatory framework in relation to registration and residence permits for refugees. The country currently hosts at least 1.1 million Syrians. It is the country hosting the highest number of displaced persons and refugees both per capita and per square kilometer.

Furthermore, an exceptional effort was made to the set-up of the **North of Africa window of the 'EU Emergency Trust Fund for Africa'**. The North of Africa Window of the EUTF aims at improving migration management in all its aspects. Three actions worth ERU 27.5 million were adopted in June 2016 targeting Libya, Egypt and the Regional Development and Protection Programme in the North of Africa. The underlying priority was to strengthen stabilisation in some areas particularly affected by migration and forced displacement flows in supporting national and local migration governance, protection of stranded and vulnerable migrants and refugees and resilience of both migrant populations and host communities. Three additional programmes for Tunisia, Libya and Morocco were approved in December 2016 with the objective of strengthening migration governance and management, mainly through capacity building of the institutions in charge of migration and reintegration, as well as preventing and fighting racism and xenophobia, supporting diasporas' talents and investments and inclusive integration and development at local level.

The Joint communication on "**Strengthening EU support for Tunisia**", released on the 29th September 2016 contributed to significantly step-up our cooperation with Tunisia. The Communication provides for a major financial effort on the part of the EU with a substantial increase in the ENI allocation granted to Tunisia. It also provides for the adoption of non-financial measures in support to Tunisia's economic recovery and further stabilisation. The Communication also calls for stepping up our cooperation in the field of migration and security, in line with the priorities of the revised ENP.

In term of concrete results, in particular:

- Since its adoption in 2014, the Programme has provided significant results. For Jordan, EUR 170 million of development assistance from the ENI in response to the Syrian crisis has addressed both refugees and host communities' needs. Most of the ENI funds are used to defray the cost of providing education for Syrian refugee children in Jordanian public schools and studying opportunities for University students. The EU funding has contributed to improve the lives of the refugees in particular in the education sector. For instance, 663.000 Syrian refugee and host community children and youth in Turkey Lebanon and Jordan are provided with access to quality primary education, protective services and psycho-social care. In the higher education sector, the 'HOPES' project is offering scholarships, educational counselling and language training to some 250.000 Syrian refugee and host community youth in Jordan, Lebanon, Egypt, Iraq and Turkey. In Turkey, interventions in the area of education include the construction and equipment of 70 new schools.
- In light of Egypt's deteriorating economic situation in recent years and increased unemployment, the EU-funded Emergency Employment Investment Project, in collaboration with the World Bank and the Egyptian Social Fund for Development, provides employment opportunities for unemployed, unskilled and semi-skilled workers in the 51 poorest districts in Egypt. The project also contributes to the creation and/or maintenance of community infrastructure and services, improves access to basic infrastructure and community services and provides short-term training or other support services to facilitate transitions to wage and self-employment (in particular for youth). As of 2016, over 43000 direct beneficiaries have been reached, with youth (age 18-29) representing 90% of the beneficiaries and female beneficiaries accounted for 66% percent of the total beneficiaries. Additionally, mother and child care support has been provided for 1.17 million families, 5107 literacy classes have been conducted and youth employability activities have been organised for 2260 young women and men.
- In Morocco, ENI funding was used to improve living standards of the population in the most remote, impoverished regions of the country. In particular, ENI financing allowed us to pursue our support (initiated in 2004) for the extension of the national medical assistance scheme (EUR 50 million) for indigent families allowing 1,4 million additional people access medical care at a much reduced cost. Our support also contributed to improve the overall governance of the social security system by ensuring a better coordination between the different branches of the system in order to generate economies of scale and ensure the long-term financial viability of the whole national social security system. From a situation where only 4 million people benefitted from a medical insurance in 2005, today close to 16 million people (roughly 50% of the population) benefit from such a medical coverage. In parallel, our support to Morocco's literacy strategy (EUR 35 million), allowed 450 000 adults (mostly women) access literacy courses. Our continued support to the Morocco's agricultural development strategy (le "Plan Maroc Vert"), contributed to generate the equivalent of 1,2 million days of work in the agricultural sector of the four regions targeted by our programme and to provide farmers with processing facilities (slaughterhouse for cattle; mills for olive oil; laboratories for checking the sanitary condition of farming products, packing and conditioning plants) to allow them to better market their production and improve their families' living standards.
- ENI has contributed to the recovery of stolen assets, a highly political issue symbolic of the restoration of justice and democratic accountability. The EUR 2.7 million pilot project implemented by UNICRI aimed to effectively strengthen and pilot the initiative on asset recovery capacity in order to empower governmental authorities and asset recovery practitioners in Egypt, Libya and Tunisia in their fight against corruption and money laundering. As a result, around EUR 210,000 were returned by Switzerland to Tunisia in May 2016. The project also provided technical and legal advice on the Tunisian draft law on Civil Asset Forfeiture which will facilitate future actions. In Egypt, several reconciliation agreements were concluded

in late 2016 to recover stolen assets worth EUR 300 million. This is a highly positive step for the Government of Egypt and the result of the high level of commitment of Egyptian prosecutors (and the Illicit Gains Authority) in ensuring the conclusion of these reconciliation agreements.

- In Libya, due to the political and security crisis, most projects aiming to support the building of independent state institutions had to be suspended. Notwithstanding, the EU continued to deliver support to the Libyan citizens by re-orienting relevant projects: in the Media training of journalist continued and the Libya National Cloud Agency could be set up, providing an independent press agency where trained journalist can share their articles for the use of other national and international agencies. In the Health sector, training of assistant nurses and psycho social assistants was delivered in order to alleviate some of the urgent needs in the seriously affected medical sector. Moreover, thanks to EU support to Civil Initiatives, Civil Society Organisations could continue to meet, work and receive training in dedicated centres in 4 mayor towns in Libya throughout the crisis. Despite the Libyan Political Agreement of December 2015 the situation remained volatile. EU provided support to 22 democratically elected municipal councils to improve service delivery at local level; and 33 municipalities have been selected to receive support to youth resilience initiatives.

Eastern Partnership

Cooperation within the Eastern Partnership framework continued and was further enhanced in 2016 through political dialogue and the implementation of projects aiming at progressing on reforms, cooperation and inter-connections. A staff Working Document on "**20 Deliverables for 2020**" (SWD 2016/467) was adopted with a view to identify twenty concrete deliverables across the four Riga priorities, to be achieved by 2020. The realignment of multilateral and bilateral actions along the four Riga priorities began with the new Single Support Frameworks 2017-2020 for Armenia, Georgia, Moldova and Belarus.

In terms of concrete results, in particular:

- **“EU4Business”** - an umbrella initiative covering all EU support for small and medium-sized enterprises (SMEs) in the Eastern Partnership region - improves both **access to finance** and the **SME environment** across the region. With an active portfolio of over **EUR 260 million of EU support** (complementary to other forms of support), EU4Business has supported at least 7000 jobs in the region (and targets 144 000 more through **blending with IFI loans**) and more than 57 000 SMEs (another 50 000 companies will receive further assistance in the years to come).
- **A decision on extending** the TEN-T core network to the eastern Neighbourhood was reached in 2016 as a concrete step towards better connections and a streamlined approach to infrastructure investments as a complement to reforms in the sector in view of making transport more secure, safer and more environmentally friendly.

The ENI is contributing to the stabilisation of Ukraine’s economy with unprecedented assistance packages (EUR 765 million in 2014-2016). These packages target:

- economic governance and the fight against corruption;
- small business development;
- decentralisation and local economic development;
- integration in the EU market;
- civil society engagement;
- anti-corruption and rule of law;
- public administration reform.

The ENI is part of a coordinated EU response including EU macro-financial assistance and loans from EU-based financial institutions.

2016 focused on the roll out of the 2015 Neighbourhood Policy Review, with consultations and negotiations on new bilateral agreements with the EU and new or revised bilateral political frameworks (partnership priorities and association agendas). Some indicators may be adjusted in future to reflect the outcome of these negotiations.

Evaluations / Studies conducted

The mid-term evaluation of ENI, in the framework of the global Mid –term review of all external financing instruments, has been launched in 2016. An Open Public Consultation, based on a preliminary report, has been launched in February (https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en), but it will only be finalised by end of June 2017.

Forthcoming implementation (2017-2018)

In 2017-2018, the ENI will continue to focus on stabilisation and resilience in the region.

Tunisia and the Syrian crisis will remain major areas of intervention. The ENI will maintain its substantial support for Tunisia’s democratic transition by focusing on the country’s socioeconomic development.

Ukraine’s recovery will also require major funding and an increasingly coordinated effort with EU Member States and other donors.

In line with the four agreed Riga priorities, in the Eastern Partnership countries, the ENI will continue to help supporting fundamental and incentivising governance reforms, promoting economic resilience, increasing interconnectivity and energy

efficiency, and enhancing people-to-people contacts. Across the neighbourhood, the ENI will continue to help with economic diversification and gradual integration in the EU market for those countries with more advanced trade agreements. This includes support for jobs and growth and for developing policy and legal frameworks in line with EU practices and legislation.

In all countries, the ENI will continue to support dialogue and reforms based on the fundamental principles of good governance and rule of law, respect for human rights, gender equality and civic engagement.

New political developments linked to implementation of the 2015 ENP review have opened new channels for engagement with some partner countries on issues of mutual interest, including security.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument	2014 - 2020	15 432,6

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	57,5	44,6	45,4	47,8	49,7	48,0	48,6	341,6
Operational appropriations	2 254,7	2 338,4	2 277,2	2 390,1	2 264,6	2 262,4	2 350,1	16 137,7
Executive Agency	2,8	2,8	2,4	2,4	2,3	2,1	2,1	16,9
Total	2 315,0	2 385,8	2 325,0	2 440,4	2 316,6	2 312,6	2 400,8	16 496,3
<i>Of which contribution to Erasmus+</i>	<i>103,3</i>	<i>93,4</i>	<i>98,0</i>	<i>104,8</i>	<i>82,0</i>	<i>86,7</i>	<i>90,3</i>	<i>658,5</i>

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 365,735	99,74 %	1 396,947	87,40 %	2 444,568	8,39 %	1 539,170	12,95 %
Authorised appropriation excluding external earmarked revenue	2 347,640	100,00 %	1 373,857	87,35 %	2 440,480	8,28 %	1 531,097	12,70 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU has a strategic interest in seeing greater prosperity, economic development and better governance in its neighbourhood and in promoting stability and security in the region. Although the responsibility for this lies primarily with the countries themselves, the EU can effectively encourage and support their reform and modernisation efforts. The objective of the European Neighbourhood policy (ENP) is to build, together with partners, a prosperous, secure and stable neighbourhood on the basis of shared values and common interests.

By acting at the Union level and by streamlining financial resources the EU has greater leverage to achieve a common goal: prevent the emergence of new dividing lines between the enlarged EU and its neighbours. The EU provides financial resources to support partners' own reforms and thus stimulates their transition and modernisation programmes. In addition, the EU has a leading role in bringing together donors, including major actors outside the EU, to work together on providing a comprehensive response to the new challenges in the region.

At the regional level, the EU pursues its objectives within the overall framework provided by the Union for the Mediterranean (strengthened Euro-Mediterranean Partnership), launched in 2008, and the Eastern Partnership, established in 2009. . Through its framework – agreed between EU and EaP leaders in Riga in 2015 – the Eastern Partnership pursues better governance, enhanced mobility and people-to-people contacts, economic development and greater connectivity and energy efficiency.

Contribution to Europe 2020 Strategy

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)					
Specific objectives 4 and 6	259,18	27,85					
2014 – 2016		2017-2018 estimates	2019-2020 programming	Total 2014-2020			
2014	2015	2016	2017		2018	2019	2020
185,0	267,97	250,58	259,18		272,85	309,23	343,92

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

The estimated amount for climate related expenditure for 2014-2017 is based on the analysis of the climate related expenditure under ENI (2014 and 2015). Estimates reflect the OECD/DAC reporting methodology for the Rio-markers on climate mitigation and climate adaptation. The budget of marked actions is weighted 100% if climate mitigation/adaptation is marked as "principal objective" and 40% if it is marked as "significant objective".

Estimates for 2017-2020 are based on DG NEAR targets. Rio-markers apply to actions funded in all sectors; however, past trends indicate that relevant actions tend to concentrate in the sectors of rural development, environment, energy and management of natural resources – hereby tentatively associated to specific objectives 4 (country-based programmes) and 6 (regional cooperation programmes). As a consequence, budget is predominantly from BL "Poverty reduction and sustainable development".

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Specific objective 4 and 6	40,44	42,57

The amount constitutes around 2% of the ENI operational credits, excluding Erasmus+.

Estimates reflect the OECD/DAC reporting methodology for the Rio-marker on bio-diversity. The budget of marked actions is weighted 100% if bio-diversity is marked as "principal objective" and 40% if it is marked as "significant objective". Rio-markers apply to actions funded in all sectors; however, past trends indicate that relevant actions tend to concentrate in the sectors of rural development, environment, energy and management of natural resources – hereby tentatively associated to specific objectives 4 (country-based programmes) and 6 (regional cooperation programmes). Regarding the 2016-2020 figures, DG NEAR is currently working on defining the most accurate estimations as possible, based on strategical choices for DG NEAR's future financial assistance for the rest of the MFF.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
38,5	55,59	41,41	40,44	42,57	44,8	46,5	309,81

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

The ENI follows the commitments set out in the SWD (2015)182 – "Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020" (Gender Action Plan), endorsed by the Council Conclusions of 26-10-2015.

Estimates on past commitments: 14% of the ENI operational credits (excluding Erasmus+) in 2014, 31% in 2015 and 25% in 2016. The same methodology will be applied in 2017 and 2018.

Estimates reflect the OECD/DAC reporting methodology. The budget of marked actions is weighted 100% if gender equality is marked as "principal objective" and 40% if it is marked as "significant objective". Gender markers apply to actions funded in all sectors.

4. Performance information

General objectives

General Objective 1: Establishing an area of shared prosperity and good neighbourliness involving the Union and the partner countries by developing a special relationship founded on cooperation, peace and security, mutual accountability and shared commitment to universal values of democracy, the rule of law and respect for human rights in accordance with the Treaty on EU.

Indicator 1: Number of comprehensive agreements and individual ENP Action Plans in place with interested neighbouring countries

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Neighbourhood East: Five Partnership and Cooperation Agreements in force, one Association Agreement (Ukraine) initialled on 30.03.2012 Negotiations for Association Agreements				The negotiations and conclusions of agreements and ENP action plans show a positive trend.			16 Association or similarly comprehensive Agreements in force and 16 Action Plans or similar documents adopted by 2020. NB: This level of
	Actual results						
	3 Association Agreements signed (Ukraine,	Negotiation on a new agreement launched with	Negotiation on a new agreement launched with				

<p>ongoing with 4 countries: Republic of Moldova (launched in January 2010), Armenia, Azerbaijan & Georgia (July 2010). Five Action Plans in force. Eleven ENPI CBC Programmes</p>	<p>Georgia and Moldova)</p>	<p>Armenia</p>	<p>Azerbaijan</p>			<p>target comes from the objectives of European Neighbourhood Policy and takes into account the 16 Neighbourhood countries (10 in the South and 6 in the East).</p>
<p>Baseline 2012</p>	<p>Milestones foreseen</p>					<p>Target 2020</p>
<p>Neighbourhood South: Association agreements in force with 8 of the 10 southern partners (i.e. excluding Libya and Syria). Three First generation Action Plans (or equivalent documents) adopted or in place: Israel, Egypt and Palestine Second generation action plans for Jordan and Morocco approved. Political agreement on the second generation of the Tunisia and Lebanon Action Plans but formal adoption by Council pending. Since 2012 negotiations with Algeria on an ENP action plan. Comment: Libya: Discussions ongoing on possibility to re-start negotiations for a Framework Agreement. Ratification of Association Agreement with Syria suspended.</p>				<p>New EU-Egypt Action Plan in place (to be started in 2015) Decision taken on down-grading/ updating/ upgrading the Action Plan with IL (suspended since 2009) The Deep and Comprehensive Free Trade Area (DCFTA) with Morocco and Tunisia will have been concluded and possibly ratified. Resumption of negotiations on the EU Libya Framework Agreement.</p>		
	<p>Actual results</p>					
<p>ENP action plans adopted with Algeria, Jordan, Lebanon, Morocco, Palestine and Tunisia. Pursuit of negotiations on the EU-Algeria ENP Action Plan Comment: Libya: Discussions on the negotiations for a Framework Agreement are stalled due to the crisis situation since June 2014</p>	<p>ENP action plans adopted with Algeria, Jordan, Lebanon, Morocco, Palestine and Tunisia. Pursuit of negotiations on the EU-Algeria ENP Action Plan Comment: Libya: Discussions on the negotiations for a Framework Agreement are stalled due to the crisis situation since June 2014</p>	<p>Following the review of the ENP the EU started a new phase of engagement with partners. Partnership Priorities have been adopted with Lebanon, Jordan, Algeria and agreed with Egypt. Preliminary discussions on future EU-IL and EU-PAL Partnership Priorities have been initiated. The UE has adopted Compacts with Jordan and Lebanon. The second phase of the ENI programming (2017-2020) was launched and Single Support Frameworks for 2017-2020 are being finalised with the Governments of Lebanon, Palestine, Egypt, Jordan and Tunisia. Palestine has materialised the Joint Programming process</p>				

			<p>in the first-ever European Joint Strategy in the Neighbourhood that will cover 2017-2020.</p> <p>With Morocco, the EU has deployed every effort in maintaining a constructive relationship throughout the year in the area of technical and financial cooperation, amid a tense atmosphere pertaining to the ECJ ruling on the agreement on the free trade of agricultural products.</p> <p>In Libya the EU focused on reactivating initiatives in order to support the Government of National Accord and to contribute to improving the living conditions of Libyans and migrants stranded there. A policy dialogue on cooperation issues was established in 2016 in order to better define the needs and possibilities to expand our assistance.</p>				
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2 ENPI CBC Programmes	Actual results						CBC: 900 projects implemented by ENI CBC programmes (there are 950 projects financed under the current ENPI CBC)
	CBC: adoption of ENI CBC implementing rules	13 ENI CBC joint operational programmes adopted					

Indicator 2: GDP per capita as % of EU 28 (current prices)* (source: World Bank)							
Baseline Period 2008-2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2010 NE: 10.86% NS: 14.76%				NE: increase NE : increase			NE: increase NS: increase
	Actual results						
	NE: 11.94% NS: 14.58%*	9.94 11.35**	Data not yet available				

*The indicator shows the degree of economic convergence of Neighbourhood countries towards the European average. The projections are based on a hypothesis of growth rate of 1.9% for the EU area and 3.5% for both Neighbourhood South and Neighbourhood East.

** The indicator does not reflect Libya, Lebanon and Syria, for which data are not available

*** The indicator only takes into account Algeria, Morocco, Jordan and Palestine, for which data on GDP are available

Specific objectives

Specific Objective 1: Promoting human rights and fundamental freedoms, the rule of law, principles of equality and fight against discrimination in all its forms, establishing deep and sustainable democracy, promoting good governance, fight against corruption, strengthening institutional capacity at all levels and developing a thriving civil society including social partners.

Indicator 1: Progress made in achieving political reforms, as assessed by relevant reports

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Eastern Partnership countries				Some Progress			Further progress
	Actual results						
	Some Progress	Some Progress	Some Progress				
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Southern Partnership countries				Some Progress			Further progress
	Actual results						
	Some Progress	Some Progress	Some Progress*				

The indicator assesses how the ENP partner countries progress in implementing the political reforms agreed in bilateral legal (for example: Partnership and Cooperation Agreements, Association Agreements) and political (for example: ENP Action Plans, Association Agendas) frameworks. The target is coherent with 2014-2020 programming period and is based on the past trend, the baseline value and the benchmarks.

*To be noted that, following the ENP Review of 2015 the annual progress reports have been replaced by a new style of assessment, timed to provide the basis for a political exchange of views in the relevant high-level meetings with partner countries. Despite an homogenous and synchronised reporting for 2016, the Southern Neighbourhood witness different situations in this field: progress can be mentioned in some countries –including to facilitate access to public social services to the refugees in Jordan and Lebanon; in other, there are issues of concern that would require close follow up (i.e. Egypt in relation with civil society); in other countries, the political and security situation remained extremely volatile (Libya) or are facing a situation of war (Syria).

Indicator 2: Weighted score based on eight external sources (Corruption Perception (Transparency International), Press Freedom (Reporters without Borders), Freedom of Press (Freedom House), Government Effectiveness (World Bank), Control of Corruption (World Bank), Rule of Law (World Bank), Voice and Accountability (World Bank) and Regulatory Quality (World Bank))

Baseline 2010	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East and South: 38				> 42			> 44
	Actual results						
	40.67	40.03	Data not yet available				

The indicator is a weighted score based on 8 external sources taken in three groups, each weighted one third after normalisation: 1. Corruption Index (Transparency International) and Control of Corruption (World Bank); 2. Press Freedom (Reporters without Borders) and Freedom of Press (Freedom House); 3. Government Effectiveness (World Bank), Rule of Law (World Bank), Regulatory Quality (World Bank) and Voice and Accountability (World Bank). Values: 1 (Worst) - 100 (Best); EU benchmark: 76.99.

Source:

- Corruption Index (Transparency International) - <http://www.transparency.org/country>
- Control of Corruption (World Bank) - <http://web.worldbank.org>
- Press Freedom (Reporters without Borders) – <https://rsf.org/index2014>
- Freedom of Press (Freedom House) - <http://www.freedomhouse.org/>
- Government Effectiveness (World Bank) - <http://web.worldbank.org>
- Rule of Law (World Bank) - <http://web.worldbank.org>
- Regulatory Quality (World Bank) - <http://web.worldbank.org>
- Voice and Accountability (World Bank) - <http://web.worldbank.org>

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1a. Measures supporting rule of law and good governance - South	22 04 01 01	6	83
	22 04 01 04	0	0
1b. Measures supporting rule of law and good governance -East	22 04 02 01	3	168
2a. Measures supporting civil society and promotion of human	22 04 01 01	4	24

rights and fundamental freedoms - South			
2b. Measures supporting civil society and promotion of human rights and fundamental freedoms - East	22 04 02 01	3	18.7
3. Countries benefiting from umbrella programme*	22 04 03 03	6	204.3
Total		22	498

* In line with the ENI Regulation, the total funding for the umbrella programmes is set in the range of 10% of the operational budget. Additional funding granted through this mechanism will be used in line with the co-operation priorities of each beneficiary country.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1a. Measures supporting rule of law and good governance - South	F	3	4	4	7	6	5	7
	P	6	6	6				
1b. Measures supporting rule of law and good governance -East	F	3	4	5	6	3	3	3
	P	4	6	6				
2a. Measures supporting civil society and promotion of human rights and fundamental freedoms – South	F	2	8	3	2	4	3	3
	P	3	4	4				
2b. Measures supporting civil society and promotion of human rights and fundamental freedoms - East	F	5	6	3	3	3	3	3
	P	5	4	4				
3. Countries benefiting from umbrella programme	F	6	6	6	6	6	6	6
	P	7	4					

Specific Objective 2: Achieving progressive integration into the Union internal market and enhanced sector and cross-sectoral cooperation including through legislative approximation and regulatory convergence towards Union and other relevant international standards and improved market access including through deep and comprehensive free trade areas, related institution building and investments, notably in interconnections.

Indicator 1: Value of ENI countries export to EU-28 in relation to baseline data in year 2010 (Eurostat figures).							
Baseline 2010 (EU-27)	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East: 37.02% South: 24.9%.				East: 36.45%. South: 26.13%.			East: 35.90%. South: 27.97%
	Actual results						
	East: 36.82% South: 24.4%	East: 37.80* South (data available only for two countries)	Data not yet available				

The indicator expresses the level of integration of the economies into the world economy.

* The targets are based on a hypothesis of GDP growth of 3.5% for the two regions and of 2.97% for the exports of the Neighbourhood East and 5.88% for the Neighbourhood South. For this second region the baseline is calculated on the volume of exports and GDP of the countries for which both exports and GDP data were available for 2014 (Algeria, Israel, Jordan and Palestine). To be noted that many factors will impact this indicator, in particular EU economic growth, unfolding crisis situations in the region and data availability.

* the value does not reflect Ukraine and Azerbaijan, for which export values are not available for 2015

Indicator 2: Number of Deep and Comprehensive Free Trade Agreements (DCFTA) and Agreements on Conformity Assessment and Acceptance of industrial products (ACAA)

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East: 0 signed (DCFTA) 0 (ACAA); 4 DCFTA and 0 ACAA under negotiation			3 DCFTA in place				DCFTA in place with all interested ENI countries
	Actual results						
	3 AA/DCFTA's signed (June 2014) – of which 2 (Georgia and Moldova) provisionally applied as of 1/9/2014	3 AA/DCFTA's signed (June 2014) – of which 2 (Georgia and Moldova) provisionally applied as of 1/9/2014	Provisional application of EU-Ukraine AA including DCFTA as of 1 st January 2016				
Baseline	Milestones foreseen						Target 2020
2014	2015	2016	2017	2018	2019		
South: 0 DCFTA; 1 ACAA; 0 Agreements on liberalisation of trade in agriculture; 0 Agreements on Air Transport; 1 MoU on Energy			2 DCFTA in place and 2 in negotiations; 1 ACAA in place and 4 in negotiations; 2 Agreements on liberalisation of trade in agriculture in place; 1 Agreement on Air Transport in place; 2 MoU on Energy in place				4 DCFTA in place; 5 ACAA in place; 2 Agreements on liberalisation of trade in agriculture in place; 1 Agreement on Air Transport in place; 2 MoU on Energy in place
	Actual results						
	1 DCFTA in negotiations and 2 under preparation; 1 ACAA in place and 1 being prepared and negotiated; 4 Agreements on liberalisation of trade in agriculture in place ; 3 Agreements on Air Transport in place and 2 under negotiations; 1 MoU on Energy	1 DCFTA in negotiations and 2 under preparation; 1 ACAA in place and 1 being prepared and negotiated; 4 Agreements on liberalisation of trade in agriculture in place ; 3 Agreements on Air Transport in place and 2 under negotiations; 1 MoU on Energy	2 DCFTA in negotiations (Morocco and Tunisia) and 2 under preparation (Egypt and Jordan)				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
2a. Measures supporting the Association Agreements , approximation and institution building – South	22 04 01 02	3	6,6
2b. Measures supporting the Association Agreements, approximation and institution building - East	22 04 02 02	4	79,3
3. TAIEX and SIGMA – South & East	22 04 01 02	2	3,4
	22 04 02 02	2	3,9
Total		11	93,2

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Measures supporting the Advanced Status - South	F	1	1	0	0	1	0	0
	P	1	0	0				
2a. Measures supporting the Association Agreements , approximation and institution building – South	F	5	7	5	2	3	3	3
	P	2	3	3				
2b. Measures supporting the Association Agreements, approximation and institution building - East	F	5	4	3	5	4	4	4
	P	3	4	4				
3. TAIEX and SIGMA – South & East	F	2	2	2	2	4	2	2
	P	3	2	2				

Specific Objective 3: Creating conditions for the better organisation of legal migration and the fostering of well managed mobility of people, for the implementation of existing or future agreements concluded in line with the Global Approach to Migration and Mobility, and for promotion of people-to-people contacts, in particular in relation to cultural, educational, professional and sporting activities.

Indicator 1: Number of Mobility Partnerships in place

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East: 3 Mobility Partnerships in place and none under negotiation.			1 under negotiation				4 Mobility Partnerships in place
	Actual results						
	4 Mobility Partnerships in place (Georgia, Moldova, Armenia, Azerbaijan)	4 Mobility Partnerships in place; negotiation with Belarus started in 2015	4 Mobility Partnerships in place; negotiation with Belarus started in 2015				
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
South: Mobility Partnership signed with one country in 2013. Preparatory discussions launched with two countries.							4 in place
	Actual results						
	3 Mobility Partnerships in place (of which 2 signed in 2014)	3 Mobility Partnerships in place (of which 2 signed in 2014)	3 Mobility Partnerships in place (Morocco, Tunisia, Jordan)				

Mobility Partnerships (MP) declarations are the instrument through which the EU and its partners in the Neighbourhood intend to set a framework to manage migration flows with commonly agreed objectives and programmes. MP's follow the Global Approach to Migration and Mobility guidelines. Thus, they are a good measure of the achievements in this field.

Source: information from DG Home.

Indicator 2: Number of readmission/visa facilitation agreements and Visa Liberalisation Action Plans (VLAP) in place

Baseline 2008	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East: 1 readmission/visa facilitation agreements in place and 2 under negotiation; 2 VLAP in place			3 readmission/visa facilitation agreements in place				4 VLAPs
	Actual results						
	Visa Facilitation Agreements and Readmission Agreements with 5 countries (Armenia and Azerbaijan entered into force in 2014); negotiations with Belarus started in 2014; 1 VLAP	Visa Facilitation Agreements and Readmission Agreements with 5 countries; negotiation with 1 country; 1 visa-free regime (Moldova); 2 VLAP completed (Georgia and	Visa Facilitation Agreements and Readmission Agreements with 5 countries; negotiation with 1 country; 2 visa-free regime (Moldova, Georgia); 1 VLAP completed (Ukraine);				

	completed (visa-free regime granted to Moldova as of 28-4-2014); 2 VLAP ongoing	Ukraine)	preliminary discussions on visa liberalisation started with Armenia				
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
South: No agreements/VLAP in place			2 readmission/visa facilitation agreements in place				5 readmission/visa facilitation agreements in place
	Actual results						
	No readmission/visa facilitation agreements in place	No readmission/visa facilitation agreements in place					

Based on visa facilitation/ liberalisation agreements, both the EU and the non-EU citizens benefit from facilitated procedures for issuing visas. Visa facilitation/liberalisation agreements are linked to readmission agreements which establish the procedures for the return to the EU or to the partner non-EU country of persons (own or third country nationals or stateless persons) in irregular situation. Readmission and visa facilitation/liberalisation agreements are key elements to assess progress regarding mobility and the promotion of people to people contacts.

Source: information from DG Home.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1a. Measures supporting mobility and border management - South	22 04 01 01	0	0
1b. Measures supporting mobility and border management - East	22 04 02 01	2	16,1
2. Erasmus + South & East (excluding administrative credits)	22 04 20	1	79,7
Total		3	95,8

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1a. Measures supporting mobility and border management - South	F	0	1	1	0	2	1	1
	P	2	0	0				
1b. Measures supporting mobility and border management - East	F	1	2	0	1	2	1	1
	P	0	1	1				
2. Erasmus + South & East (excluding administrative credits)	F		1		1	1	1	1
	P	1	1	1				

Specific Objective 4: Supporting smart, sustainable and inclusive development in all aspects; poverty reduction, including through private-sector development and reduction of social exclusion; promotion of capacity building in science, education and in particular higher education, technology, research and innovation; promotion of internal economic, social and territorial cohesion; rural development; public health; environmental protection, climate action and disaster resilience.

Indicator 1: Inequality-Adjusted Human Development Index (source: UNDP)

Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East: 4 countries with indicator equal or above 0.700 on the scale of 1 (between high and very high human development).			6 countries equal or above 0.700				6 countries equal or above 0.700
	Actual results						
	5	No data available	No data available				
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
South: 3 country with indicator equal or above 0.700 on the scale of 1 (high human development). Countries with no data considered below threshold.			8 countries equal or above 0.700				9 countries equal or above 0.700
	Actual results						
	6	No data available	No data available				

The Inequality-Adjusted Human Development Index takes into account not only the average achievements of a country on health, education and income, but also how those achievements are distributed among its population. In this sense, the inclusiveness of development can be measured.

Indicator 2: Ease of doing business index (1=most business-friendly regulations) (source: World Bank)							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East – 64.42 South – 57.26				East – 73 South - 56			East – 78 South – 59
	Actual results						
	East: 69.92 South: 54.07	East: 70.50 South – 54.21	East: 72.10 South: 54.69				

The sustainability of development highly depends on the capacity of our countries to facilitate the creation of a productive base, i.e. the creation of local business that can ignite a virtue circle of economic growth on a sustainable basis. The distance to frontier measures the distance from the best performing country based on the different criteria used. Indicator aligned with the one used for the EU Results Framework

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1a. Measures supporting employment, education and training - South	22 04 01 02	3	157,5
1b. Measures supporting employment, education and training - East	22 04 02 02	2	19,9
2a. Measure supporting territorial and social cohesion, social protection and rural development - South	22 04 01 02	3	4,9
2b. Measure supporting territorial and social cohesion, social protection and rural development - East	22 04 02 02	2	45,8
3a. Measures supporting inclusive economic development (including NIF) - South	22 04 01 02 22 04 01 04	8	302,3 10,4
3b. Measures supporting inclusive economic development (including NIF) - East	22 04 02 02	3	130,3
4a. Measures contributing to reforms in the fields of environment, energy and management of natural resources - South	22 04 01 02 22 04 01 04	3	86,8 0
4b. Measures contributing to reforms in the fields of environment, energy and management of natural resources - East	22 04 02 02	1	0
Total		25	757,9

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1a. Measures supporting employment, education and training - South	F	4	2	3	3	3	4	2
	P	4	2	2				
1b. Measures supporting employment, education and training - East	F	2	0	0	1	2	2	2
	P	3	1	1				
2a. Measure supporting territorial and social cohesion, social protection and rural development - South	F	5	3	4	1	3	4	3
	P	4	3	3				
2b. Measure supporting territorial and social cohesion, social protection and rural development - East	F	2	1	2	2	2	2	2
	P	1	2					
3a. Measures supporting inclusive economic development (including NIF) - South	F	8	6	5	7	8	8	7
	P	10	14	14				
3b. Measures supporting inclusive economic development (including NIF) - East	F	2	2	3	2	3	3	3
	P	4	4	4				
4a. Measures contributing to reforms in the fields of environment, energy and management of natural resources - South	F	3	3	4	3	3	4	3
	P	2	4	4				
4b. Measures contributing to reforms in the fields of environment, energy and management of natural resources - East	F	0	2	1	0	1	1	1
	P	0	1	1				

Specific Objective 5: Promoting confidence building, good neighbourly relations and other measures contributing to security in all forms and the prevention and settlement of conflicts, including protracted conflicts.

Indicator 1: Political stability and absence of violence: number of countries in a percentile rank above 0-10 (lowest rank) *							
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
East: 4 countries in a percentile rank above 0-30 (Armenia, Belarus, Moldova, Ukraine). South: 7 countries in a percentile rank above 0-10 (Jordan, Morocco, Tunisia, Libya, Egypt, Israel, Ukraine)			East: 5 countries South: 8 countries (6 + Algeria, Lebanon)				East: 6 countries South: 9 countries (8+ Syria)
	Actual results						
	East: 4 South: 5	East: 4 South: 5	NA				

This indicator measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. Higher values in percentile rank indicate better governance ratings.

Source: Worldwide Governance Indicators (WGI) project (WB group).

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1a. Measures supporting confidence building and settlement of conflicts (including support to refugees) - South	22 04 01 03	7	211
1b. Measures supporting confidence building and settlement of conflicts (including support to refugees) - East	22 04 02 03	1	11,6
2. Measures supporting Palestine	22 04 01 04	3	283
Total		7	505,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1a. Measures supporting confidence building and settlement of conflicts (including support to refugees) - South	F	3	2	4	3	7	4	4
	P	12	1	1				
1b. Measures supporting confidence building and settlement of conflicts (including support to refugees) - East	F	1	2	1	1	1	1	1
	P	2	2	2				
2. Measures supporting Palestine	F	10	3	3	3	3	3	3
	P	7	4	4				

Specific Objective 6: Enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation.

Indicator 1: Number of Cross-Border Cooperation programmes in place							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
13 ENPI CBC programmes adopted and implemented				All ENI CBC programmes (17) are adopted.			All 17 programmes foreseen in the CBC Programming Document are fully under implementation and all available funds are committed
	Actual results						
	No data available	13					

The indicator shows the progress in building cooperation among EU Member States on one side and Neighbourhood partner countries and the Russian Federation on the other side, in border regions.

Relevance of the indicator: Given that these CBC cooperation programmes are agreed among the EU member States and the partner countries, the adoption and implementation of the programme is a good indicator of the willingness of all parties to cooperate in the border regions. Each CBC programme contains a multiplicity of smaller projects benefiting the socio-economic development of the area's population.

13 ENI CBC programmes were adopted in 2015

Source: based on the number of programmes identified in the CBC Programming Document.

Indicator 2: Number of ministerial, platform and panel meetings under the Eastern Partnership							
Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Between 70 and 80 policy dialogue events were organised				85			90 policy dialogue events organised
	Actual results						
	Between 70 and 80 policy dialogue events were organised	No data available					

Indicator 3: Progress on Eastern Partnership priorities							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Establishment of the main priority areas at the Riga Summit in 2015 (i.e. (1) strengthening institutions and good governance; (2) increasing mobility and people to people contacts; (3) market opportunities; (4) interconnections.)			Strategic progress mainly in the areas of: 1) Interconnections: Approval of the extension of the core TEN-T network at ministerial level. Endorsement of the single project pipeline by the EaP countries, IFIs and the EU. 2) Market opportunities: Development of the three DCFTAs (i.e. Ukraine, Georgia, Moldova) and assistance provided	85			Significant progress in the four priority areas established at the Riga Summit in 2015
	Actual results						
	76	No data available					

Indicator 4: Increased credibility of the Union for the Mediterranean (UfM) through a high number of ministerial meetings establishing regional sector priorities and through the engagement of regional cooperation, finance and planning ministers via the holding of UfM ministerial conferences on regional cooperation and planning							
Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Three ministerials establishing regional sector priorities Ministries of Finance, Planning and International Cooperation relatively un-engaged in regional cooperation. No cooperation ministerial ever held			Three ministerials foreseen in 2016 establishing regional sector priorities. UfM Ministerial on Regional Cooperation and Planning successfully organised				Three ministerials per year (15 in total) A regular process of coordination around financing of regional integration is operational
	Actual results						
	76	No data available	Three UfM ministerial meetings organised in the field of cooperation and planning; energy; labour and employment took place in 2016.				

Indicator 5: Progress on specific regional objectives defined in ministerial declarations under the Union for the Mediterranean							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	Actual results						
76	No data available	A Ministerial UfM meeting on energy in December 2016 contributed to reinforcing energy security and connectivity and adopted the work programme of the energy platforms (Regional Electricity Market, Renewable Energy and Energy Efficiency, Gas). Regulatory convergence progressed in particular under the electricity market platform, has paved the way to further market integration and investments opportunities.					Tangible progress in the key elements for regional integration and cooperation identified in the Ministerial Declarations, Such as: - Regional transport network identified - Progress in depolluting Mediterranean - Electricity connections between countries enhanced

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
CBC programmes, including European Regional Development Fund – European Territorial Cooperation – Contribution from Heading 4	22 04 03 01 13 03 64 03	17	89,2
Measures enhancing regional co-operation in the southern Neighbourhood	22 04 01 01	2	12
	22 04 01 02	4	38,1
	22 04 01 03	3	58,2
	22 04 03 04	2	13,8
Measures enhancing regional co-operation among Eastern Partnership countries	22 04 02 01	3	26,7
	22 04 02 02	5	72,3
	22 04 03 04	2	12,4
Total		38	325,5

Under specific objective 6 it is envisaged that regional programmes will continue to focus on domains like, inter alia, energy, environment, border management, transport, private sector development, support to the ‘Partnership for peace’ process in the Middle-East, Union for the Mediterranean, functioning of regional cooperation frameworks (Northern Dimension and Black Sea Synergy) and the multilateral track of the Eastern Partnership.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. CBC programmes, including European Regional Development Fund – European Territorial Cooperation – Contribution from Heading 4	F	15	17	17	17			
	P	1	13	13				
2. Measures enhancing regional co-operation in the southern Neighbourhood	F	12	12	10	10	11	10	12
	P	13	14	14				
3. Measures enhancing regional co-operation among Eastern Partnership countries	F	11	10	13	10	10	10	10
	P	11	13	13				

5. Programme contribution to the Sustainable Development Goals

All SDGs are somewhat addressed through ENI cooperation and policy dialogue.

The revised European Neighbourhood Policy (2015) introduced differentiated partnerships with the neighbourhood countries, with the key goal of stabilisation. It provides the EU with the necessary tools to reach out to partner countries on security, building resilience, good governance, democracy and human rights (goal 16), but also economic development (goal 8), connectivity (goal 9), energy (goal 7), migration and mobility and, as such, supports sustainable development.

The EU champions a rights-based approach to development cooperation, whose implementation is critical in delivering on the SDGs. This approach encompasses all human rights and promotes inclusion and participation, non-discrimination, equality and equity, transparency and accountability. Gender equality (goal 5) is at the core of the EU's values and enshrined in its legal and political framework. The EU will promote women's rights, gender equality and the empowerment of women and girls as a priority across all areas of external action, consistent with the Gender Action Plan.

Whenever possible, and in relation to the development of relevant statistical indicators, the above-mentioned areas, as well as other less explicitly focused, will be addressed.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

Neighbourhood Investment Facility (NIF)

The Neighbourhood Investment Facility of the European Union contributes to achieving the objectives of the European Neighbourhood Policy (ENP) or related EU thematic policy priorities by leveraging additional financing for the region.

The NIF's overarching objective is to mobilise additional investments to support the establishment of an area of prosperity and good neighbourliness involving the EU and neighbouring countries. In complementarity with other EU-funded programmes, the NIF can foster sustainable, inclusive growth and a favourable investment climate in our partner countries.

Support to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP)

The objective of the support to FEMIP is to provide capital to the private sector of Mediterranean partner countries on terms that are not available locally.

Risk capital is invested directly or indirectly in order to: (i) support the private sector, i.e. enable the creation, restructuring or growth of enterprises; (ii) strengthen the role of the local financial sector by supporting the creation of new institutions or the establishment of new activities for the benefit of the private sector.

More information regarding the Financial instruments can be found at the documents accompanying the Draft Budget as per Art. 38(5) FR, Art. 49(1)(e) FR, Art. 140(8) FR.

EUTF "Madad"

The EUTF aims to bring a more coherent and integrated EU response to the crisis by merging various EU financial instruments and contributions from Member States into one single flexible mechanism for quick disbursement. The Trust Fund primarily addresses longer term resilience needs of Syrian refugees in neighbouring countries such as Jordan, Lebanon, Turkey and Iraq, as well as the hosting communities and their administrations.

ENI contribution to EUTF Madad:

- EUR 20 million in 2014 (committed)
- EUR 361 million in 2015 (committed)
- EUR 142.5 million in 2016 (committed)
- EUR 121.06 million in 2017 (budget)

Thanks to this financial support, 2.3 million children have had improved access to education at primary and secondary school level (over 4,000 schools reached). Furthermore, more than 11,367 emergency job-opportunities for Syrians have been created (including 4,000 job opportunities for women) and numerous micro-grants for small-size businesses have been provided. More than 85,000 Syrians inside Syria have benefitted from improved community-based activities thanks to the strengthening of grassroots civil society activities.

EUTF Africa

The EU Emergency Trust Fund was established at the Valletta Summit on 12 November 2015 to address the migration crises in the region of Sahel/Lake Chad, Horn of Africa and North Africa encompassing a total of 23 countries.

The EU Trust Fund for Africa is aimed at supporting all aspects of stability and to contribute to better migration management as well as addressing the root causes of destabilization, forced displacement and irregular migration. It will do so by promoting resilience, economic and equal opportunities, security and development and addressing human rights' abuses. The EU Trust Fund for Africa is meant to complement existing EU instruments, national and regional frameworks, and bilateral programs of EU Member States by providing a swift and flexible answer to migration-related challenges.

ENI contribution to EUTF Africa:

- EUR 55 million in 2016 (committed)
- EUR 139.06 million in 2017 (budget)

7. Programme related additional information

- In 2016 EUR 18 million of the ENI budget has been transferred to the Facility for Refugees in Turkey.
- The overall objective of the Facility for Refugees in Turkey is to coordinate and streamline actions financed from the Union's budget and bilateral contributions from Member States in order to enhance the efficiency and complementarity of support provided to refugees and host communities in Turkey.

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- Following the London conference in February 2016, the EU has committed itself to provide an important financial assistance to the countries affected by the Syria crisis. In particular, under the ENI the pledge amounts to EUR 155 million in 2016 (for Jordan, Lebanon and Syria) and EUR 190 million in 2017 (for Jordan and Lebanon).

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe**Development Cooperation Instrument (DCI)****Lead DG: DEVCO**

Associated DG: EAC

I. Programme Update***Implementation Status (2014/2016)***

All parts of the DCI 2014-2016 are being implemented as planned and appropriations were fully used. There is no need for corrective action at this stage. Annual programmes can be consulted at: http://ec.europa.eu/europeaid/funding/funding-instruments-programming/annual-action-programmes_en.

Migration and mobility remains on top of the EU agenda, as outlined in the 2014 European Commission's Political Guidelines as well as in the Global Strategy for the European Union's Foreign and Security Policy. In addition, migration as a development enabler is now also fully recognised in the 2030 Agenda for Sustainable Development as well in the new Consensus for Development currently negotiated with the European Parliament and the Council. All this is in full coherence with the European Agenda on Migration (2015), the new Partnership Framework (April 2016) and the Commission Communication on Forced Displacement and Development (2016).

Through the DCI, the EU aims to ensure that both positive and negative impacts of migration on development are recognised in national and regional development strategies. It also provides assistance to countries wishing to strengthen migration governance in order to achieve development outcomes. Several partner countries and regions have received support to develop and implement their own migration strategies, to gather and analyse migration data and to build up the capacity of the relevant institutions. The DCI budgetary allocation for migration under the Global Public Goods and Challenges Program focuses on assisting partner countries with maximising the development impact of migration. Financed initiatives therefore target aspects of migration and development, legal migration and mobility, irregular migration and trafficking of human beings and international protection and asylum.

The DCI also supports initiatives to study insufficiently explored aspects of the development-migration nexus. These include the relationship between climate change and migration, and the impacts of migration between low- and middle-income countries on the development of both countries of origin and destination.

High-level policy dialogues with Afghanistan, Pakistan and Bangladesh are addressing migration from Asia. This issue is also prominent in discussions with Iraq and Iran. EU development cooperation in these countries, in line with the Agenda for Change¹, targets both poverty and inclusive growth, addressing the root causes of fragility, insecurity and migration.

As part of a comprehensive EU approach, development cooperation must help fragile countries establish accountable institutions that function, deliver basic services and help reduce poverty. This includes support for democratisation, free and fair elections, institutional capacity, media freedom and access to the internet, the protection of minorities, the rule of law and judicial systems. In Kyrgyzstan, the only democracy in Central Asia, the DCI Budget provides comprehensive support to free and fair elections system and supports the reform of the judiciary system.

Across the Middle East and Asia, the Commission works in partnership with countries that are not only the main countries of origin of economic migrants (such as Pakistan) and of the largest refugee populations (Afghanistan), but also host countries to some of the largest refugee populations in the world (Iran, Iraq, Pakistan).

Following the Valletta Summit, 2016 actions financed under Pan-Africa (PanAf) will help tackle migration, with a EUR 25 million contribution to the EU Emergency Trust Fund for Africa, adopted in August, and an AAP 2016 adopted in July targeting root causes and mobility. 2016 AAP includes also a second EUR 10 million contribution to the intra-Africa Mobility Scheme, and a EUR 19 million to the AU agency in charge of the Livestock sector (AU-IBAR) aimed at strengthening systemic capacity at continental, regional and national levels.

Within the Pan-African programme (PanAf), the DCI Budget financed programmes contributing to the five strategic areas of the Multi-Annual Indicative Programme, in line with the Joint Africa-EU Strategy (JAES) Roadmap 2014-2017. Over 2014-2015, actions put a particular focus on the strategic area 3: 'Human Development', the strategic area 2: 'Democracy, Good Governance and human rights', but also on infrastructure in the fields of energy, water, transport and ICT, capacity building and education. An EU contribution of EUR 6.1 million also supports 'Pan-African' organisations active in the field of financial governance.

The Latin American component of the DCI is being implemented as planned. In the first three years of the MFF period, the DCI financed 51 actions for a total amount of EUR 811.1 million in all 10 countries covered by the instrument, as well as in the regional programme including its sub-regional component related to Central America.

¹ An extension of the European Consensus on Development, the 'Agenda for Change' (2011) is the EU's development policy.

In 2016, a first funding commitment took place under the post-emergency EU Trust Fund for Colombia. This special measure for Colombia aims to support the implementation of the peace agreement reached between the Colombian Government and the FARC-EP.

Regional cooperation has been further reinforced in 2016, with nearly half the continental programme delivered under key sectors such as climate change, economic development and security. The programme is well received by countries across the region and is well implemented.

From 2014 to 2016, the DCI financed extensive work on mainstreaming gender equality, as well as enhancing the integration of environment and climate change across all financing instruments managed by DEVCO and all sectors of EU cooperation. Environmental mainstreaming in particular aims at promoting development activities that are environmentally sustainable, low-carbon and climate resilient; and at contributing to the EU's commitment of allocating at least 20% of its budget to climate-related action by 2020 and of doubling biodiversity-related spending. Data available to date indicates that climate spending under the DCI has increased from 18.1% in 2014 to 21.8% in 2015 and is expected to reach over the 20% in 2016 (based on initial data analysis). As regards biodiversity, available data suggest that the commitments made in 2015 surpassed the target of doubling biodiversity-related international financial flows to Developing Countries.

In the area of gender equality, the EU Gender Action Plan 2010-2015 sets the commitment of at least 75% of all new proposals having a G-2 score (gender as a principle objective), or G-1 (gender as a significant objective, by 2013). For the new Gender Action Plan 2016-2020 the target is 85% of new programmes scoring G1 or G2 by 2020. Progress in this area was clear: from 13% of the EU Official Development Assistance scoring G1 or G2 in 2013, the Commission committed 43.7% of its ODA in a gender sensitive way in 2015. If progress continues on the same path, the 2020 target will be easily reached.

Key achievements

In 2017 EU bilateral aid under the DCI is more focused on countries that need it the most, such as Least Developed Countries and Lower Income Countries, while the share of Upper and Middle Income Countries has been significantly reduced. Similarly, at country level EU aid is more focused with three or less sectors of concentration in each partner country. Among the sectors of concentration, DCI support is strongly focused on Inclusive and Sustainable Growth for Human Development, which is also a priority area of the Agenda for Change.

During the 2014-2016 period, the DCI has strongly contributed, for example, to the introduction of sustainable land management practices in agricultural and pastoral ecosystems, to the improvement of skills for health personnel and to increasing the number of people receiving rural advisory services or having secure tenure of land, of children enrolled in primary and secondary education, of teachers trained, of people benefitting from nutrition-related programmes, being immunised, receiving antiretroviral therapy, or benefitting from VET/skills development and other active labour market programmes, of countries benefitting from and implementing climate change strategies and improved business environment, of hectares of protected areas, of enterprises applying sustainable consumption and production practices, of rehabilitated infrastructure, of firms with access to credits, etc.

For more details and examples, see:

- https://ec.europa.eu/europeaid/annual-reports_en
- https://ec.europa.eu/europeaid/year-stories-european-year-development-2015_en
- https://ec.europa.eu/europeaid/sites/devco/files/brochure-mdg-2015_en.pdf
- https://ec.europa.eu/europeaid/projects-results_en.

Latin America

In 2016, the DCI committed over EUR 356 million in Latin America, in key sectors such as climate change, private sector and investment, security and governance. By doing so, the EU wants to improve the populations' living conditions and to achieve the Sustainable Development Goals by 2030^[1].

In El Salvador, for example, the new "support to the social plan" programme, with special focus on Youth and women, will help the country to create jobs while in Paraguay, a new programme in the Education sector, will help the country to improve access to primary and secondary education and the quality of it.

Partner countries have also benefitted from significant DCI disbursements in 2015-2016: the Guyana Sugar Accompanying Measures, which assists the country in its efforts to reform and diversify the sugar industry, the support to integrated water management in Bolivia and the Paraguay programme in support of public policy for social inclusion and poverty and inequality reduction. The last example has contributed, for example, to the reduction of extreme poverty in the country from 10.47% in 2014 to 9.97% in 2016.

Furthermore, in **Colombia**, thousands of families from disadvantaged communities benefitted from land legalisation programmes and rural development which is key to the consolidation of peace and security in the country. More than 200 000 land hectares were titled or awarded to small rural and vulnerable producers and 20 000 rural families benefitted from participatory and productive projects. The approach of medium term support through sector budget operations mainly, allows us to align the EU aid to the partner country's national development plan and to strengthen progress in the implementation of a sector policy. It also allows

^[1] http://europa.eu/rapid/press-release_IP-16-3542_en.htm

addressing persistent issues such as the large income imbalances in Colombia, access to social services and to land, particularly in rural areas. The new EU Trust Fund for Colombia will build on such achievements to support the implementation of the peace agreement.

With regard to **regional cooperation**, new successful initiatives were launched in 2016 through the regional programme covering key sectors in line with EU and international priorities such as addressing climate change ('Euroclima+'), South-south cooperation for poverty reduction ('International cooperation facility'), Security ('El Pacto') and increased investment across the region (blending grants and loans under the Latin America Investment Facility - LAIF). Euroclima, for example, supported countries in the preparation of their intended nationally determined contributions (INDCs) for COP21. Its successor, Euroclima+ will take this a step further by assisting the delivery of INDCs and commitments at policy and operational levels. Moreover, these actions respond to commitments made at the EU-CELAC summit in 2016.

Asia

Budget support is an increasingly important aid modality in the region, working directly with country systems and reinforcing dialogue on key reforms and improving public financial management systems, transparency and accountability. Budget support operations make up broadly 45% of total financial commitments for 2016. Support for good governance across the region takes the form of programmes to support local, national and sectorial actors and processes.

The DCI Budget successfully financed in 2016:

- continued support to Afghanistan to strengthen local and national governance, achieve credible and transparent elections and improve judicial integrity and accountability;
- support for more efficient and accountable social protection systems in Kyrgyzstan;
- strengthening democratic participation and civil society capacities in Myanmar and Cambodia,
- improved access for the poor, women and vulnerable groups to fair and transparent dispute resolution systems at local government level in Bangladesh;
- support for the historic political change in Myanmar through a state building contract worth EUR 150 million with the new government of Aung San Suu Kyi, in particular to support education.

There was also increased financial and technical support to improve migration management. EUR 10 million from the DCI was committed in 2016 to support Iraqi refugees in Turkey through Facility for Refugees in Turkey. This is alongside a further EUR 10 million being channelled in 2015 through the Madad Trust Fund to support internally displaced persons, refugees and host communities in Iraq. Further possibilities for cooperation with partner governments are under discussion, particularly over supporting returnees.

Focus of development cooperation achievements in specific countries:

Myanmar

- continued support to the transition and support to livelihoods, education, and peace;
- following up on the EU Strategy towards Myanmar as agreed by EU Member States in Foreign Affairs Council conclusions

Cambodia

- continued support to Cambodia's impressive poverty reduction efforts with significant progress made including on human development indicators;
- support to education outcomes, livelihoods as well as the decentralisation agenda and support to credible elections;
- support to improving accountability, transparency, and audit, and strengthening the public financial management system

Afghanistan

- EUR 1.4 billion out of the EU Budget is to be committed in 2014-2020 in Afghanistan, the biggest aid recipient in the region. This includes:
- financial commitments of EUR 280 million for 2016 in time for the donor Conference for Afghanistan that took place in October 2016;
- a new financing commitment of EUR 200 million for a state-building contract.

Iraq

- addressing the refugee crisis by tackling the roots of the current violence;
- bolstering long-term structural stability by helping Iraqi national institutions solve the current crisis and deliver effective services and support to all Iraqi citizens, displaced people and refugees;
- support for IDPs, refugees and host communities in Iraq and other affected countries through the Madad Trust Fund, which provides a coherent and reinforced aid response to the Syrian crisis on a regional scale.

Kyrgyzstan

- strengthening the capacity of citizens to claim their rights through modernising the legislative process and improving the work of judiciary and prosecution

Pakistan

- boosting the level of education in the Khyber Pakhtunkhwa and Sindh provinces;
- helping populations become more aware of their rights and to take an active role in their own development.

Bangladesh

- strengthening democratic governance remains one of the focal sectors of assistance, with EUR 103 million allocated

South Africa

From the outset the objective of the EU assistance was the improvement of the living conditions of the previously disadvantaged population groups and the consolidation of the new democratic institutions. EU assistance covered practically all relevant areas and thus contributed to the socioeconomic progress. Although significant, the EU development assistance represents only a small percentage of SA's GDP and budget. EU support therefore targets programmes with a high value added (e.g. innovation, risk taking, capacity building, pilots with a high potential for replication), which the national voted budget does not foresee as it is considered too new or risky while not yet proven through a pilot. Many results are very encouraging but the full impact will only be reached once they are mainstreamed in government policies and their implementation fully achieved.

Throughout 2014-2015, EU-South Africa cooperation under the Strategic Partnership intensified and support through the DCI between mid-2014 and mid-2015 contributed to the improvement of services for the prevention of mother-to child transmission of HIV for more than seven thousand pregnant women, while 69,912 young people between 12 and 25 years old have benefited from improved life skills through football training and coaching. Other few hundreds received skills development through the provision of vocational training in the arts and craft sector and product marketing support.

Furthermore, over the same period the Trade and Development Cooperation Agreement Facility funded through the DCI has continued to provide support to SA's economy through the financing of research studies, short term missions to prepare strategy documents, provision of study tours, logistical support to organise high level panels, conferences and workshops.

One key area of EU support is cooperation with civil society which spans over 3 decades. This cooperation undeniably strengthened the SA social tissue as well as the EU's presence in many areas. An event such as the 2016 "Dialogue on Human Rights and Policing" is difficult to imagine without our longstanding involvement with the South African civil society.

Pan-Africa

DCI contribution helped address governance mechanisms at a pan-African level (something neglected by other development partners, who focus more on bilateral action), and therefore allowed the programme to:

- align practices,
- implement economies of scale
- share good practice,
- enable monitoring by African governments through 'peer-to-peer' review, and by African civil society,
- complement initiatives at country level.

For the years 2014-2016 examples include support to the work of the African Union in a number of fields including statistics, elections, energy, transport, water and migration management; support to African intergovernmental networks active on financial governance (taxation, audit, parliamentary oversight, budget).

The EU is also transferring technologies and know-how to African partners. Examples include satellite technologies such as Copernicus or EGNOS, or geological mappings. Through the DCI, the EU Budget is also helping build up the overall capacity of AU institutions, bridging the gap with international standards.

On *migration*, Pan-Africa finances one EUR 18.5 million project to support the various policy dialogues with Africa (Khartoum and Rabat Processes, continental dialogue/MMD). This allowed for an efficient support to the Valletta Summit, and follow-up activities. It is complemented by the adoption of a EUR 25 million contribution from Pan-Africa to the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa, as a means to ensuring a flexible and efficient delivery of cross-regional actions cutting across the three geographic windows of the Trust Fund.

Global Public Goods and Challenges**Environment and Climate Change**

Environment and Climate Change are at the heart of the 2030 Agenda for Sustainable Development. The programme supports the implementation of the new Agenda through four main components: supporting climate change adaptation and mitigation, disaster risk reduction and the transition to low-carbon and climate resilient development; promoting the conservation and sustainable use of healthy ecosystems and renewable natural resources (land, forest, water); supporting sustainable production and consumption and the transition to an inclusive green economy; strengthening environmental governance.

In 2016, DEVCO significantly enhanced efforts to mainstream environment and climate change in EU cooperation: new guidelines were adopted, awareness raising and capacity development activities were increased, all action documents in environment sensitive sectors were reviewed, and climate and biodiversity-related financing were systematically tracked using Rio markers. Between

2014 and 2016, there was a steady increase of climate change related financing, which is getting closer to 20 % of the funds managed by DEVCO.

Furthermore, as part of the global objective of ensuring sustainable forest management and reducing deforestation (SDG 15), the Global Forest Resources Assessment has provided the five-year update of the state and changes of world forests, which is the global reference managed by the FAO. To ensure that forest related global objectives in the fields of climate change mitigation and biodiversity also meet national inclusive development objectives, six projects have been signed in 2016 to promote participation of civil society in FLEGT and REDD+ processes² in all main forest basins.

BID – Biodiversity Information for Development has provided small to medium-sized grants to support capacity enhancement activities and projects to mobilise biodiversity data and strengthen national or regional biodiversity information facilities in these regions. BID focuses on data that supports policy needs in the region, particularly in connection with protected areas, threatened species and invasive alien species.

Finally, the DCI is financing the ongoing EU SWITCH to Green initiative³, which supports the transition to the green economy in partner countries, building on the SWITCH regional programmes and new GPGC contributions to key global initiatives such as the Partnership for Action on Green Economy and the Green Economy Coalition. Coordination, quality support and knowledge development mechanisms have been established as part of this initiative.

Sustainable energy

The DCI also contributes to development cooperation work on sustainable energy. The objectives are to increase the access to modern energy services, enhance the renewable energy production and energy efficiency, and combat climate change. The increased access to energy helps promote inclusive and sustainable growth while contributing to poverty eradication, energy security, and the climate change agenda. The three main ongoing initiatives that the DCI Budget finances are:

- The Electrification Financing Initiative (ElectriFI) is an innovative mechanism to unlock, accelerate, and leverage investments that can increase and improve access to affordable, reliable, sustainable, and modern energy and promote the rational use of energy at a global geographical scale with a special focus on Africa. ElectriFI has attracted unprecedented interest from private sector, development financiers and global development partners as a key platform gathering efforts and resources in support of the sustainable energy agenda, such as the USAID Power Africa who contributed to ElectriFI in 2016 an amount of USD 10 million targeted at Sub-Saharan Africa. This initiative was launched at COP21 and since then the ElectriFI operations have been increasing in number and scope.
- A specifically targeted gender window has recently been put in place under the ElectriFI initiative. The aim of this window is to create opportunities for women's entrepreneurship at all levels in the sustainable energy value chain on top of enabling women access to sustainable energy.
- The regional Covenant of Mayors in Sub-Saharan Africa (CoM-SSA) combines ambitious political commitments and concrete actions. These are embedded in a global network of city-to-city cooperation and peer learning. The EU interventions contribute to the Sustainable Development Goals (SDGs) 7 (sustainable energy) and 13 (climate action), the New Urban Agenda, the Sendai Framework and the Paris Agreement. The Covenant aims more specifically at a) setting-up the overall support structure (regional office) and network; b) supporting cities through grants (Call for Proposals 2016, more cities to be selected in 2017) that will form the network's core group; and c) developing monitoring and reporting methodologies. The focus for potential future funding from GPGC 2017 budget will be on scaling-up the initiative by expanding and sustaining the network and reaching a greater number of beneficiaries.
- A specific action is targeting Gender and Energy, with the objectives of facilitating access to affordable finance and to sustainable energy services to reinforce women's entrepreneurship in the energy sector. Increasing women's technical and business skills with vocational training, improving the general environment for women's entrepreneurship through political advocacy and awareness campaigns are among its objectives. A call for proposals will be launched in 2017 to implement the action as from end 2017 for a minimum of 3 years.

Human Development

➤ Health

The Commission's contributions to the Global Fund against AIDS, Tuberculosis and Malaria (GFATM) and the Vaccine Alliance (GAVI) are financed jointly through the DCI budget and the intra-ACP programme of the EDF. For the Commission pledge 2014-2016 of 370m EUR for the Global Fund, 150 million EUR have been disbursed from the DCI budget. The Commission pledged a further 475m EUR over the period 2017-2019 which includes 185m EUR from the budget. Commission contributions represent

² FLEGT stands for Forest Law Enforcement, Governance and Trade. The EU's FLEGT Action Plan was established in 2003. It aims to reduce illegal logging by strengthening sustainable and legal forest management, improving governance and promoting trade in legally produced timber. The acronym REDD+ is short for 'reduced emissions from deforestation and forest degradation, conservation of existing forest carbon stocks, sustainable forest management and enhancement of forest carbon stocks'. REDD+ is an international mechanism through which developing countries will receive financial compensation if they reduce emissions from their forest and land use sectors. By creating incentives to keep forests intact, REDD+ has the potential to not only limit climate change but also protect biodiversity and livelihoods.

³ SWITCH to Green is EU's Flagship Initiative on green economy, linking complementary programmes to improve the overall coherence, coordination and visibility of existing and future EU-funded international cooperation initiatives. Concretely, the initiative aims at facilitating the transition to an inclusive green economy by promoting the adoption of sustainable consumption and production practices by the private sector, through support to MSMEs and through policy development. SWITCH to green should also be seen in the context of the EU action plan on circular economy, which acknowledges the global dimension of the circular economy and foresees EU cooperation with international organisations and other interested partners as part of the global efforts to reach the 2030 Sustainable Development Goals.

about 5% of total resources spent by the Global Fund which helped put 10 million people on live-saving HIV-treatment, detected and treated 16.6 million cases of tuberculosis, and distributed 713 million bednets to prevent malaria.

The Commission pledged 200m EUR to GAVI for 2016-2020, including 70m EUR from the DCI budget. 19.9m EUR were disbursed from the budget in 2014-2016 from earlier pledges. The Commission contribution represents about 2% of total resources spent by GAVI which helped to fully immunise 277 million children in 2011-2015 and plans to immunise another 300 million children in 2016-2020.

➤ Education

The Global Partnership for Education (GPE) plays an important role in contributing to the achievement of inclusive and equitable quality education for all by promoting partnerships to mobilise additional resources and build more effective education systems. It focuses primarily on basic education (primary and lower secondary education) but is progressively expanding to encompass upper secondary and pre-primary education for every child.

Through Board membership and significant contributions to the GPE, the Commission plays a key role in shaping the global policy agenda in education as well as ensuring progress on education development goals at country level, better financial and monitoring systems and improved alignment with national priorities, thereby achieving more sustainable results. The Commission has also coordinated common EU and donor positions to advance these objectives at the board.

➤ Gender Equality and Women's Empowerment

A renewed and expanded EU commitment was made in 2015 when the Council of the EU adopted the 2016-2020 Gender Action Plan, which is mandatory for all EU action with the outside world.

It is being implemented via bilateral and thematic programmes and by fostering the effective inclusion of the gender perspective in the programming process (a gender analysis is now mandatory for all new programmes)

DCI has contributed to four global and regional programmes focusing on tackling harmful practices to children and ensuring children's access to an identity through birth registration:

- UNFPA-UNICEF Joint programme on the abandonment of Female Genital Mutilation / Cutting: accelerating change in 17 countries
- UNICEF-UNFPA Global programme to accelerate action to end child marriage covering 12 countries
- UNFPA Global programme to prevent son preference and gender biased sex selection: improving the sex ratio at birth in Asia and the Caucasus
- UNICEF regional programme "Towards universal birth registration in Africa"

➤ Social inclusion and protection

The Employment, skills, social protection and social inclusion programme 2014-2016 has focused on supporting high levels of productive and decent employment, including through vocational education and training, as well as the extension of social protection coverage through the establishment of nationally-defined social protection systems and floors (adoption of 2 facilities for peer to peer technical assistance in the areas of employment and decent work, social protection and VET); it has also supported the social and economic inclusion of marginalised and excluded groups and individual, in particular people with disabilities through the project Bridging the Gap, as well as indigenous populations. Last but not least, it has paved the way for future programmes to address child and forced labour through a pilot project to combat unacceptable forms of work in the Thai fishing and fish industry sectors.

➤ Growth, jobs and private sector engagement

The EU contribution to the World Bank Trade Facilitation Programme was contracted with the World Bank in 2014. The programme aims to assist developing countries with the implementation of the WTO Agreement on Trade Facilitation. To date, 59 countries have requested assistance, 49 validation missions have been completed, and implementation has begun in 26 countries.

In 2016, the Commission signed the following 4 new programmes:

- A first action to promote international transparency and availability of market information. The International Trade Centre (ITC) has developed a set of market analysis tools and made them available online as global public goods. EU funding will help expand and add to the tools, and support their use by micro, small and medium-sized enterprises (MSMEs) in developing countries, and their governments, to participate more in the world economy and obtain maximum benefit from it. This addresses trade information asymmetries between rich and poor countries, by improving global trade transparency and facilitating economic growth through trade;
- Two complementary actions to promote global transformative solutions for inclusive markets, through the enhancement of two existing global multi-stakeholder platforms that foster private sector engagement: the Consultative Group to Assist the Poor (CGAP) that seeks to advance inclusive finance solutions for the poor; and the Inclusive Business Action Network (IBAN) recently created platform that will facilitate the scaling up and replication of all types of inclusive business models (IBM);
- A Technical Assistance Facility to improve the sustainability, quality and effectiveness of EU interventions on trade, regional integration and private sector development and engagement areas, to strengthen capacities for better monitoring and impact measurement and improved mainstreaming in other key areas (sustainable energy, sustainable agriculture, infrastructure, green and social sectors). The facility shall provide relevant advisory services in the above areas including support for better knowledge management, visibility and communication.

Food security, nutrition and agriculture

The AgriFI initiative, launched at the end of 2015, which uses public money to de-risk and thereby increase investment in smallholder agriculture and agri-businesses in developing countries with the aim of achieving inclusive and sustainable agricultural growth, has become operational in 2016. Within the initiative, the DCI contributes to:

- The call for proposals "Value Chain Development and Food Fortification" was launched in 2016 and raised exceptional interest from potential applicants with nearly 600 concept notes with a value of more than EUR 2 billion from 80 different countries submitted. The total allocation is now EUR 73 million. In 2017 projects on Value Chain development will start implementation by CSOs in Honduras, Brazil, Ecuador, Burkina Faso, Ethiopia, Vietnam and Kenya. On the other hand, CSOs, UN (FAO, WFP) and international and national research centres and universities will implement projects in Madagascar, Gambia, DR Congo, Sudan, Ethiopia, Kenya, Chad and Niger on Food Fortification;
- The blending mechanism under AgriFI had an allocation of 69 million and a first operation with an International Financial Institution (KfW) is launched for an amount of EUR 30 million: the African Agriculture Trade and Investment Fund, in which the Commission will become shareholder of the most risky tranche of the fund (C-shares), leveraging investment by other investors;
- The Value Chain Analysis capacity needed to ensure a proper tracking of developmental impact and accountability was formally put in place and is now fully operational.

Furthermore, the "Pro-Resilience Action" (PRO-ACT) funded by the DCI-FOOD programme since 2015 aims at building the resilience of vulnerable communities by better targeting the root causes of food insecurity while ensuring the complementarity between instruments for high-impact aid. It is implemented using a variety of modalities which are identified in very close cooperation with EU Delegations. The PRO-ACT methodology developed in 2014 has been used now for three years and in 2016 was instrumental in promoting the Global Network Against Food Crises in which all main FS stakeholders (the EU development, humanitarian and research, EU MS (development and humanitarian offices), USAID, Rome based agencies, Unicef, regional organisations (IGAD, CILSS, SICA, SADC,) and CSOs) cooperate to increase coordination and impact on food crises analyses and responses. A global needs assessment launched each year in December and completed in early February identifies the looming hotspots for food crises and specific causes and the responses are designed in close coordination and consultation with geographical directorates and delegations also on the basis of technical and administrative managerial capacities of delegations and implementing partners. In 2016 for the first time thanks to this action and methodology the EU set up a Global Response in the context of El Niño phenomena as a joint Humanitarian-Development response of more than EUR 500 million.

Migration and asylum

Since 2014, migration and forced displacement are on top of the EU agenda. In the framework of the European Agenda on Migration adopted in 2015 several policy and operational measures have been launched, including the Valletta Declaration and its Action Plan, a new development-oriented EU approach towards forced displacement, the Partnership Framework and more recently the Commission's proposal for a European External Investment Plan. Within this policy context, a coherent and comprehensive EU response is required, including development assistance to partner countries in this area. A number of measures have been launched taken, in particular since 2015:

The Joint Migration and Development Initiative (JMDI), co-funded under the GPGC migration programme and implemented by UNDP and partner UN agencies, has concluded at the end of 2016 after 9 years of implementation. In total, 16 projects have been implemented in 8 partner countries in various regions, supporting over 6700 beneficiaries locally. Throughout the years, the JMDI has been widely acknowledged as an important global actor of migration and development and played a key role in strengthening the local dimension of migration and development and to advance the global reflection in this area. In total, 1900 stakeholders have been directly trained by the JMDI to better manage migration for local development (over 5000 indirectly trained). The JMDI toolbox is available in 8 languages, both in printed and online versions, and is broadly used to train and raise awareness on the local dimension of migration. Over the years, the JMDI has been able to build the biggest online community (M4D Net) of migration and development experts and practitioners, with over 4500 members.

The implementation of the African Postal Financial Services Initiative (APFSI), funded under the migration programme and implemented by the International Fund for Agricultural Development (IFAD) will come to an end in 2017 and concrete results have already been achieved. In total by the end of the project's implementation, nearly 400 post offices in rural areas in four African countries (Benin, Ghana, Madagascar, Senegal) will have been modernised, notably to facilitate remittance transfers from migrants abroad, and to allow receiving families to utilise these remittances more productively. The initiative also has allowed opening 11 new North-South and South-South remittance corridors, broadening the access to remittance services in the 4 targeted countries, and 23 new public-private partnerships (PPP) have been created, enhancing a fair competition in the remittance markets.

Civil Society Organisations and Local authorities (CSO-LA)

Since 2014, this programme has worked through *framework partnerships agreements* with these organisations and authorities:

- 5 agreements were signed and implemented in 2015 with global networks of local authorities^[1].
- Agreements with 23 global and regional networks of civil society organisations were selected in 2015 and signed in 2016.

^[1] With CLGF, AIMF, CEMR/Plataforma, UCLG and UCLG-Africa.

The EU roadmaps for engagement with civil society in developing countries have given a thorough analysis of civil society in each country in the world, a common analysis of priorities for the EU and an assessment of the impact of actions taken or to be taken, in particular regarding the CSO-LA budget line; 105 such roadmaps were signed from 2014 to 2016. A report on the evaluation of the process on the exercise is available since December 2016.

In total, more than 300 new actions were deployed in 2016 under the CSO-LA programme. While 12 actions supported global and regional networks, a larger part of these new initiatives (190) supported CSOs and LAs on the ground. The programme deployed new activities for CSOs in respectively 100 countries for the period 2014-2017 and in 79 countries for the same period for LAs, ensuring the reality of the global coverage of the programme.

Evaluations/studies conducted

The DCI evaluation was launched in the second quarter of 2016. Key stakeholders including EU Delegations have been consulted and a number of field visits have taken place (Bolivia, Bangladesh, Cambodia, and Ethiopia). A first draft of the DCI report was published in February 2017 and it is available at the following address: https://ec.europa.eu/europeaid/draft-evaluation-report-external-financing-instruments-development-cooperation-instrument-dci_en. It is subject of the Public Consultation (February 7th – May 3rd 2017) and will be finalised by end June 2017.

Some specific evaluations financed by the DCI Budget are presented below.

Latin America

Budget support operations in Paraguay were reviewed during 2016. The final report is to be finalised and published current 2017.

Global Public Goods and Challenges

The **Evaluation of the European Union's co-operation on sustainable energy (2011-2016)** is part of DG DEVCO's evaluation programme as approved by the Development Commissioner and agreed by the High representative for Foreign Affairs and Security Policy. The specific objective for undertaking this evaluation is to assess whether sustainable energy actions have achieved the intended outcomes and contributed to the expected impact. More specifically it will assess whether the available instruments are cost-effective, deliver sustainable outcomes and add value. The evaluation covers the European Union's development co-operation strategy on sustainable energy and its implementation under the European Development Funds (for the African, Caribbean and Pacific countries - EDF) and the Development Cooperation Instrument (for Asia, Latin America and South Africa - DCI) as well as IntraACP (African - Caribbean - Pacific) and Pan African interventions funded under the 'geographical' instruments in Sub Saharan Africa and Asia. The evaluation is due to start in March 2017 and will be implemented in twelve months.

Future implementation (2017-2018)

In 2017, a mid-term review of the DCI implementation will be undertaken. It is expected that this will lead to stronger emphasis on the priorities identified in the EU's Global strategy, in particular a stronger emphasis on migration issues, the nexus between security and development, the promotion of private sector development and job creation, more emphasis on climate change adaptation and mitigation and stronger mainstreaming of gender and specific programmes therein.

Latin America

During 2017-2018, DCI will contribute to new projects and programmes in all 10 countries benefitting from bilateral development cooperation under the DCI Latin America instrument. For Peru, 2017 will be the last year of commitments under the special phasing-out period. The country is set to become graduated and will no longer benefit from a bilateral allocation. Ecuador should also in principle join the group of graduated countries by 2018. However, extending this phasing-out period is now under consideration, following the devastating effects of the 2016 earthquake.

Additional funds will also be committed in 2017 for the EU Trust Fund for Colombia, set-up in order to reinforce the strong EU political support to the peace process in the country.

During 2017-2018, important projects will also be adopted under the regional/continental envelope, particularly in view of the EU-CELAC summit foreseen in the second half of 2017. The focus will continue to be on fostering exchange of knowledge and expertise and investment promotion under grants-loans blending mechanisms and south-south cooperation, as well as addressing issues of EU and global concern such as climate change.

Asia

Development cooperation in Asia will continue to have a strong focus on improving overall governance, particularly on:

- strengthening democratic government;
- human rights;
- judicial reform;
- civil society;
- public financial management.

Ongoing support to ASEAN on gender equality and women empowerment will be provided under the READI Human Rights Facility, including in particular the launch of the "ASEAN Progress Report on Women's Advancement and Gender Equality" and a Regional Meeting and Production of Publication on Gender Issues in Sustainable Development organised through the ASEAN

Commission on the Promotion and Protection of the Rights of Women and Children. Following the successful gender side-event at the Afghanistan conference in 2016, DCI-Asia will capitalise on the outcomes of the event to continue engaging locally with the authorities and civil society on the empowerment of Afghan women as part of EU's wider policy dialogue including the EU – Afghanistan human rights dialogue. In addition, DCI-Asia programmes will continue to mainstream gender equality in the objectives and proposed activities. This includes the new State Building Contract which will assess government policies also in terms of gender mainstreaming and specific policies for women.

Budget support is an increasingly important type of aid in the region. Reflecting this, budget support operations will be close to the levels of 2016. Support for good governance across the region takes the form of programmes or project-based interventions to support local, national and sectorial actors and processes.

Several budget support programmes begin implementation in 2017 and continue in 2018 and particular attention will be given to the follow up of major strategic programmes in Afghanistan and Myanmar (State Building contracts), Vietnam (sector reform contract energy), Cambodia (Public Finances Management and Decentralisation). Education/TVET in Bangladesh will also be an important milestone of our cooperation portfolio in 2018.

As regards **migration**, particularly in South Asia we will tackle, among other things, irregular migration and displacement through e.g. dedicated programmes focusing on Afghan returnees, especially from Pakistan, and their reintegration in the country. Iran as host country of a massive influx of Afghan refugees also deserves DEVCO's attention and support if we want to avoid secondary displacement or unorderly return in Afghanistan.

The development of the Private Sector has a major role to play in the sustainable economic development and growth of the region and is instrumental for the consolidation and creation of new jobs in order to respond to the global challenge of poverty eradication.

In Central Asia, economic diversification is a key driver to enhance the emergence of new businesses and the expansion of existing ones into sectors with high growth potential. In 2018, the Commission intends to step up its intervention in this area with a possible financial commitment totalling EUR 22 million under a strengthened Central Asia Invest programme (combining delivery of capacity development for BIOs/SMEs, support to policy reforms and responding to the increased demand of more sustainability in economic development) and Trade Related Assistance.

South Africa

The EUR 60 million 2017 annual action programme (AAP) is expected to consist of three actions:

- a support programme for Education for Employability (provisional allocation: EUR 29.8 million).
- a support programme for Local governance, Services delivery and PFM (provisional allocation: EUR 20 million).
- a support Programme to the National System of Innovation (EUR 10 million provisionally allocated).

The aim of the **Education for Employability** is to promote employability in South Africa through improving relevant education opportunities, as well as employment and matching opportunities. This could include:

- enhancing skills development and placement assistance;
- increasing the quality of Early Childhood Development, Basic Education and Technical and Vocational Education and Training (TVET);
- strengthening systems on Work Integrated Learning (WIL).

The aim of the **Local governance, Services delivery and PFM** is the improvement of services delivery at local level through enhanced financial management and organisational (institutional & human) capacity, as well as through innovation.

The specific objectives of the support programme to the National System of Innovation are under discussion.

The EUR 20 million 2018 AAP is likely to finance actions addressing the focal sector 'building a capable and developmental state' and possibly the 'employment creation' focal sector of the SA-EU MIP.

Pan-Africa

A number of actions have been identified for 2017 (tentatively EUR 100 million) as contribution to the Strategic Area 4 of the Roadmap adopted at the 2014 Africa-EU Summit, namely: 'Sustainable and Inclusive Development and Growth and Continental Integration'. These actions are fully in line with the External Investment Plan, to which they would directly contribute, through i) a EUR 70 million contribution to infrastructure projects through the Africa Investment Facility; ii) technical assistance; iii) improving the business environment (e.g. on customs, air transport, ICT standards and river basins management).

The actions to be adopted in 2018 will be based on the Multi-annual Indicative Programme (MIP) 2018-2020 of the Pan-African programme. On the basis of the lessons learned from the MIP 2014-2017, we can expect a number of actions in the fields of governance, including further support to migration management and to the African Union, human development and sustainable growth.

Global Public Goods and Challenges

Environment and Climate Change

Funds from the DCI Budget 2017 and 2018 will continue to support the implementation of the 2030 Sustainable Development Agenda, in particular SDG 13 on Climate action, focusing on the following priorities:

The Global Climate Change Alliance+ (GCCA+) as a thematic flagship initiative will continue to facilitate the transition to a climate resilient low-carbon future through:

- continuing the policy dialogue with partners; supporting their work to implement the Paris Agreement and other UNFCCC outcomes (e.g. National Determined Contributions and National Adaptation Plans);
- seeking closer cooperation and coordination with EU Member States;
- maintaining the focus on the most vulnerable;
- paying special attention to involving research institutions, civil society and local authorities more actively;
- organising two regional conferences in 2017 as part of policy dialogue.

Furthermore, Disaster Risk Reduction (DRR) actions will be planned with the EUR 15 million budget for 2017, to scale up implementation of Eco-DRR approaches. On the mitigation side, support to the implementation of Nationally Determined Contributions (NDCs) will be the priority for 2017, 2018 and onwards.

In response to the implementation of the Paris Agreement, Reducing Emissions from Deforestation and forest Degradation (REDD+) will also be pursued, with additional support from the DCI Budget to the EU REDD Facility. Aligning notably with SDG 14, the FLEGT Facility (Forest Law Enforcement, Governance and Trade) will also continue to provide expert support to the implementation of the FLEGT Action Plan, notably on implementation of 6 Voluntary Partnership Agreements and negotiation of 9 (3 of which could conclude in 2017), and on collaboration with important timber consumer markets like China. Impact monitoring and collaboration with private sector will be strengthened, and broader forest services (food security, livelihoods, energy) will be enhanced.

Funds for EU Biodiversity for Life (B4LIFE), under the EU action plan on wildlife trafficking, will enable the initiative to continue focusing on the most fragile ecosystems and species in partner countries and addresses the Sustainable Development Goal 15. In particular, a special attention will be given to the fight against wildlife and conflict timber trafficking and by armed groups, and its impact on the security of vast regions, in particular in Central Africa, in Eastern Africa, in the Horn of Africa and in Asia. In order to effectively and efficiently respond to this threat, a comprehensive study analysing the inter linkages between wildlife, security and development will be undertaken, including all stakeholders involved. Other policy studies to set out wildlife conservation priorities in marine Africa (*Larger than Whales*), Asia (*Larger than Tigers*) and Latin America (*Larger than anacondas*) will be completed. They aim of defining a new strategic approach to guide activities aimed at biodiversity conservation and sustainable ecosystem management. All studies will identify lessons learned from conservation programmes and set out priorities for action. Compiled with the input of major conservation groups and specialists, they are an example of best practice by the European Commission on joint action for development cooperation.

DCI Budget will continue funding the Switch to Green flagship which supports the transition to more sustainable production and consumption patterns — identified as one of the SDGs in the 2030 Agenda for Sustainable Development — and towards an inclusive green economy that generates growth, creates jobs and helps reduce poverty. The implementation of the initiative will move forward, with a new allocation to the SWITCH to Green facility, the implementation of previous commitments (SWITCH Africa), as well as further coordination, knowledge development and communication efforts (e.g. Annual green economy projects coordination meeting, event in the context of the European Development Days). A thematic evaluation of EU international cooperation on sustainable consumption and production was also launched in September 2016. It will be completed by March/April 2017 and will feed into the planning of future activities. New actions aimed at promoting green investments in the context of the new EU External Investment Plan will be identified during the course of the year, with a view to allocate GPGC funds in 2018.

Further support will be provided for developing countries' efforts to combat desertification and implement the land degradation neutrality target (SDG 15.3) under the new sustainable development agenda, paying particular attention to the links with migration. A new programme "Reversing Land Degradation in Africa by Scaling-up Ever Green Agriculture" will be launched in 2017 and will provide support to countries to strengthen their abilities to assess the costs of land degradation and the economic benefits of investing in sustainable land management, equipping these countries with surveillance and analytic tools on land degradation and by supporting them in scaling-up evergreen agriculture. This will contribute to improve livelihoods, food security and resilience to climate change as well as restoration of ecosystem services. The action will target eight African countries, with spillover effects for many others.

The 2030 Agenda requires sustained efforts to boost environmental sustainability in partner countries and achieve the EU's objectives of allocating at least 20% of its budget to climate relevant action by 2020 and doubling annual international financial flows to developing countries for biodiversity conservation. In 2017 new EU financial support is foreseen to further support the integration of environment and climate change both in EU cooperation programmes and in partner countries policies, plans and programmes, through technical assistance, capacity development, communication and knowledge support.

Water management

In line with the holistic approach of the Agenda 2030 to social, economic and environmental dimensions of sustainable development, the "Nexus Dialogues" programme, which is designed to strengthen regional policy dialogues on the integrated uses of water, land and energy-related resources in different regions across the world, will continue to be funded in order to advance towards concrete outcomes.

In addition, the transboundary water resources management aspect - aimed to shape a more coherent and effective EU foreign policy engagement in conflict prevention, by promoting dialogue and continued cooperation to contribute to peace and security - will be addressed through a number of ongoing projects, including a new project in the Senegal River basin.

The project "Appui à la gestion des ressources en eau et du nexus eau-énergie-agriculture dans le bassin du fleuve Sénégal" has been approved by the Commission Implementing Decision 8242 on 2nd of December 2016. The project implementation modality foresees an Administrative Arrangement with DG JRC and grant contract (Pagoda) with the AICS (Agenzia Italiana per la Cooperazione allo Sviluppo) for an amount of EUR 2.8 million. The preparation of the above mentioned Arrangements is on-going.

The project will support integrated management of issues related to water resources and the water-energy-food nexus.

Sustainable energy

On Sustainable Energy, the 2017 and 2018 Budget will finance projects working towards achieving SDG 7 (ensure access to affordable, reliable, sustainable and modern energy for all by 2030) as well as to SDG 13 on Climate action. The objective to contribute to poverty reduction through achieving improved access to energy services and increased renewable generation capacity will still be focused on:

- Innovative financing mechanisms to encourage the private sector to invest in renewable energy projects that increase access. The ElectriFI initiative uses the 'blending' framework. Since its launch at COP21, the ElectriFI operations have been increasing in number and scope so that by 2018 and onwards, it would constitute a main contributor to the SDG 7 to ensure access to affordable, reliable, sustainable and modern energy for all. A specific action targeting gender and energy will be implemented through a call for proposals, with activities to be carried out until 2020;
- Improving energy efficiency: extending the regional Covenant of Mayors in Sub-Saharan Africa (CoM-SSA) and potentially other regions;
- Building or strengthening existing strategic partnerships and alliances at global level, in accordance with the GPGC indicative breakdown.

Human Development➤ Health and education

Funding for the programme will:

- continue to contribute steadily to the global initiatives, GFATM, GAVI and the Global Partnership for Education (GPE);
- continue to support the strengthening of health and education systems and fostering policy dialogue in these sectors in order to achieve Universal Health Coverage (UHC) and universal basic education.
- fund action to increase access to essential family planning supplies and maternal medicines in the world's poorest regions, in collaboration with the UN;
- help support education opportunities in fragile and crisis situations, by improving teaching and learning, building stronger evidence of what works in crisis environments, and contributing to policy formulation and decision making in this area;
- help address the teacher's gap in partner countries, and support the monitoring of education goals of the Agenda 2030.

➤ Gender Equality and Women's Empowerment

Under the Gender Action Plan, introducing a gender approach to all new initiatives and programmes in all fields (from health to transport) will improve outcomes for all partner countries' populations, women and men, boys and girls, in the most appropriate way. Furthermore, in the framework of this GAP II, the EU will continue investing in efforts to breaking the vicious cycle of gender discrimination, supporting partner countries to establish a more enabling environment for the fulfilment of girls' and women's rights and to achieve real and tangible improvements on gender equality. In particular, in 2017 the Commission will focus on fostering the rights of women and girls victims of sexual and gender based violence in the most remote areas and/or fragile situations (for instance in post conflict areas or the most isolated communities).

➤ Children

Funds will be used to finance child wellbeing programmes which will focus on the protection and promotion of rights with a view to strengthening local and national child protection systems. Specific attention will be paid inter alia to children's access to justice, fighting harmful practices, ensuring quality alternative care for children, protection of children on the move and other vulnerable children.

➤ Culture

Planned cultural activities will aim at enhancing cultural pluralism and intercultural understanding, including on aspects relating to religion or belief and enhancing social inclusion and social cohesion, notably of vulnerable and disadvantaged populations.

➤ Social inclusion and protection

The programme 2017-2018 will continue to supporting social protection which has proven to be an effective mechanism for increasing equity (e.g. through social transfers and increased access to basic social services) and supporting resilience to shocks and protection against individual and covariate risk, making it a key element in the reduction of poverty and inequalities, as well as for inclusive growth. Further efforts will also be made to continue tackling child labour, forced labour and modern slavery, the employability and social inclusion of young people.

➤ Growth, jobs and private sector engagement

Two actions will receive funding in 2017: one action refers to the promotion of responsible supply chain in the area of conflict minerals (3TG) in developing countries, for which the EC is preparing a programme to implement an appropriate set of accompanying measures to the forthcoming EU regulation aiming to ensure the responsible sourcing of these minerals in conflict affected and high-risk areas. A second action focusses on women economic empowerment and in particular the improvement of access to financial and non-financial capacity building services, and the integration of digital training and services in key cooperation sectors and their value chains, i.e. agriculture, livestock, fisheries and natural resources, renewable energy, health and education, garment, infrastructure with emphasis on green growth etc.

Under the same title, the decision regarding the EU Contribution to the Enhanced Integrated Framework - Phase II was taken within the AAP 2016, however the final decision regarding approval of the relevant contract shall be based on the outcome of an EIF working group regarding the incorporation of recommendations emanating from a relevant evaluation towards further improvement of proposed actions.

Food security, nutrition and sustainable agriculture

Funding for this programme over 2017-2018 will ensure that the overall objective of improving food security for the poorest and most vulnerable, helping eradicate poverty and hunger for current and future generations, and better addressing under-nutrition thereby reducing child mortality is fulfilled. This objective is in line with the EU policy commitments taken in 2010⁴ on addressing food security challenges, in 2011⁵ on sustainable agriculture and food security, in 2012⁶ on resilience and in 2013⁷ on nutrition, and will focus on enhancing the incomes of smallholder farmers, the resilience of vulnerable communities and on helping partner countries reduce the number of stunted children by 7 million by 2025. The objective is also completely in line with the Sustainable Development Goal 2 'End hunger, achieve food security and improved nutrition, and promote sustainable agriculture'.

DCI will therefore finance 3-4 actions supporting the programme overall objective and contributing to one or more results of the MIP 2018-2020.

Actions will:

- bring innovation processes at smallholder level by scaling up science-based changes in a 'last mile' spirit; these will achieve the potential on growth and job creation of a climate change relevant agriculture;
- strengthen and promote governance and capacities for food and nutrition security and sustainable agriculture at the global, continental, regional and national level, for all relevant stakeholders with a strong gender dimension;
- address how to leverage the private sector to achieve inclusive and sustainable agricultural growth and development impact for the most in need;
- build the resilience of vulnerable communities by better targeting the root causes of food insecurity while ensuring the complementarity between instruments for high-impact aid in the framework of the development-humanitarian-security nexus.

Migration and asylum

Within the framework of the European Agenda on Migration, and in particular under the recently launched Partnership Framework and the Valletta Action Plan, the 2017 programme will contribute to ensuring the implementation of the EU's overall migration policy agenda, in line with the migration goals and targets of the 2030 SDG Agenda. The 2017 programme will include continued support to the key partner countries under the Partnership Framework, including through an additional transfer to the Africa Trust Fund, and specific support to key countries in Asia. The programme also includes support to the UN led efforts to develop a Global Compact on safer, orderly and regular migration and continued support for the roll-out of the recently adopted EU development-led approach towards forced displacement. In addition, the programme will include further investments in strengthening the evidence-base and data on the migration-development nexus.

Civil Society Organisations and Local Authorities in development (CSO-LA)

To ensure long-term predictability, reduce costs and ensure the best synergy between its various planned activities, DCI will finance a multiannual action programme for 2015-2017, raising the profile of EU support in this area (worth EUR 723.8 million).

The 2015-2017 action programme combines global, regional and local actions to be managed both at headquarters and in Delegations, and actions outside and inside Europe (the DEAR programme), supporting the EU commitment of universality

⁴ COM(2010) 127: EU policy framework to assist developing countries in addressing food security challenges, and Council conclusions on an EU policy framework to assist developing countries in addressing food security challenges - 3011th Foreign Affairs Council meeting, Brussels, 10 May 2010

⁵ COM(2011) 637: Increasing the impact of EU Development Policy: an Agenda for Change

⁶ COM(2012)586 COM(2012) 586: The EU approach to Resilience and Council conclusions on Food and Nutrition Security in external assistance - 3241st Foreign Affairs Council meeting Brussels, 28 May 2013

⁷ COM(2013) 141: Enhancing Maternal and Child nutrition in External Assistance

enshrined in the SDGs. It will end together with the 2014-2017 MIP and incorporate all the objectives and priorities set out in the MIP, to ensure optimal coverage.

In 2017, the action programme will cover new CSO actions in 50 countries and new LA actions in 39 countries, with:

- 89 local calls for proposals managed by EU Delegations (50 for CSOs and 39 for LAs) worth EUR 175 million, to boost input to country governance and development processes, ensuring maximum outreach to local non-State actors;
- actions to strengthen CSO umbrella organisations at regional, EU and global level, in particular through framework partnership agreements, worth EUR 0.9 million CSO and 0.76 million LA;
- actions to support a Development and Education Awareness Raising programme in Europe, worth EUR 71.9 million, to raise citizens' awareness of and involvement in development issues in Europe;
- public procurement worth EUR 8.9 million to support consultation, dialogue and support for implementing the CSO-LA programme on the ground.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020	2014 - 2020	19 661,6

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	99,9	78,2	83,9	85,0	86,1	87,1	88,2	608,5
Operational appropriations	2 243,0	2 367,3	2 549,5	3 080,5	2 867,5	3 060,7	3 154,2	19 322,7
Executive Agency	2,1	1,9	2,2	2,6	2,5	2,6	2,5	16,4
Total	2 345,0	2 447,4	2 635,6	3 168,2	2 956,0	3 150,4	3 244,9	19 947,6
<i>Of which contribution to Erasmus+</i>	<i>96,0</i>	<i>91,9</i>	<i>107,3</i>	<i>111,6</i>	<i>97,4</i>	<i>101,2</i>	<i>101,9</i>	<i>707,4</i>

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 712,640	99,73 %	1 284,684	95,97 %	3 177,413	25,59 %	1 777,391	21,43 %
Authorised appropriation excluding external earmarked revenue	2 674,072	99,92 %	1 243,085	98,07 %	3 175,101	25,69 %	1 741,069	21,45 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU is in a uniquely neutral and impartial position to deliver on external action on behalf of and with Member States, giving enhanced credibility in the countries where it works. The EU alone has the critical mass to respond to global challenges, such as poverty reduction and climate change. Thanks to its large scale and the existing network of international agreements, it can deliver help to the poor in some of the world's most remote areas, both implementing aid and coordinating.

In its role as a promoter of inclusiveness and multilateralism, the Union can do more than other international organisation.

Acting as one, the Union can have greater impact and more leverage in policy dialogue and donor cooperation.

Working with the EU is also more cost effective, with lower administrative costs than the average.

Contribution to Europe 2020 Strategy

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Poverty reduction and fostering sustainable economic, social and environmental development*.	682,5	748,5

*Actions aiming to mitigate climate change and adapt to its effects are an integral part of the programming for the 2014-2020 period and the percentage of the contribution to mainstreaming of climate action is expected to reach the 20% target seen over the full 2014-2020 period.

Methodology for calculation of the amounts: For 2014 and 2015, the information is based on the OECD DAC CRS file, and has been quality checked by DG DEVCO. The annual estimates for 2016-2020 are based on the Financial Programming data for 2014-2020 for each of the DCI budget lines as follows: for geographic cooperation budget lines based on a weighted average of the percentages identified for the available RIPs and NIPs making up a budget line, while for the thematic budget lines based on the Rio-markable estimated potential of the GPGC MIP. CSO-LA was marked as not contributing to the 20% target. The methodology for 2016-2020 is therefore the same as the one applied in the Commission Staff Working Document on the MTR of the MFF 2014-2020 (COM(2016)603 final), and agreed with DG CLIMA. These figures are only estimates and don't take into account however the 2016 cut in the DCI Budget following the Syrian crisis.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
379,9	503,8	639,8	682,5	748,5	803,7	837,2	4 595,4

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Poverty reduction and fostering sustainable economic, social and environmental development	216,2	202,4

* Based on the analysis of the 2014-2017 Multiannual Indicative Programming Documents for DCI (geographic and thematic).

Methodology for calculation of the amounts: 7.26 % of [operational chapter 21 02 – BL 21 02 40 Commodities agreements – BL 21 02 30 Agreement with the Food and Agriculture Organisation (FAO) and other United Nations bodies – BL 21 02 20 Erasmus+ — Contribution from the development cooperation instrument (DCI)].

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
89,8	119,2	119,1	216,2	202,4	215,6	222,3	1 184,6

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Poverty reduction and fostering sustainable economic, social and environmental development	1 698,1	1 586,1

Methodology for calculation of the amounts: 57 % of [operational chapter 21 02 – BL 21 02 20 Erasmus+ - BL 21 02 40 Commodities agreements – BL 21 02 30 Agreement with the Food and Agriculture Organisation (FAO) and other United Nations bodies]. The percentage is calculated based on the 2014 statistics on OECD, 40% of gender marker "1" (= gender equality is "significant objective" in the programme or project, meaning at least it has been mainstreamed) and 100% of gender marker "2" (= gender equality is "main objective" in the programme or project).

4. Performance information

General objectives

General Objective 1: Fostering the sustainable and inclusive development in partner countries and regions and the promotion of democracy, the rule of law, good governance and respect for human rights, as foreseen in the TEU, with the primary aim of eradicating poverty.

Indicator 1: SDG 1.1.1 Proportion of population below international poverty line							
Baseline 1990****	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
47.7% (in developing regions)*	Decreasing trend						Zero poverty (Target 2030***)
	Actual results**						
	11.6% (with the graduated countries) 12.4 % (without the graduated countries)	10.0 % (with the graduated countries) 11.8 % (without the graduated countries)	9.8 % (with graduated countries) 11.5 % (without the graduated countries)				

* United nations poverty data, Millennium Development Goals, targets and indicators, 2015 (statistical tables); <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Data/snapshots.htm>

** Source of the data: World Bank (poverty rate); UN population division (population's weights). Indicator calculated on the basis of DCI eligible countries. The 2014 value was computed on country level data from 2012 or before, the 2015 value considers country level data from 2013 or before. Both values were updated with World Bank data extracted in November 2016 to consistently consider data using 2011 PPP conversion factors and corresponding \$1.90 poverty line.

*** 2030 is the target date set by world leaders for achieving Sustainable Development Goals (UN).

**** Baseline taken from the previous MDG 1.1 Proportion of population below \$1.25 (PPP) per day

Eradicating poverty in all its forms remains one of the greatest challenges facing humanity. While the number of people living in extreme poverty has dropped by more than half – from 1.9 billion in 1990, to 836 million in 2015 – too many are still struggling for the most basic human needs.

Globally, more than 800 million people are still living on less than \$1.25 a day; many lacking access to adequate food, clean drinking water and sanitation. Rapid economic growth in countries like China and India has lifted millions out of poverty, but progress has also been uneven. Women are disproportionately more likely to live in poverty than men due to unequal access to paid work, education and property.

Progress has also been limited in other regions, such as South Asia and sub-Saharan Africa, which account for 80 percent of the global total of those living in extreme poverty. This rate is expected to rise due to new threats brought on by climate change, conflict and food insecurity. Through to 2030, SDG 1 foresees a world where extreme poverty will have been eliminated, such as through social protection for all, access to land and economic resources, and their protection against the impacts of climate change and other economic, social and environmental disasters.

Specific objectives

Specific Objective 1: Poverty reduction and fostering sustainable economic, social and environmental development.

Indicator 1: MDG 3.1: Ratio of girls to boys in primary, secondary, tertiary education							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Primary level: 0.97 Secondary education : 0.97 Tertiary education: 0.99	Linear increase						Full parity
	Actual results						
		Primary level: 0.98 Secondary education : 0.98 Tertiary education: 1.01*	Not yet available see comment below				

* Source: MDG Report Statistical Annex 2014: Millennium Development Goals, Targets and Indicators, 2015 <http://mdgs.un.org/unsd/mdg/Resources/Static/Products/Progress2015/Statannex.pdf>

This estimate was calculated by the UN MDG team because it was the final year for the MDGs. In a "normal" year, we would not have and will not have such estimate available. There's a time lag of 3-4 years for data to be available at aggregate global level. This also implies that there will be no data available in 2017 for the year 2016.

The new SDG 4.5.1 Parity indices will not be applicable before 3 to 4 years as no methodology has been set yet to provide figures. Therefore, we will continue using MDG 3.1 until new developments.

Indicator 2: MDG 2.2: Proportion of pupils starting in grade 1 who reach last grade of the primary, gender disaggregated							
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
72.7% Girls: 73.84% Boys: 71.6%	Linear increase						100%
	Actual results						
		73.1 % Girls: 74.5% Boys: 71.8%*	Not yet available				

* These results are estimates calculated by the UN MDG Team provided for the Progress report of the MDGs being final in 2015.

Source: MDG Report Statistical Annex 2014: Millennium Development Goals, Targets and Indicators, 2014 & 2015 <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Products/ProgressReports.htm>

The new indicator SDG 4.1.1 "Percentage of children/young people at the end of each level of education achieving at least a minimum proficiency level in (a) reading and (b) mathematics. (Disaggregation: sex, location, wealth and others where data are available)" is aligned to Target 4.1: "By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes." However, it should be noted that this indicator is not available yet: methodology not defined, no data. It will take 3 to 5 years before this indicator can be used according to UNESCO, which is leading on education SDG indicators. Baseline and targets to be set in the UN process. It is therefore recommended to use the old MDG indicators while waiting for the new indicator for SDG target 4.1.

Indicator 3: SDG 3.2.1 Under-five mortality rate (deaths per 1,000 live births)							
Baseline 2013	Milestones foreseen						Target 2030
	2014	2015	2016	2017	2018	2019	
45,6 ^[1]	Actual results						25 per 1,000 live births
	43.9*	42.5*	Not yet available				

[1] World Health Statistics Report

* Projected data obtained from <http://apps.who.int/gho/data/view.main.CM1300R>

This indicator is aligned to Target 3.2: "By 2030, end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-five mortality to at least as low as 25 per 1,000 live births". The under-five mortality rate measures child survival. It also reflects the social, economic and environmental conditions in which children (and others in society) live, including their health care and nutritional status.

Baseline, milestones and target to be revised, once the indicators on new UN Development Goals will be finalised and values agreed.

Indicator 4: SDG3.1.1 Maternal deaths per 100,000 live births							
Baseline 2013	Milestones foreseen						Target 2030
	2014	2015	2016	2017	2018	2019	
210 ⁸	Actual results						less than 70 per 100,000 live births
		216*	Not yet available				

* Projected data obtained from <http://apps.who.int/gho/data/view.main.CM1300R>

This indicator 3.1.1 Maternal mortality ratio (maternal deaths per 100,000 live birth) is aligned to Target 3.1: "By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births". Maternal death refers to a female death from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy.

Maternal mortality ratio indicates the level of development of basic health services which are essential for human and social development and a prerequisite for economic and sustainable development. Within a country often major differences in MMR are identified between regions (urban/rural, major regions/provinces) and socio-economic characteristics (such as education level and wealth quintile).

Baseline, milestones and target to be revised, once the indicators on new UN Development Goals will be finalised and values agreed.

^[1] World Health Statistics Report

^[1] World Health Statistics Report

⁸ World Health Statistics Report

Indicator 5: SDG2.2.1 Prevalence of stunting (height for age <-2 SD from the median of the WHO Child Growth Standards) among children under five years of age

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
For LDC:37% (data for all developing regions not available)			23,6	22,6	21,7	20,8	20*
	Actual results						
	23.8%	23.2%	**				

*Target for 2025: The EU committed to meet at least 10% of the World Health Assembly’s global target to reduce stunting of 70 million children by 2025, pledging to reduce this number by at least 7 million.

** Estimate for 2016 will be released mid-2017

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Cooperation actions aiming at poverty reduction and fostering sustainable economic, social and environmental development in Latin America	21 02 01	15	226,5
Projects and programmes Asia, focusing on a.o. capacity building, rural development, education	21 02 02	18	569,2
Projects and programmes Central Asia, focusing on a.o. capacity building, rural development, education	21 02 03	8	147,5
Projects and programmes Middle East, focusing on a.o. sustainable economic development and education	21 02 04	0	0
Projects and programmes Afghanistan, focusing on a.o. capacity building, rural development, education	21 02 05	2	139,4
South Africa Employment Sector Reform Programme and Education and innovation programmes	21 02 06	1	10
Global Public Goods and Challenges programme and projects focusing on Environment and Climate Change	21 02 07 01	16	182,2
Global Public Goods and Challenges programme and projects focusing on Sustainable Energy	21 02 07 02	3	90
Global Public Goods and Challenges programme and projects focusing on Human Development	21 02 07 03	10	144,4
Global Public Goods and Challenges programme and projects focusing on Food Security, Nutrition and sustainable agriculture	21 02 07 04	3	174,4
Global Public Goods and Challenges programme and projects focusing on Migration and asylum	21 02 07 05	2	16,4
Programme to enhance the role of civil society organisations	21 02 08 01	222	137,3
Programme to enhance the role of local authorities	21 02 08 02	74	45,8
Pan-African Programme projects focusing on a.o. capacity building, infrastructure, agriculture, higher education	21 02 09	1	110,8
Total		375	1 993,9

Specific Objective 2: Consolidating and supporting democracy, the rule of law, good governance, human rights and the relevant principles of international law.

Indicator 1: Average score in the Rule of law as measured by the World Bank’s Worldwide Governance Indicator (DCI countries eligible for geographic cooperation)

The Rule of Law indicator is one of the six aggregate indicators of the World Bank Worldwide Governance Indicators (WGI). It captures perceptions of the extent to which agents (i.e. firms, individuals and public officials) have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, the courts, as well as the likelihood of crime and violence.

Baseline 2008	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
-0.88		-0.82	-0.81	-0.80	-0.79	-0.78	-0.77
	Actual results						
	-0.74*	-0.75**	Not yet available***				

* Actual consolidated figure for the year 2014 for the 29 DCI countries

** Actual consolidated figure for the year 2015 for the 29 DCI countries

*** World Bank’s Worldwide Governance Indicator currently covers the period 1996-2015

The dedicated webpages of the World Bank provide information about the methodology used for the World Bank WGIs (<http://info.worldbank.org/governance/wgi/index.aspx#doc>) and updated annually Country Data Reports (<http://info.worldbank.org/governance/wgi/index.aspx#countryReports>). Based on the above, DG DEVCO monitors information for the countries available for DCI geographic funding under the Multi Financial Framework 2014-2020 (29 countries). The data shows the average index score for these countries. The index ranges from -2.5 (worst possible score) to +2.5 (best possible score) where "0" means average score (across all the countries where the index is measured).

Indicator 2: Number of projects funded from the DCI to promote democracy, the rule of law, good governance and respect for human rights in the DCI beneficiary countries							
Baseline Average 2010-2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
70	70	70	75	80	85	90	100
Actual results							
	96*	84**	310***				

Source: CRIS Data Warehouse

* In 2014, 96 projects were signed under the DCI excluding CSO&LA, on the DAC codes corresponding to democracy, rule of law, governance and respect of human rights (15100, 15110, 15111, 15112, 15113, 15130, 15150, 15151, 15152, 15153, 15160).

** In 2015: 84 contracts were signed in total under the DCI, with the following detail: Democracy: 17 contracts; Democratic participation and civil society DAC 15150: 170 projects (8+24); Anti-corruption DAC 15113: 5 contracts; Justice DAC 15130: 17 contracts; HR: 21 contracts.

*** In 2016, using the following DAC sectors: 15110, 15111, 15112, 15113, 15114, 15130, 15150, 15151, 15152, 15153, 15160, 15170, 15180 to cover a broader range of sectors included in the indicator under "democracy, the rule of law, good governance and respect for human rights": 310 contracts. The large number of projects is therefore due to the large number of DAC codes used, and also because of an increase in the 2014-2020 programming at bilateral level in DCI countries, that given the d+3 rule for contracting made the number of contracts rose as from 2016.

Indicator 3: SDG 5.5.1 Proportion of seats held by women in national parliaments							
Baseline 2011	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
19.7% (18.2% excluding IPA countries)			26%				40%
Actual results							
		22.7%*	23.2%				

* Source: Inter Parliamentary Union (IPU) <http://www.ipu.org/wmn-e/world.htm>

Women face several obstacles to participating in political life. Structural barriers through discriminatory laws and institutions still limit women' option to run for office. Capacity gaps mean women are less likely than men to have the education, contacts and resources needed to become effective leaders. The EU supports activities to overcome these barriers and promote the democratic participation of women and men in the political decision making process.

Source of data: UN Women data in "Facts and Figures on Democratic Governance".

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Cooperation actions aiming at consolidating and supporting democracy, rule of law, good governance, human rights and principles of international law in Latin America	21 02 01	5	122
Projects and programmes Asia, focusing on a.o. strengthening democratic government, human rights, judicial reform, civil society	21 02 02	12	240,6
Projects and programmes Central Asia, focusing on a.o. rule of law and border management	21 02 03	1	4
Projects and programmes Middle East focusing on a.o. rule of law and human rights	21 02 04	3	83,2
Projects and programmes Afghanistan, focusing on a.o. strengthening democratic government, human rights, judicial reform, civil society	21 02 05	1	60
South Africa Public administration and legislative support programmes	21 02 06	1	10
Global Public Goods and Challenges programme and projects focusing on Environment and Climate Change	21 02 07 01	2	20,2
Global Public Goods and Challenges programme and projects focusing on Sustainable Energy	21 02 07 02	0	0
Global Public Goods and Challenges programme and projects focusing on Human Development	21 02 07 03	4	49
Global Public Goods and Challenges programme and projects focusing on Food Security, Nutrition and sustainable agriculture, and more specifically on strengthened governance approaches for food and nutrition security at the	21 02 07 04	3	43

global, continental and regional level			
Global Public Goods and Challenges programme and projects focusing on Migration and asylum	21 02 07 05	3	35,1
Programme to enhance the role of civil society organisations	21 02 08 01	111	68,6
Programme to enhance the role of local authorities	21 02 08 02	37	22,8
Pan-African support to the fight against organised-crime and support to pan African Union	21 02 09	1	20
Total		184	778,5

5. Programme contribution to the Sustainable Development Goals

Considering its wide geographic and thematic scope, the DCI contributes to all 17 SDGs along the three dimensions of sustainable development, i.e. economic growth, social inclusion and environmental protection.

From the perspective of the **geographical programmes** including Pan-Africa, the programme will contribute beyond human development to other numerous SDGs and in particular to the fields of environment and climate change (SDGs 6, 9, 13, 15), resilience and sustainable energy (SDGs 2, 7, 9), security-development nexus (SDGs 11 and 16), inclusive growth and job creation (SDGs 5, 8, 12) and governance (SDG 16). In **South Africa**, the programme will contribute to SDGs 4, 5, 8, 10 and 11 through its support provided within the field of education and employability, innovation, and public service delivery actions. The **Pan-African** programme with its wide thematic scope contributes to SDG 4 (through higher education projects), SDG 5 (combating Female Genital Mutilations projects), SDG 9 (through the African Investment Facility), SDG 6 and 7 (through water and energy governance projects), SDGs 13, 14 and 15 (through the earth observation project) and SDG 16 (supporting the African Union Commission, the African Union human rights organs and the role of Non-State actors).

From the perspective of the thematic programmes related to **Global Public Goods and Challenges (GPGC)**, likewise a wide array of SDGs is targeted. The area of **environment and climate change** contributes to SDG 7 (energy), SDG 12 (Sustainable consumption and production), SDG 13 (Climate change), SDGs 14 (Life below Water) and 15 (Life on Land). Climate change and environment mainstreaming contributes to the environmental dimension of all the other SDGs. In the area **Human Development**, SDG 4 is at the core of the vision of the Global Partnership for Education (GPE), which remains the main recipient of funding in the education sub-programme. The programme will contribute to all targets of SDG 3, including what is considered a key target, namely universal health coverage through comprehensive support to health systems strengthening.

In the area of **Gender equality**, the GPGC contributes to SDG 5, targeting the elimination of harmful practices, the access to sexual and reproductive health and rights, and contributing to ending discrimination and violence towards women and girls. Actions aiming at ensuring the wellbeing of children contribute to SDG 16. The **Culture** component of the GPGC Human Development scheduled for implementation from 2018 equally aims at SDG 16, through the promotion of cultural pluralism and intercultural understanding. In the area of **Social inclusion and protection**, SDGs 1, 8 and 10 are at the core of EU action under the Human Development component of the GPGC related to employment and decent work, social protection, social inclusion and the reduction of inequalities. In the area **Growth, jobs and private sector engagement**, and specifically regarding private framework development, trade and regional integration, the priorities for 2017 are strictly linked to the Agenda 2030 and its SDGs (mainly SDGs 8, 9, 12 and 17). In the area of **Food security**, SDG 2 is the foundation of the GPGC-food and nutrition security and sustainable agriculture programme. All forthcoming actions will be designed to be fully relevant for SDG 2 and to contribute to SDG 5, to SDG 8 and to SDG target 13.1 in all countries.

As part of the 2030 Sustainable Development Agenda, **Migration** is addressed as a cross-cutting issue and aims in particular at SDG targets 5.2, 8.8, 10.7, 16.2 and 17.18. Regarding **Civil Society Organisations and Local Authorities in development (CSO-LA)**, LA's wide-ranged responsibilities make them key partners in the achievement of SDG 1, SDG 6, SDG 8, SDG 11, SDG 16 and SDG 17.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

DCI contribution to Investment Facilities

During 2016, the budget of the **Investment Facility for Central Asia (IFCA)** has increased by 20 million; therefore its total committed amount is EUR 166 million.

Through IFCA the DCI has funded 22 new projects amounting to EUR 143 million of EU contribution until the end of 2016. These projects have mobilised another EUR 605 million from European financial institutions and reached a total investment volume of EUR 970 million, including also from other public and private investments. Regarding the regional distribution, eight of the projects are implemented in the Kyrgyz Republic, four in Kazakhstan, two in Tajikistan, two in Turkmenistan, one in Uzbekistan and five have a regional implementing dimension. Around 61.1% of the contributions were in the form of investment grant, 30.5% as technical assistance and 8.4% in the form of risk-sharing instruments.

The indicative pipeline of operations to be assessed includes 9 projects for a total amount of EUR 979 million with an indicative potential for IFCA budget contribution of almost EUR 69 million.

During 2016 the DCI contribution to the **Asian Investment Facility** (AIF) has increased by EUR 45 million; therefore its total committed amount is EUR 183 million.

Through AIF, the DCI has financed until end 2016 a total of EUR 142 million for 24 projects, and mobilised EUR 1,782 million from European financial institutions. The total investment costs of these projects amount to EUR 3,152 million. The countries where those projects are implemented are Bangladesh (four), Vietnam (three), India (two), Myanmar (two), Pakistan (two), Indonesia (two), Nepal (one), Cambodia (one), Philippines (one), Sri Lanka (one), Laos (one) and Mongolia (one). In addition to these, three projects are of regional character. Around 33.0% of the facility contributions were in the form of investment grant, 57.5% as technical assistance and 9.5% in the form of risk-sharing instruments.

At the end of 2016, the indicative pipeline of operations includes 23 projects for a total amount of approximately EUR 2,600 million with an indicative potential for AIF budget contribution of EUR 196 million. Increased involvement of the Asian Development Bank and other partners in the region could further expand this pipeline.

The DCI Budget contribution to the **Latin America Investment Facility** (LAIF) has increased in 2016 by 53 million. The total EU budget for LAIF by the end of 2016 was EUR 322 million (EUR 255 million to Regional Latin America, EUR 50 million earmarked for Nicaragua and EUR 17 million for a Climate Change Window).

Until the end of 2016, 33 projects have been approved, which represent a total LAIF contribution of EUR 274 million. The total amount of investments supported was approximately EUR 7,494 million, out of which the eligible European Finance Institutions mobilised circa EUR 3,895 million. 55.2% of the facility contribution to the projects was made in the form of investment grant, 40.5% as technical assistance and 4.3% in the form of risk-sharing instruments.

The indicative pipeline of potential projects updated at the end of 2016 includes 14 projects for a total investment cost of EUR 1,577 million with an indicative potential LAIF contribution of EUR 141 million.

The **Global Energy Efficiency and Renewable Energy** (GEEREF) investment facility is an innovative financing vehicle aiming at promoting energy efficiency and renewable energy in developing countries and economies in transition. Structured as a Fund-of-Funds, GEEREF's strategy is to invest in – and thus help develop – regional private equity funds whose investments will target small and medium-sized energy efficiency and renewable energy projects. Furthermore, GEEREF aims to improve the economic and social circumstances of underserved or disadvantaged populations, to encourage sustainable development, and to promote environmental protection by increasing access to low carbon, secure and affordable energy.

The DCI contributed to the fund with EUR 81 million (that figure includes an amount for Technical Assistance of EUR 5 million the GEEREF Regional Fund Support Facility - RFSF), Norway and Germany have invested approximately EUR 13 million and 23 million respectively. In addition, 24 private investors (from Europe, North America and Australia) have now committed EUR 110 million to the fund, of which the EIB has provided EUR 10 million.

As of end 2016, the total investment supported with Union contribution in GEEREF was EUR 2,187 million (EUR 892 million in 2015), with a leverage rate of 2.74.

The **Electrification Financing Initiative** (ElectriFI) aims to bridge the gaps in structuring and financing of investments addressing the lack of access to clean, reliable and affordable electricity and energy services all over the world with a view to attracting the development financing sector and to de-risk investments to attract the interest of a wider range of financial institutions, including commercial banks. During 2016 the DCI contribution has increased by EUR 61 million, therefore the total Union budget for this initiative totals EUR 193 million.

The **Agriculture Financing Initiative's** (AgriFI) main objective is to develop inclusive, sustainable and climate-smart agriculture based value chains. For this, three priorities have been set: a) produce knowledge and analyse experiences to help policy makers and investors to design strategies, policies and projects; b) facilitate the establishment of public-private stakeholder alliances and strengthen capacities of various operators along the value chain (farmers and their organisations, micro, small and medium enterprises (MSMEs), market organisations etc.) improve governance, access existing and new markets (domestic and international) and remain competitive; c) increase investments in the agriculture value chain to start 'rural transformations' through blending mechanisms. The total Union budget for this initiative is EUR 69 million.

Finally, **Climate Change** (investment facility) actions aim at developing local climate strategies into action plans, budgets, and investment projects. The entire EU commitment of EUR 8 million was used in 2015. No further contributions are forecasted.

DCI contribution to Trust Funds

In 2016, the DCI made a EUR 83 million contribution to the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. Out of this amount, EUR 25 million came from the GPGC Migration and asylum thematic programme in 2016, in particular to support cross-regional actions aligned with the 3 objectives of the thematic programme. A further EUR 23 million contribution to the Horn of Africa window came from the DCI Food programme in 2016, while EUR 25 million came from the PanAfrica programme. Furthermore, the DCI Food for the Sahel and Lake Chad window contributed with EUR 10 million.

Following the same approach, EUR 20 million from the GPGC Migration and asylum were channelled in 2016 through the EU Regional Trust Fund in support to the Syrian crisis (MADAD fund), with the specific objective to support refugees, internally displaced persons, returnees and host communities, in particular in Lebanon, Jordan and Iraq. Another contribution to the Madad fund of EUR 19.4 million (out of which EUR 10 million under the Facility for Refugees in Turkey) was made by the DCI Middle East in 2016 and is to be contracted the year after.

The DCI Food programme also financed a EUR 3 million contribution to TF Bêkou in 2016. In 2017, it is planned to transfer part of the budget of the GPGC thematic programme on migration and asylum to the Bêkou Trust Fund in order to support durable solutions to forced displacement in the Central African Republic, as part of commitments made during the donor conference for the Central African Republic of 17 November 2016.

2016 saw the adoption of the EU Trust Fund for Colombia, which reinforces the strong EU political support to the peace process in the country. The DCI will finance a EUR 70 million commitment over 2016-2017. The overall aim is to help Colombia to secure a stable and lasting peace and to rebuild its social and economic fabric. Priority will be given to rural areas, which have been disproportionately affected by the conflict.

7. Programme related additional information

DCI contribution to the Facility for Refugees in Turkey (FRT)

Budget line	Budget 2016 (EUR million)		Budget 2017 (EUR million)
	Amount committed	Amount paid	
DCI-Middle East (21 02 04 00)	10 (decision 39456)	0	0
DCI-Migration (21 02 07 05)	0	0	10 (implementing channel still to be defined)

Additional information

The DCI programming was also updated to take into account of the contribution of EUR 70 million to the new Trust Fund Columbia⁹. This amount will be financed from the DCI reserve, for EUR 30 million in 2016 and EUR 40 million in 2017.

To limit the impact on Asia and Central Asia budget lines, a back-loading was done from the DCI thematic¹⁰ and pan Africa budget lines. The amount back-loaded is EUR 41.5 million. The funds will be put back on the thematic and pan African programming in 2018-2019, reducing the corresponding amount for Asia.

As a reminder, the DCI reserve (EUR 263 million beginning 2017) is distributed proportionally on the DCI geographic budget lines¹¹, and its use implies that the funds on these lines are reduced.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

⁹ This will be set up in 2016 in order to reinforce the strong EU political support to the Peace Process in Colombia.

¹⁰ The budget lines: Environment, Energy, Human and Food.

¹¹ Except South Africa where the programming stops in 2017.

HEADING 4: Global Europe

Partnership instrument for cooperation with third countries (PI)

Lead DG: FPI

Associated DGs: EAC

I. Programme Update

In 2016, adoption of the Partnership Instrument (PI) Annual Action Programme 2016(AAP), and the timely contracting of actions under the AAP 2015 were the main policy and expenditure-related outputs for the PI work. Additionally, the implementation and monitoring of actions under the AAPs 2014 and 2015 as well as the launch of the programming exercise for 2017 through the cluster modality were key efforts for PI implementation and planning.

The AAP 2016 was adopted in two phases: AAP 2016 Phase I comprising Action Fiches 1-14 with a budget of EUR 73,45 million was adopted on 26 May 2016 while Phase II comprising Action Fiches 15-22 with a budget of EUR 32,2 million was adopted on 15 November 2016. In response to an urgent political priority for an action on "Resettlement of Syrian refugees in Argentina "an additional commitment appropriation of EUR 2 million was granted to the instrument for the budgetary year 2016. However, as conditions for the identification of the migration-related action in Argentina did not materialise, a non-substantial amendment to AAP 2016, approved on 22 December 2016, reallocated the available EUR 2 million to Action Fiches on International Digital Cooperation and Policy Support Facility, thereby raising the value of AAP 2016 to EUR 107,65 million. The contracting of AAP 2016 actions is under way and will be completed by the end of 2017.

In terms of PI AAP 2015, all 17 stand-alone actions included in the AAP were committed and signed by N+1. Out of the total AAP 2015 budget of EUR 103,72 million, FPI was responsible for the management of EUR 96,260,000 of which EUR 93,693,756 (97% of level 1 commitment) was contracted. There was a concerted effort to maximize budget consumption by transfers and internal reallocations. Despite these efforts, the PI RAC was EUR 2,566,243.99 which mostly reflects savings on published budgets resulting from the competitive offers received in the framework of international call for tenders launched for contracting AAP 2015 operations, but also includes EUR 582,374 allocated to the Policy Support Facility which was not committed by 31 December 2016 due to delays in the preparation of project documents by all services concerned as well as the evolution of priorities.

Key programme achievements to date (examples of programme success stories / generated EU value added)

This section aims to highlight some of the concrete PI achievements in 2016. It is important to specify that the focus of the PI is on influencing processes through facilitation and support, and to increase EU capacity to impact policy making. In this regard, the PI Mid-Term Review evaluation found provisional evidence of the PI having played an often critical enabling role through strengthening cooperation / dialogue and opening up areas for cooperation / dialogue. This catalytic effect of the Instrument is reflected in a new Partnership Instrument intervention logic (see annex) and a set of common PI indicators developed and adopted in 2016 and on which we provide data in this section¹. The indicators are divided into activity, output and outcome indicators.

Various **activities** are implemented under the PI funded actions. These activities can be divided into 4 main categories:

1. Exchanges and events

This category relates to:

- Organisation of visits, exchanges, business missions, study tours
- Organisation of group events (conferences, debates, seminars, workshops etc.)

Activities under this typology cover a wide range of participatory events meant to facilitate exchange between different stakeholders on issues of common interest. These activities can lead to different outputs such as improved bases for relations and/or increased knowledge.

2. Elaboration of knowledge-based products

This category relates to:

- Research, analysis and other activities related to elaboration of knowledge-based products

3. Knowledge creation and sharing

This category relates to:

- Knowledge dissemination among, and training of, individuals and institutions, provision of expertise, technical meetings to enhance/ share knowledge

4. "Promotion, outreach and engagement"

This category relates to:

¹ The first collection of data against these indicators was performed in the frame of the PI Mid-Term Review evaluation. The data are based on draft evaluation report and may be subject to change.

- Outreach activities, media/ communication campaigns, networking events, people-to-people activities, cultural collaboration activities, academic/ education cooperation activities.

The PI mid-term evaluation collected data on common activity indicators which are presented in the table below.

PI Activities implemented	Total recorded	Number of relevant actions	Of which, have reported data
A1: Total number of events organised and supported (aggregated)	209	70	50
Number of visits, exchanges, study tours	6	13	6
Number of business missions	20	8	4
Number of technical meetings	39	17	11
Number of group events*	83	35	31
Number of training activities	28	14	9
Number of outreach and advocacy **	33	13	6
A2: Person-days of expertise or technical assistance provided	2,092	57	11
A3: Number of public/media/communication campaigns organised and implemented (aggregated)	5	36	6

Source: Collated by the evaluation team

(*) Conferences, debates, workshops, seminars

(**) Networking events, cultural collaboration activities

The indicators were relevant to many actions (the second column from the right), but since the indicators were developed only after the actions started or after some had already finished their implementation, it has not always been collected and has been available only for a lower number of actions (column on the right). The data therefore represents an underestimation of the activities implemented so far.

The activities implemented under PI actions lead to delivery/production of a wide range of **outputs**, which can be grouped into different 4 main categories:

1. Improved bases for relations

This category relates to:

- Enhanced peer-to-peer ties
- Improved bases for activating/ renewing debates relevant to EU/ International/ joint agendas
- Improved bases for (new/ on-going) policy dialogues, agreements, declarations, partnerships, MoUs, joint actions, etc. and for better coordination
- Improved bases for adoption/ approximation of to EU / International standards

2. Knowledge-based products

This category relates to:

- Improved evidence for public & private stakeholders
- Improved evidence for development of and progress on EU & common agendas

3. Increased knowledge

This category relates to:

- Increased individual/ institutional knowledge

4. Advocacy / awareness-raising products

This category relates to:

- EU advocacy concerning EU interests
- Improved networking, advocacy & outreach of think-tanks & other key actors
- Strengthened dialogue/ engagement with partner country public/ target groups on i) EU policy priorities and actions, business interests, etc. and/or ii) common areas of interest
- Cultural diplomacy, as part of broader PD activities, promoted.

The PI mid-term evaluation collected data on common output indicators which are presented in the table below.

PI Outputs delivered	Total recorded	Number of relevant actions	Of which, have reported data
OP1: Number of occasions where an activity under the Action has improved the basis for the activation, renewal or moving forward of a process	98	67	19
OP2: Number of occasions where an activity under the Action has improved the basis for a process which leads to the adoption of, or approximation to, EU and/or international standards	9	46	6
OP3: Total number of knowledge-based products developed	46	58	25
OP4: Number of people participating in an event	29,201	73	25
OP5: Percentage of participants in the event who report having enhanced their knowledge	86%	56	2
OP6: Number of EU companies participating in the event	54	36	3
OP7: Percentage of participating EU companies who report an enhancement of their knowledge	0	36	0
OP8: Number of written statements (with recommendations/ conclusions, etc.) emanating from the event	120	46	6
OP9: Number of press releases/policy briefs/opinion pieces etc. produced by an activity under the Action	109	46	5

As for activities, the indicators were relevant to many actions (the second column from the right), but since the indicators were developed only after the actions started or after some had already finished their implementation, it has not always been collected and has been available only for a lower number of actions (column on the right). The data therefore represents an underestimation of the outputs delivered so far.

As regards the indicators presented in Section 4, latest data available is provided. It is to be noted that these indicators are very far from PI actions and that PI can contribute to most of them only marginally, in a long-term perspective, through the processes, dialogues and cooperation that are enabled through PI cooperation. Therefore, the newly developed PI common outcome indicators are considered to provide a much more realistic and relevant information on PI performance. PI actions fund activities and deliver outputs in order to achieve outcomes related to influence over processes (often political). Some of the main outcomes are measured by the newly developed PI outcome indicators. The table below explains the effects captured by these indicators.

Common PI outcome indicators

The aim of outcome indicators is to measure the influence which the action is having on some kind of process.

Process is used as a generic term for any line of action, position, policy development in a partner country or in a mutual relationship.

PI actions aim to influence or initiate some processes (outcome), often political, in order to create enabling conditions for a change (impact). Normally there will be a process under way, or which needs to be developed, and which may ultimately lead to the desired change in the longer term. This process may need to be initiated, or moved forward in some way, or perhaps enhanced to improve the chances of the action contributing to a desired impact. The outcome that the actions aim to contribute to is that the process is indeed improved which in the longer term may, other things being equal, lead to some impact such as a strategic partnership, or an agreement on migration, or a policy having the potential to contribute to the reduction of greenhouse gas emissions, or improved options for trade, or a better understanding of the EU and its place in the world.

As regards the **EU added value** of the PI, the Mid-Term Review evaluation has provisionally² indicated that the EU added value of the PI lies in its design and the support it channels for the proactive promotion of EU interests and objectives. The creation of the PI marked a change of approach with the EU in a position to decide what it wants to pursue and to build up a long-term, strategic vision of its role as a global actor. There is a consensus that the EU level is the most appropriate for action in the areas / countries / international fora concerned, notably as regards the approach to cooperation, the expertise it brings to a wide range of topics and the leverage it has on other actors. Without the PI, the PI would not have the means to pursue the EU goals with respect to a wide range of partner countries and international fora, failing to live up to its bilateral and multilateral commitments as well as to the partners' expectations. The flexibility of the Instrument and what it has enabled since its creation are recognised as setting the right conditions to further cooperation.

Relevant findings of evaluation and/or programme related studies' (if any)

In 2016, two important evaluations/studies were conducted:

- 1) Mid-Term Review evaluation of the PI, which constitutes a first strategic evaluation of the PI.

² The evaluation report will be finalised in June 2017 and a Staff Working Document will be drafted subsequently. Both documents will feed into a Mid-term Review report due by end of 2017.

The Mid-Term Review evaluation of the PI was conducted in the framework of the Mid-term Review Process as set out under Article 17 of the Common Implementing Regulation.³ A draft evaluation report has already been delivered and is subject to an open public consultation from 7 February until 3 May 2017. The report of the external evaluator will be finalised in June 2017 and a Staff Working Document will be drafted subsequently. Both documents will feed into a Mid-term Review report due by end of 2017 which is to be submitted to the Council and the European Parliament.

The Mid-Term Review evaluation is composed of three elements: 1) a strategic evaluation of the whole instrument, 2) 13 action-level mid-term or final evaluations and 3) first collection of data against the set of PI common indicators newly developed in 2016. The draft evaluation report has drawn a number of important and positive provisional conclusions on the instrument. Key among them are:

- Firstly, the Partnership instrument is considered to be a directly relevant tool to respond to a renewed emphasis on the foreign policy capability of the EU, supporting its bilateral, regional and multilateral agenda.
- Secondly, the PI is seen as proving to be effective in delivering results, with a total of 62 identified outcomes achieved from 176 finalised and on-going actions, addressing specific EU priorities across all four specific objectives of the Instrument⁴. Considering that implementation of PI actions begun in 2015, this is a highly positive achievement. A total of 378 outcomes are expected to be achieved in the future once all of the 176 content-related actions funded to date are completed, suggesting that the Instrument will continue to deliver relevant and impactful results. Given that more actions have already been formulated and will be formulated in the future, the potential of the PI to deliver relevant outcomes is even higher⁵.
- Thirdly, the efforts to steer the instrument to a more strategic and flexible approach, providing coherence in the EU external action are recognised.
- Lastly, the PI is seen as demonstrating a clear EU added value in enabling policy dialogue / cooperation with a wide range of partners. The EU is clearly identified as the most appropriate level for action from both an internal and an external perspective. Its intervention through the PI reflects the nature of its competence, the leverage it has on other actors or international leadership on specific issues, and its approach to cooperation. This justifies why the EU is the most appropriate level at which to intervene through the PI.

2) Study to develop indicators, monitoring system and to assess the first phase of implementation of the Partnership Instrument.

The study to develop indicators, monitoring system and to assess the first phase of implementation of the Partnership Instrument (unpublished) provided important technical assistance to help in the development of PI intervention logic and a set of common PI indicators that reflect the reality and ambition of the Partnership Instrument. These indicators have now been deployed to measure the performance of the PI. The data on activity and output indicators are presented above and the data on outcome indicators are available in part II, section 4.

Information about forthcoming implementation (2017/2018)

The PI Annual Action Programme is adopted in two phases to allow for increased flexibility. 19 actions are being considered for inclusion in AAP 2017 which is framed by the EU Global Strategy, the Sustainable Development Goals and the 10 Commission Priorities in addition to the PI multi-annual framework. The programming exercise is conducted through a cluster approach involving close cooperation with the EEAS, EU Delegations and Commission services (e.g. CLIMA, TRADE, ENV, ENER, HOME, MOVE, EAC, etc.) based on initial strategic reflections provided by the EU Delegations. The main lines of action for AAP 2017 being considered are: climate/energy action & urbanisation; sustainable environment; responsible business & decent work; migration management and mobility; FTAs as well as public and culture diplomacy.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries	2014 - 2020	954,8

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	4,3	3,4	4,8	5,0	5,3	5,8	6,1	34,8
Operational appropriations	115,4	114,4	122,4	128,5	137,8	148,2	156,1	922,8
Executive Agency	0,3	0,2	0,2	0,2	0,1	0,0	0,0	1,0
Total	119,9	118,0	127,5	133,7	143,2	154,0	162,3	958,5
<i>Of which contribution to Erasmus+</i>	8,2	11,7	14,7	15,6	11,5	12,5	13,7	88,0

³ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014

⁴ These outcomes have been recorded based on performance information contained in progress/final reports delivered by mid-September 2016 (cut-off date) and they do not represent final cumulative figures until the end of 2016 which are expected to be higher. Please see footnote no. 1

⁵ Please see footnote no. 1.

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	130,054	99,84 %	61,989	92,30 %	133,939	9,03 %	104,850	17,18 %
Authorised appropriation excluding external earmarked revenue	128,652	99,85 %	60,513	91,31 %	133,923	8,76 %	104,834	16,79 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Partnership Instrument (PI) has been designed to advance and promote EU and mutual interests abroad by supporting the external dimension of EU policies, in particular the "Europe 2020" strategy, and by addressing major global challenges, both at bilateral and at multilateral level. Contrary to many traditional financing instruments, the PI promotes peer-to-peer relationships globally, although with a specific focus on EU's designated strategic partners. The PI also intends to improve market access and develop trade and business opportunities for EU companies through economic partnerships, business and regulatory cooperation. Finally, the PI is intended to enhance widespread understanding and visibility of the Union on the world scene by means of public diplomacy, education/academic cooperation & outreach activities.

The EU has numerous international agreements with partner countries all over the world, not matched by individual Member States, which gives to all of them influence in virtually all fields of international relations. By combining the weight of all Member States acting within common policies and strategies, only the EU has the critical weight to respond to global challenges. The EU as a global player has the credibility and the neutrality which is not available to individual Member States. The EU is also in a unique position to promote EU norms and turn them into global standards through international cooperation.

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Inclusive Growth (employment and skills, fighting poverty)	15,6	11,5

100% line 19 05 20 (Contribution to Erasmus +)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Specific objectives 1, 2 and 3	26,85	34,6

The estimate for 2017 corresponds to foreseen projects of AAP 2017 according to Rio Markers to have main or significant objectives linked to climate change mitigation or eventually adaptation. The estimate for 2018 is an extrapolation of past allocations to the future. The annual reporting should confirm the contribution amounts entered in the Programme Statement.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
35,26	22,34	32,88	26,85	34,58	37,17	39	228

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR million).

Contribution to financing biodiversity

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Specific objective 1	19,5	9,8

The estimate for 2017 corresponds to foreseen projects of AAP 2017 according to Rio Markers to have main or significant objectives linked to biodiversity conservation. The estimate for 2018 is based an extrapolation of past allocations to the future. The annual reporting should confirm the contribution amounts entered in the Programme Statement.

Please note that the above figures do not cover all activities of PI for DB 2018.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
0,4	7	6,36	18,5	9,8	10,5	11,1	64,7

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR million).

Gender mainstreaming

In 2016, the PI prepared the ground for a stronger implementation of the Gender Action Plan 2016-2020. In the context of the programming for PI AAP 2017, 2 actions directly addressing the GAP 2016-2020 thematic priorities "Economic, Social and Cultural Rights" and "Voice and Participation" were proposed. Discussion also took place on how to strengthen gender mainstreaming across PI actions.

In 2016, 2.4% of contracted actions reported a G-Marker 1 and the remaining 97.6% reported a G-Marker 0.

This data on the Gender Marker is provided in line with Objective 5.3.2 of the EU Gender Action Plan 2016-20.

4. Performance information

General objectives

General Objective 1: The Partnership Instrument shall support measures that respond in an effective and flexible manner to objectives arising from the Union's bilateral, regional or multilateral relationships with third countries and address challenges of global concern, or ensure an adequate follow-up to decisions taken at multilateral level.

Indicator 1: Number of new relevant instruments and / or negotiation processes launched / on-going with EU's strategic partners, regional organisations and at multilateral level

Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
Relevant existing instruments (e.g. agreements, declarations, action plans) and negotiation processes ongoing with EU's strategic partners, regional organisations and at multilateral level			A mid-term review will be carried out to measure the contribution of PI towards the 2020 target			At least 1 new relevant agreement or negotiation process launched per strategic partner

* Data sources:

PI website: http://ec.europa.eu/dgs/fpi/what-we-do/partnership_instrument_en.htm

Under "instruments", mainly agreements, declarations and action plans are counted. The EU has to date signed Strategic Partnership agreements with 10 countries: Brazil, Canada, China, India, Japan, Mexico, Republic of Korea, Russian Federation, South Africa and USA.

In the framework of the Strategic Partnership agreement, or in addition to it, the EU often concludes bilateral agreements with these countries. Bilateral agreements traditionally contain three pillars: cooperation, trade and economic relations and political dialogue. These agreements vary in scope, content and level of ambition/engagement e.g; Free Trade Agreements, Partnership and Cooperation Agreements, Association Agreements, visa liberalisation agreements. The PI will facilitate the implementation of such agreements, which are often materialised through Memoranda of Understanding, letters of intent, joint strategies and action plans.

Information on developments in the negotiation and conclusion of these processes will be obtained directly from EU internal sources (i.e. EEAS and Commission services involved) and from data sources relevant for the strategic partners, including relevant websites.

Specific objectives

Specific Objective 1: To support the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern.

Indicator 1: Progress made by key partner countries in the fight against climate change or in promoting the environmental standards of the Union, as measured by the following sub-indicators:

The specific objective 1 is reflected by five common PI outcome indicators. Values captured for these indicators demonstrate that the PI has already delivered important results. At state-level and sub-state level, the PI has influenced 16 processes. The PI has also influenced 8 processes related to non-state level partnerships. Additional 9 processes influenced in relation to partner country approaches related to challenges of global concern, and 1 process related to partner country practices related to global challenges. On the international level, 5 processes were influenced related to the positions partner countries take in the run-up to or during regional/international fora, in particular in relation to the COP21 meeting. Concrete values of indicators can be consulted in the table below.

⁶ Transforming the Lives of Girls and Women through EU External Relations, 2016-20 – SWD(2015) 182 final of 21/09/2015

PI Outcomes achieved to date ⁷	Number
OC ⁸ 1: Number of processes related to state-level and sub-state level (bilateral, regional, multi-lateral) partnership strategies and policy dialogues which have been influenced.	16
OC2: Number of processes related to non-state level partnership/agreements which have been influenced	8
OC3: Number of processes related to partner country approaches to challenges of global concern which have been influenced.	9
OC4: Number of processes related to partner country practices on challenges of global concern which have been influenced	1
OC5: Number of processes related to the positions partner countries take in the run-up to or during regional/international fora which have been influenced	5

Examples of actions that demonstrate the outcome:

=> The action "Regional meeting of Central American Climate Action NGO Network in Mexico" and its follow-up action "Regional Seminar for Latin American CSOs on Climate Change"(Policy Support Facility, AAP 2014) contributed to more coordination in the way climate change issues are addressed at the regional level by NGOs in Central America (Partnership Instrument Outcome OC2) and facilitated the coordination of participating countries from Central America on climate change issues, particularly in the run-up to the COP21 in Paris (OC5). These actions have increased the policy engagement and partnership between the EU and civil society stakeholders on climate change, thus supporting the lead role of the EU in this area.

=> The action "Clean Energy Cooperation with India" (Policy Support Facility, AAP 2014) resulted in invigorating the EU-India energy dialogue and led to the signature of a joint declaration on the India-EU Energy and climate partnership during the EU-India Summit of March 2016 (OC3). A new action is under preparation to support this strengthened partnership in the energy and climate sector.

=>The action "Sustainable Growth and Energy Efficiency in Argentina" (Policy Support Facility, AAP 2014) was instrumental for increasing the political and policy engagement of the new Argentine government with the EU through a reinvigoration of the bilateral dialogue on sustainable growth and energy efficiency (OC1). Equally, progress was achieved with regard to overcoming key barriers to the implementation of energy efficiency measures in Argentina (OC3). A new PI action on support to the process of developing a national plan on energy efficiency is being developed to build up on this renewed engagement.

=> The action "Support to the Clean Ganga initiative and preparation for wider EU-India cooperation on water issues" (Policy Support Facility, AAP 2014) resulted in the signing of a joint declaration on the India-EU Water Partnership (IEWP) during the India-EU summit on 30 March 2016 (OC3), paving the way for a long term EU- India partnership in the water sector which will allow for the replication of EU policies and best practices. This partnership is supported by the PI through a project under AAP 2016.

=> The action "European and Latin American local authorities on the way to HABITAT III" (Policy Support Facility, AAP 2015) supported the development of the position of Latin American local authorities in the process leading to the adoption of the New Urban Agenda (OC3). A document entitled "A Seat at the Global Table" was developed and released prior to the HABITAT III conference. The action contributed to strengthen the role of the EU as an international actor with an urban agenda.

=> The action "Expert Mission in support of the High level dialogue EU-Mexico on Security and Justice" (TAIEX, AAP 2014) contributed to an increase in the exchange of information on investigation and legal procedures which moved forward the process of formalizing cooperation between Mexico and EUROPOL (OC1).

=> The action "The 3rd Common Security and Defence Policy (CSDP) Symposium" (Policy Support Facility, AAP 2014), demonstrated the willingness of Canada to further engage with the EU as an important partner in the field of security and defence policy (OC1).

=> The action "Engaging the Private Sector in the Implementation of the Paris Agreement in Brazil" supported EU climate diplomacy in Brazil by engaging the financial sector and private initiatives in a process to identify actions which can directly contribute to implement the Brazil Nationally Determined Contributions (OC4).

In 2016, the PI continued to adopt new actions which will further enhance the engagement and the position of the EU on issues of global concern. New actions include: EU-China cooperation on emission trading (link to sub-indicator 1a presented below), action on sustainable and climate-friendly HCFC phase-out, and Black carbon in the Arctic. In 2017, implementation of a PI flagship action on International Urban Cooperation including the rolling out of cooperation on sustainable urban development and the Covenant of Mayors initiative on Climate and Energy will start in 2016. This action will directly contribute to sub-indicator 1d presented below.

⁷ See footnote no. 1

⁸ "OC" stands for Outcome.

Sub-indicator 1a - Operating Emissions Trading Schemes for greenhouse gas mitigation (ETS) outside the EU/EEA (at city, regional, country or multi-country level)						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
15	18	20	21	22	24	26
	Actual results					
	16	16				

* Data source: <https://icapcarbonaction.com> – International Carbon Action Partnership (ICAP), Status Report –annual report
 Baseline data – ICAP Status Report 2015 (providing data for 2014)
 Data for 2015 – ICAP Status Report 2016
 Data for 2016 – <https://icapcarbonaction.com> – interactive map

Sub-indicator 1b - Share of renewables in total energy production in the 9 strategic partners						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
Brazil: 44% Canada: 11% China: 13% India: 39% Japan: 80% Republic of Korea: 8% Mexico: 8% Russian Federation: 1% USA: 8%	Increase in share %	Increase in share %	Increase in share %	Increase in share %	Increase in share %	Increase in share by at least 10% in each strategic partner
	Actual results					
	Data not yet available**e	Data not yet available				

* Data source: <http://energyatlas.iea.org/?subject=-1076250891> (Data for baseline (2014) extracted on 27 January 2017. Last data available 2014)

** The data will be available 3 years after the reference year.

Sub-indicator 1c - CO2 emissions from fuel combustion in the 9 strategic partners						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
20979,55 Mt CO2	Reduction by 1%	Reduction by 3%	Reduction by 3%	Reduction by 4%	Reduction by 5%	Reduction by 6%
	Actual results					
	Data not yet available**	Data not yet available**				

* Data source: <http://energyatlas.iea.org/?subject=1378539487> (Data for baseline (2014) extracted on 27 January 2017. Last data available 2014)

** The data will be available 3 years after the reference year.

Sub-indicator 1d - Number of local and regional authorities signing the Covenant of Mayors						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
6 270	-	7 000	7 600	8 100	9 000	4,000 new cities in at least 30 countries have joined the cooperation in the field of sustainable energy (Global Covenant)
	Actual results					
	6 750	7 193				

* Data source: http://www.covenantofmayors.eu/index_en.html, data for 31/12 of each year provided directly by the Covenant of Mayors Office.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Actions funded in the field of global challenges and policy support under the Annual Action Programme*	19 05 01	8	53,3

* The precise number of actions and budget will be confirmed upon adoption of the Annual Action Programme.

Output	Number of outputs foreseen (F) and produced (P)						
	2014	2015	2016	2017	2018	2019	2020
Actions funded in the field of global challenges and policy support under the Annual Action Programme	F	7	7	7	8	8	8
	P	8	9	11			

Specific Objective 2: Implementing the international dimension of "Europe 2020 - A strategy for smart, sustainable and inclusive growth".

Indicator 1: Uptake of the "Europe 2020" strategy by key partner countries, as measured by the following sub-indicators:

The Specific Objective 2 is reflected by two common PI outcome indicators. The data collected demonstrate that the PI is effective especially in influencing partner country approaches that are beneficial to the achievement of the Europe 2020 strategy (9 processes). To date, one practice of a partner country has already been influenced and this number is expected to increase in the future. Concrete values of indicators can be consulted in the table below.

PI Outcomes achieved to date	Number
OC6: Number of processes related to partner country approaches beneficial to the achievement of the Europe 2020 strategy which have been influenced	9
OC7: Number of processes related to partner country practices beneficial to the achievement of Europe 2020 strategy which have been influenced	1

Examples of actions that demonstrate the outcome:

=> The "EU-China Aviation support project" (AAP 2014) achieved political/policy synergies through its focus on developing activities in support of the negotiation of a Bilateral Aviation Safety Agreement (BASA). The negotiation of new EU-level agreements with several countries and regions in the world to improve market access forms part of the EU Aviation Strategy. This action together with the "EU-South Asia Civil Aviation" Cooperation (AAP 2015) and two new adopted actions under AAP 2016 targeting civil aviation cooperation with Latin America and South-East Asia respectively are expected to support the uptake of safety standards in civil aviation, thus indirectly contributing to FPI result indicator 1.7.4 (OC6).

=> The "EU-China dialogue on migration and mobility" (AAP 2014) focused on supporting the EU-China High Level Dialogue on Migration and Mobility within the framework of the EU-China 2020 Agenda for Strategic Cooperation and the EU's Global Approach to Migration and Mobility (GAMM). A key achievement of this cooperation in 2016 was the initial opening of dialogue on practical cooperation on return and readmission. This action together with the "Support of the EU-Brazil Common Agenda for Migration and Mobility" (AAP 2014) contributes indirectly to FPI result indicator 1.7.3.

=> Under the action "Initial support to EU-India cooperation on ICT-related standardisation, policy and legislation" (AAP 2014) helped to facilitate cooperation on standard setting and capacity building with a view to supporting the realisation of a digital society / the Digital Agenda (OC6). Further cooperation in this field was ambitiously taken forward in the EU-India Agenda for Action 2020 agreed upon at the EU-India Summit on 30 March 2016.

PI actions on the Digital Single Market and Responsible Supply Chains in Asia were adopted in 2016 in view of strengthening further the international dimension of key EU policies and political objectives.

Sub-indicator 1a - Number of cities that have signed new bilateral or multilateral agreements on sustainable urban development						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
0	0	6	25	47	64	At least 84 cities in at least 7 strategic partners
	Actual results					
	0	0				

* Data source: PI monitoring reports

The progression over the years is cumulative.

Sub-indicator 1b - Number of regions that have signed new bilateral or multilateral agreements on innovation						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
0	0	6	8	11	15	At least 18 regions /provinces worldwide
	Actual results					
	0	0				

* Data source: PI monitoring reports

The progression over the years is cumulative.

Sub-indicator 1c - Number of international agreements on Migration and Mobility signed with the strategic partners						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
15	15	15	17	17	19	20
	Actual results					
	15	15				

* Data source: <https://myintracomm.ec.europa.eu/dg/home/policy/legal/Pages/International-agreements.aspx> (Data extracted on 27 January 2017).

Sub-indicator 1d - Average worldwide level of implementation of international safety standards in civil aviation						
Baseline 2014*	Milestones					Target 2020
	2015	2016	2017	2018	2019	
62%	62%	62%	62%	63%	63%	Increase by at least 5%
	Actual results					
	63%	Data not yet available				

* Data source: Based on the assessment done by the Universal Safety Oversight Audit Programme (USOAP) and available through International Civil Aviation Organization (ICAO) annual Safety Reports (Last data available for 31/12/2015 and extracted on 27 January 2016 – Safety Report 2016, http://www.icao.int/safety/Documents/ICAO_SR%202016_final_13July.pdf)

A small correction was performed for the baseline and for the figure reported for 2015 as data presented in annual reports always refers to preceding year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Actions funded in the field of global challenges and policy support under the Annual Action Programme*	19 05 01	5	22,7

* The precise number of actions and budget will be confirmed upon adoption of the Annual Action Programme.

Output		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Actions funded in the field of global challenges and policy support under the Annual Action Programme	F	3	2	3	3	3	3	3
	P	5	3	4				

Specific Objective 3: Improving access to third country markets and boosting trade, investment and business opportunities for European companies, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation.

Indicator 1: EU share in foreign trade in goods and services of 9 strategic partners

The Specific Objective 3 is about improving conditions for accessing partner country markets.

Four common PI outcome indicators reflect the goals pursued under this specific objective and show already 12 relevant results. There have been 4 processes influenced as regards partner country practices on trade, investment and business and other 5 processes influenced related to the removal of barriers to market access, investment and business. The last 3 processes concerned the negotiation, implementation or enforcement of EU trade and investment agreements with partner countries.

It proved challenging to collect data on common PI outcome indicator "OC11: Change in EU companies' perceptions of the business, trade and investment climate in partner countries". This data is planned to be collected in the future some 12 months after the end of first business missions. Nevertheless, one outcome was already reported for this indicator in the frame of the action on EU-India ICT Cooperation with feedback from business representatives indicating the action had contributed to building confidence between the EU and India. Under other actions (see examples below), qualitative data on this type of outcome has also been gathered.

PI Outcomes achieved to date	Number
OC8: Number of processes related to partner country practices on trade, investment and business which have been influenced	4
OC9: Number of processes related to the removal of barriers to market access, investment and business which have been influenced	5
OC10: Number of processes related to the negotiation, implementation or enforcement of EU trade and investment agreements with partner countries which have been advanced	3
OC11: Change in EU companies' perceptions of the business, trade and investment climate in partner countries	1

Examples of actions that demonstrate the outcome:

=> The TAIEX Action "Expert Mission on EU Regulations and safety on non-pasteurized cheese" has led to a change in South Korean legislation in its aftermath (OC9).

=> The action "Low Carbon Mexico" (AAP 2014) resulted in a strengthened engagement between EU and Mexican business stakeholders and the signing of B2B Cooperation Partnership Agreements (OC11).

=> The EU Gateway | Business Avenues programme (AAP 2014) has established a common monitoring methodology for assessing its contribution to the market entry to thirds markets. Monitoring is done at the time of selection of the EU companies, immediately after participation to a business mission, and a survey is conducted 12 months after the business mission. Qualitative monitoring measures the B2Bcontacts while quantitative monitoring focuses on impact and business deals, i.e. increase in turnover and staff. Furthermore, technical barriers to market entry are captured during and after the business mission. First results of this monitoring is expected during second half 2017 (OC11).

=> The action "EU-China Legal Affairs Dialogue" (Policy Support Facility, AAP 2015), enabled dialogue on key market access issues between the EU and China (OC9).

=> The action "Support to EU Market Access Team in South Africa" (Policy Support Facility, AAP 2014) improved the level of information and understanding of the South Africa legislative and regulatory framework by EU business operators, thus contributing to create an enabling environment for EU-South Africa business cooperation (OC11).

In 2016, the PI continued to adopt several actions supporting the creation of a level playing field for EU businesses. Action on intellectual property rights and competition policy will strategically further the offensive economic interests of the EU.

Baseline 2013*	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2010: 18,1% 2011: 17,8% 2012: 17,4% 2013: 17,0%	Maintain share	Maintain share	Maintain share	Maintain share	Possible increase in share	Possible increase in share	Overall increase in share
Actual results							
	17,7%	17,3%	Data not yet available				

* EU share in Brazil, Mexico, US, Canada, Russian Federation, India, China, Japan and Republic of Korea total foreign trade in goods and services (imports + exports) (N.B.: these figures don't measure these countries' share in EU foreign trade). Data for all values extracted on 30 January 2017.

As from 2010, the reporter is EU-28 for both trade in goods and trade in services.

As from 2010, the data for both trade in goods and trade in services is calculated according to BMP6 (Balance of Payments and International Investment Position Manual) methodology.

Data source: COMEXT/IMF (<http://ec.europa.eu/eurostat/web/international-trade/data/database>) for trade in goods - first data published approximately in July of year n+1. WTO/EUROSTAT for trade in services – first WTO data published in April of year n+1, preliminary EUROSTAT data published approximately in June of year n+1 and complete EUROSTAT data published approximately in December of year n+1.

Indicator 2: EU investments flows from/to 9 strategic partners							
Baseline 2013*	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
EU Foreign Direct Investment - Inward flows: 396.2 billion EUR - Outward flows: 406.5 billion EUR	Maintain FDI flows	Maintain FDI flows	Maintain FDI flows	Maintain FDI flows	Possible increase in FDI flows	Possible increase in FDI flows	Increase FDI flows in parallel with global economic growth
	Actual results						
	- Inward flows: 13.9 billion EUR - Outward flows: 25.9 billion EUR	- Inward flows: 372.8 billion EUR - Outward flows: 297.2 billion EUR	Data not yet available				

** Until 2012 the reporter was the EU-27 and the data were calculated according to BMP5 (Balance of Payments and International Investment Position Manual) methodology. The figures as from 2013 use the reporter of EU-28 and are calculated according to BPM6. Data for all values extracted on 29 January 2017.

Data source: EUROSTAT (http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign_direct_investment_statistics), preliminary data for selected countries published in June of year n+1; data with complete geographical breakdown are foreseen in December of year n+1.

Note: Foreign direct investment (FDI) flows are highly volatile. The sharp decrease in flows in 2014 is mainly due to two-way drop of FDI with the USA.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Actions funded to support and increase EU's position on the world scene in terms of trade and foreign investment	19 05 01	4	36,9

* The precise number of actions and budget will be confirmed upon adoption of the Annual Action Programme.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Actions funded to support and increase EU's position on the world scene in terms of trade and foreign investment	F	5	5	5	4	4	4	4
	P	5	5	6				

The Partnership Instrument will build on the experience gained with the ICI to support EU trade overall objectives by financing measures to improve market access and develop trade, investment and business opportunities. With its global reach, the PI supports in particular the opportunities arising from the Free Trade Agreements (FTAs) negotiated and the ones under negotiation. It will be instrumental in supporting trade policy (COM/2010/612 - "Trade, Growth and World Affairs - Trade policy as a core component of the EU's 2020 Strategy"), in particular as regards the strategic economic partners.

Specific Objective 4: Enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, people to people contacts, education/academic/think tank cooperation and outreach activities to promote the Union's values and interests.

Indicator 1: EU visibility

The specific objective 4 is about enhancing and widening understanding and visibility of the EU and of its role on the world scene.

Similarly to specific objective 3, the data on common PI outcome indicator "OC12: Percentage of participants targeted by outreach and advocacy events who acknowledge a positive change in their perception of EU and/or international policies and standards" could not be collected in the context of the mid-term review evaluation. This data was not collected before establishment of the indicator and it was not possible to collate the information ex-post. Nevertheless, qualitative evidence is available to illustrate results achieved under this specific objective.

Example of actions that demonstrate the outcome

=> Under the action "EU and US: Getting to Know Europe (GTKE) programme" (AAP 2014), a high brand awareness of the EU has been developed among targeted audiences.

=> Under the action "Collaboration of EU and Russian think tanks and journalists (Policy Support Facility, AAP 2014), a EU-Russia Experts Network has been established, thus contributing to support people-to-people links and promote mutual understanding.

=> The action "Arts and Society in China and the EU" (Policy Support Facility, AAP 2014) supported the role of the EU as a value-based international actor promoting human rights and fundamental freedoms. The action fitted into the broader framework of the EU's human rights work in China and the EU Action Plan for Democracy and Human Rights.

In 2016, several actions including with Russia, China, South America, Japan, Central America and USA dedicated to Public Diplomacy efforts were contracted, including an action on cultural diplomacy which increased mutual understanding through intercultural dialogue and facilitated future cooperation among cultural operators from the EU and the 10 EU strategic partner countries through the organisation of the first edition of the Global Cultural Leadership Training. Under the PI AAP 2016, public diplomacy actions included India, Canada, the republic of Korea and the US. It is expected that these actions will further enhance the ability of the EU to engage with target audiences, thus contributing to build mutual trust and understanding.

Baseline	Milestones						Target 2020
	2014	2015	2016	2017	2018	2019	
See result 2015	n/a				Maintain high visibility in Strategic Partner Countries (SPC) where EU is highly visible and improve where less visible.		Maintain high visibility in SPC where EU highly visible and improve where less visible.
	Actual results						
	n/a	Brazil – Visible 93%, Not 7% Canada – Visible 87%, Not 13% China – Visible 95%, Not 5% India – Visible 93%, Not 7% Japan – Visible 76%, Not 24% Mexico – Visible 97%, Not 3% Russia – Visible 93%, Not 7% South Africa – Visible 85%, Not 15% Republic of Korea – Visible 92%, Not 8% USA – Visible 88%, Not 12%	n/a				

* Measured through public opinion poll in 10 Strategic Partner Countries (Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, Republic of Korea, and USA). The results of the poll is not available to public.

This indicator will not be measured annually.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Education / academic cooperation (covered by a PI-specific "Erasmus +" Multi-annual Indicative Programme)	19 05 20	See Programme Statement for "Erasmus +"	11,5
Actions funded in the area of public diplomacy, people to people contacts and outreach activities	19 05 01	1	13,7
Total			25,2

* The precise number of actions and budget will be confirmed upon adoption of the Annual Action Programme.

Outputs	Number of outputs foreseen (F) and produced (P)						
	2014	2015	2016	2017	2018	2019	2020
Education / academic cooperation	F	1	1	1	1	1	1
	P	1	1	1			
Actions funded in the area of public diplomacy, people to people contacts and outreach activities	F	-	-	At least 7	3	2	3
	P	1	1*	1*			

* The forecast for AAP 2016 was met for public diplomacy. Formally, one action fiche is part of AAP 2015 and AAP 2016. Nevertheless, this action fiche contains 7 separate actions.

5. Programme contribution to the Sustainable Development Goals

PI contributes to the achievement of gender equality and the empowerment of women and girls under SDG 5 as well as contributing to ensuring access to affordable, reliable, sustainable and modern energy for all with SDG 7. It also contributes to taking urgent action to combat climate change and its impacts under SDG 13.

HEADING 4: Global Europe**European Instrument for Democracy and Human Rights (EIDHR)****Lead DG: DEVCO**

Associated DG: FPI

I. Programme Update***Implementation status (2014-2016)***

The EIDHR Programme implementation has been executed as foreseen in the first three years of the 2014-2020 MFF. All activities of the 2014 and 2015 budget are ongoing as well as the activities of the 2016 budget that were planned to start in 2016 or in the first quarter of 2017. There have been no specific delays or problems in executing the 2014, 2015 and 2016 Work Programmes.

A first Multiannual Indicative Programme (MIP) has been adopted for the period 2014-2017¹. While a Special Measure² and an Annual Action Programme³ framed the initiatives to be implemented, respectively for 2014 and 2015, a Multiannual Action Programme (MAAP) had established the work programme for years 2016 and 2017⁴.

The 2014, 2015 and 2016 programmes maintained the achieved worldwide coverage, a key added-value of the EIDHR. Their actions can be regrouped in five axes of work along the priorities of the instrument:

- 1 reinforcing the EU's capacity to address the most difficult situations, to react quickly to human rights emergencies and to support a comprehensive EU Human Rights Defenders mechanism;
- 2 supporting local civil society organisations on the ground;
- 3 launching key capacity building programmes in the area of democracy, human rights, and education;
- 4 strengthening key international and regional multilateral actors;
- 5 contributing to increasing transparency and trust in the electoral process by means of Electoral Observation Missions (EOMs).

In 2014, 2015 and 2016, the focus has been put on:

1. setting-up the EU comprehensive Human Rights Defenders Mechanism addressing the most difficult human rights situations faced by human rights defenders at risk worldwide (EUR 15 million);
2. setting-up the Human Rights Crises Facility (EUR 11.5 million) designed to address countries and urgency situations where human rights and fundamental freedoms are most at risk and where disrespect for those rights and freedoms is particularly pronounced and systematic in a flexible and reactive way;
3. continuing the financing of the emergency fund allowing support through ad-hoc low-value grants to individual human rights defenders in emergency situations (EUR 3 million);
4. launching the Democracy Initiative accompanying the Democratic Pilot Exercise, part of the implementation of the EU Strategic Framework and Action Plan on Human Rights and Democracy, through an umbrella programme to support concerned EU Delegations to put an inclusive process in place (EUR 5 million for 2014 and EUR 4.6 million for 2015);
5. launching two Global Calls for proposals (EUR 57.9 million) covering in parallel five main EU priorities in the field of human rights, allowing for a more long-term response in each area. One of the lots of the 2015 call has for example been dedicated to supporting the rights of migrants including asylum seekers in third countries, internally displaced persons and stateless persons;
6. continuing the EU support to the Master of Human Rights which opened its 7th regional network during 2014 in the MENA region as well as the launching of other targeted initiatives;
7. deploying Election Observation Missions according to the approved list of priority countries.

Regarding global calls for proposals, five lots are recurrent in the upcoming EIDHR calls for 2014-2017 and cover respectively (i) Human rights and their defenders where they are the most at risk, (ii) Human Dignity, (iii) Economic, Social and Cultural rights, (iv) Discrimination and (v) other priorities planned in the multi-annual programming or linked to new unforeseen areas. The 2016 global call focuses on a specific sub-area for each of these recurrent five lots respectively (i) support to women Human Rights Defenders and/or Human Rights Defenders working for women's and girls' rights where they are the most at risk, (ii) support to civil society actions fighting against torture and other cruel, inhuman or degrading treatment or punishment, (iii) support to the implementation of the UN Guiding Principles on Business and Human Rights, (iv) support to the rights of persons belonging to

¹ Commission Implementing Decision C(2014) 7529 final of 21.10.2014

² Commission Implementing Decision C(2014) 5142 final of 24.7.2014

³ Commission Implementing Decision C(2015) 2025 final of 1.04.2015

⁴ Commission implementing Decision C(2015) 8548 final of 7 December 2015.

minorities and persons affected by caste-based discriminations, and (v) support to addressing impunity and to transitional justice. Evaluation of the proposals submitted is ongoing and the activities will start in the second half of 2017.

As far as the execution of the Annual Action Programme of 2016 for election observation is concerned, the Commission addressed significant operational challenges in the implementation of 7 Election Observation Missions (EOMs, together with 7 Exploratory Missions) and 11 smaller expert missions, namely Election Expert Missions (EEMs) and Election Follow-up Missions (EFMs). The volatility of 2016 electoral calendars, together with the fact that no alternative missions were proposed, led to a lower number of electoral processes observed in 2016 compared to the original forecast.

Key achievements

Since 2014, the programmes have been built on the EIDHR's added-value, namely its independence of action allowing interventions in the most difficult country situations (worldwide) and without the consent of the host government, creating synergies and complementarity where geographical instruments could not act. The EIDHR allows for unique actions not covered by other instruments, such as in cases of serious human rights violations or urgent need for protection, thematic advocacy such as democracy support, fundamental freedoms, or the fight against discrimination, torture or death penalty.

In difficult contexts, the EIDHR helps weakened or shattered civil society and media survive, thereby opening the door to dialogue and change. It focuses on the outreach to disenfranchised civil society organisations. While limited in financial scope, its flexible tools have worked very well and are essential (e.g. direct support to human rights defenders, direct small grants, working with informal partners, re-granting). They have been strengthened in the revision of the instrument for 2014-2020.

The EIDHR programme has so far been successful in fulfilling its planned objectives and, pending the mid-term review results, there is no need identified for adjustments or corrective action in order to reach these objectives.

For the 2014-2020 EIDHR, it was decided in light of the results achieved between 2007 and 2013 to strengthen EU support to Human rights and Human Rights Defenders (HRDs), who play a vital role in the promotion and protection of human rights. The success and performance of the emergency support to HRDs at risk, considered as a flagship of the EIDHR activities, turned into an increasingly number of requests. The first-of-its-kind EU comprehensive Human Rights Defenders Mechanism for an unprecedented amount of EUR 15 million is now up-and-running and will confirm this trend, addressing the most difficult human rights situations in the world and providing support to the local actors who strive to promote and defend them. This mechanism is additional to the EU support to HRDs in cases of urgent need through the ad-hoc emergency fund allowing low-value grants of up to EUR 10,000. It is also additional to the existing support to HRDs provided under previous and future EIDHR local and global calls for proposals. Since 2010 and until 31 December 2016, a total of 386 small grants totalling EUR 2,990,452.88 have been awarded to HRDs and their families in around 45 countries (of which more than half of the HRDs are women). Since 2014 to date, 244 small grants awarded providing emergency support to over 600 HRDs and their families - 73 grants in 2014, 85 in 2015 and 86 in 2016.

Improvements and simplifications in the programme management increasing efficiency and allowing economies of scale have been put in place since 2014: (i) the restructured system for global calls for proposals that allows for a more long-term response in each area of the EU human rights priorities, (ii) the encouragement of including sub-granting schemes in activities and (iii) more streamlined management of the EIDHR emergency fund for HRDs at risk.

EU Election Observation Missions (EOMs) followed the objectives, principles and methodology of electoral observation on the basis of over two decades of operational experience with a view to encouraging professionalism and transparency in electoral management, discouraging irregularities and abuse, and inspiring public confidence in the electoral process. Therefore, the key programme achievements lie in their contribution to the consolidation of democracies in third countries by improving the reliability of electoral processes and in the implementation of a methodology which is considered as one of the most modern among those used by other international organisations. This methodology is based on a comprehensive and systematic observation of the electoral process including *inter alia* the conduct of public and private media as well as issues linked to campaign financing.

In terms of achievements based on programme indicators, in 2016 FPI services deployed 3 Election Follow-Up Missions (EFM) which are headed by the former Chief Observer (MEP) and include a limited number of electoral experts and staff from EEAS and DEVCO with a view to assessing the implementation of recommendations made by previous EOMs. These recommendations are included in the EOM's final report and refer to possible improvements in the electoral process (i.e. through assistance to the electoral commission and / or changes in the electoral legislation etc.). The EFM tries to give fresh impetus to the debate of the major electoral stakeholders (authorities, political parties and civil society) on the recommendations and the electoral reform.

As far as the number of observed electoral processes is concerned, the unstable political environment in several of the priority countries on the 2016 priority list led to the cancellation or postponement of elections in 3 cases (Philippines (Mindanao), Nicaragua, Gambia). The necessary steps were taken in order to ensure so that to the extent possible the missions dropped to be replaced by new ones added i.e. in the context of the mid-term review of the priorities held in June / July of each year.

EOMs are independent and abide to the Declaration of Principles for International Election Observation together with all the other major international election observation organisations. International experience indicates that election observation contributes to the improvement of country's electoral process and consolidation of democratisation; however the exact contribution cannot be quantified.

In 2016, EU EOMs observed elections in several geopolitically important countries and developed cooperation with other international bodies undertaking election observation. The EU-funded project of the Election Observation and Democracy Support (EODS), which provides support in electoral methodology and training to EEAS and FPI, contributed to building a reliable election observation capacity in Africa, Middle East and Asia and enhanced cooperation with other signatories of the Declaration of Principles for Election Observation as well as other partner election observation networks such as the OSCE, the Venice Commission, the African Union and the Arab Network for Democratic Elections.

Priorities were decided in the light of the calendar of elections, political developments and resources available. A particular emphasis was placed on the role and impact of the EU EOM recommendations to ensure that issues raised are mainstreamed in the political dialogue with the country concerned in the framework of a continuous follow-up process.

In addition to EOMs, the EC deployed 9 Election Expert Missions (EEM) in Benin, Burkina Faso, Chad, Comoros, Ghana, Haiti, Morocco, Niger and Somalia to assess electoral processes. The conclusions from these missions contributed to the shaping of the Union's political position on development in the country concerned. They also created significant inputs for the political dialogue of the Union with the authorities of the partner country.

Evaluation/ Studies conducted

The EIDHR mid-term evaluation was launched in the second quarter of 2016. Key stakeholders including EU Delegations have been consulted and a number of field visits have taken place (Uganda, Peru, Pakistan, Israel, Palestine). A first draft EIDHR Evaluation report was published in February 2017 and it is available at the following address:

https://ec.europa.eu/europeaid/evaluation-european-instrument-democracy-and-human-rights-eidhr-2014-2020-draft-evaluation-report-1_en

It is currently undergoing a Public Consultation (February 7th – May 3rd 2017) and will be finalised by end June 2017.

Forthcoming implementation (2017/2018)

The EIDHR Multiannual Action Programme for 2016 and 2017 (MAAP 2016-2017) was adopted by the European Commission on 7 December 2015⁵, following the positive opinion of the Management Committee and a positive result of the scrutiny by the European Parliament. The European Parliament has welcomed a number of new activities in the MAAP 2016-2017 such as activities to be carried out in the fields of business and human rights, support for land and environmental human rights defenders or support for projects combating modern forms of forced labour. A separate 2017 Annual Action Plan addresses EU Election Observation.

The EIDHR MAAP 2016-2017 is a pragmatic combination of targeted projects and calls for proposals, to be managed by both HQ and Delegations. Global, regional and local actions will allow maintaining a largely comprehensive and coherent implementation involving all actors: civil society (main target) as well as international and regional organisations. The MAAP covers 2016 and 2017, i.e. the end period of the 2014-2017 MIP: it therefore integrates all the objectives and priorities entailed in the MIP with a view to ensure their optimal coverage. As a consequence, while it will continue supporting usual pressing issues such as endangered Human Rights Defenders, local Civil Society Organisations and key partners, the MAAP is also supporting several new thematic initiatives. In addition, the MAAP maintains the achieved worldwide coverage of the EIDHR.

As far as 2017 is concerned, the MAAP foresees:

1. ca. 210 local calls for proposals and support measures managed by EU Delegations via Country-based Support Schemes (EUR 80.19 million);
2. One global call for proposals to support various human rights priorities (EUR 30.214 million);
3. A facility for direct awards to finance actions in the most difficult situations where the publication of a call for proposals would be inappropriate (EUR 3.5 million);
4. A voluntary contribution to the general budget of the United Nations Office of the High Commissioner for Human Rights (UN OHCHR) (EUR 4 million) and one targeted project to support the deployment of its international human rights indicators (EUR 1.5 million).
5. One targeted project to support the International Criminal Court (ICC) (EUR 1 million).
6. Public procurement and call for proposals for a global programme to strengthen the capacity of political parties and parliaments (EUR 5 million in 2017 complementing EUR 5 million in 2016).
7. One grant to support a global and regional networks of universities providing human rights and democracy postgraduate education worldwide (EUR 5.4 million).
8. Support measures, including supporting the implementation of the EU Guidelines on Human Rights dialogues (EUR 2 million)

In 2017, it is expected that 23 electoral processes and democratic cycles will be supported, observed and followed-up by means of EOMs, Election Assessment Teams (EATs) and EEMs proposing recommendations to the host country, and EFMs. An equal number is foreseen for 2018. There will be a particular attention paid to the follow-up of EOM recommendations with a view to extending this work beyond the formal EFMs and mainstreaming it in the EU's regular bilateral dialogue with the partner countries.

⁵ Commission implementing Decision C(2015) 8548 final of 7 December 2015.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide	2014 - 2020	1 332,8

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	11,0	10,4	10,6	10,8	11,0	11,3	11,6	76,9
Operational appropriations	173,2	161,4	160,2	178,2	181,7	185,3	189,7	1 229,7
Total	184,2	171,9	170,8	189,0	192,8	196,7	201,3	1 306,6

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	172,396	99,89 %	123,642	91,07 %	191,617	97,47 %	151,921	28,18 %
Authorised appropriation excluding external earmarked revenue	171,720	100,11 %	122,961	89,09 %	191,471	97,83 %	151,775	27,60 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Given its accomplishments in conflict resolution, peace building and the creation of prosperity, the EU is in an excellent position to deliver on external action, on behalf of and with its Member States, generally enjoying high credibility in the countries where it works. It is well placed to take on the role of a global leader on behalf of its citizens, in particular in its support and promotion of democracy and human rights. European added value is much larger than suggested by purely balance sheet approach: contributing to peace building worldwide, assisting the world's poorest people and supporting democracy and respect for human rights are indisputable demonstrations of how the EU adds value through its work every day.

Due to its scale and remit, the EU can deliver help in the world's most remote areas, hereby enhancing the strategic reach of Member States, especially in cases when their presence is limited and therefore the capacity to act is reduced.

Election Observation Missions (EU EOMs) contribute to projecting EU values like democracy and rule of law outside the European Union. Electoral missions aim at building confidence, enhancing the reliability and transparency of democratic electoral processes, and discouraging irregularities, abuse and electoral violence. They have therefore become an important flagship of EU foreign policy.

Furthermore, EOMs constitute an example of inter-institutional cooperation between the European Commission, the European External Action Service (EEAS) and the European Parliament. The EEAS is responsible for all programming and political aspects, whereas the European Commission is in charge of the operational, financial and security-related aspects of election observation. EU EOMs are led by a Chief Observer, (Member of the European Parliament, MEP). In addition, a Delegation of the European Parliament composed of MEPs is deployed to the partner country to observe the Election Day and is fully embedded in the EOM. The European Parliament is consulted on the yearly list of priority countries for election observation.

The EU Member States also play a crucial role as they are, via their respective Focal Points for election observation, responsible for the pre-selection of the EU Observers. Member States are also consulted on the establishment of the yearly priority list for election observation.

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Support to environmental human rights defenders	10,0*	5,0

* Amount estimated based on 2015 activities. It is observed that an increasing number of human rights defenders fighting against violations of environmental rights, or the defence of activists involved in fields such as land grabbing, water pollution, or non-respect of laws by building or extraction industries, are victims of human rights violations. The EIDHR supports those human rights defenders that contribute to the defence of the environment. The increase in 2017 is justified by a lot of the global call for proposals that will specifically address Human Rights Defenders active in the field of land and environmental issues.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
5	5	5	10	5	5	5	40

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Gender relevant commitments	38,1	52,1

In 2016, 100 % of contracted EOM actions reported a G-Marker⁶

This data on the Gender Marker is provided in line with Objective 5.3.2 of the EU Gender Action Plan 2016-2020⁷

FPI also consistently ensures a gender balance in the selection of Core Team experts, Observers and participants in training. In 2016, out of the total number of 110 trainees from 27 Member States, 52.7% were women: % representation of women among technical experts deployed in electoral observation missions (GAP Objective 17.4).

4. Performance information

General objectives

General Objective 1: Enhancing the respect for and observance of human rights and fundamental freedoms, as proclaimed in the Universal Declaration of Human Rights and other international and regional human rights instruments, and strengthening their protection, promotion, implementation and monitoring, mainly through support to relevant civil society organisations, human rights defenders and victims of repression and abuse.

Indicator 1: Level of implementation of United Nations Universal Periodic Review* recommendations which have been accepted by states in percentage

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
33,7%**	33,8%	33,9%	34,2%	34,5%	34,8%	35%	35,3%
	Actual results						
	48% ***	n.a. ****	55% *****				

* These data are monitored by the UN OHCHR and the UNHRC. Reports can be found through UN OHCHR web site.

** Data from all developing countries; source: http://www.upr-info.org/sites/default/files/general-document/pdf/-david_frazier_paper_upr_implementation_2011-2.pdf.

*** at mid-term review of the 1st UPR cycle, data from UPR-info : http://www.upr-info.org/sites/default/files/general-document/pdf/2014_beyond_promises.pdf

**** There is no study existing for 2015.

***** of accepted recommendations of the first UPR cycle were either partly or fully implemented, data from UPR-info: https://www.upr-info.org/sites/default/files/general-document/pdf/2016_the_butterfly_effect.pdf

General Objective 2: Supporting, developing and consolidating democracy in third countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, in particular by reinforcing an active role for civil society within this cycle, the rule of law and improving the reliability of electoral processes, in particular by means of election observation missions.

Indicator 1: Number of electoral processes and democratic cycles supported, observed, and followed

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
20	25	25	25	25	25	25	175 (25 per year)
	Actual results						
	24	25	36				

This indicator builds on the number of electoral process at national level that have been established by partner countries own constitutional calendars.

⁶ Methodology for calculation of the amounts: 28.7 % of [operational chapter 21 04]. The percentage is calculated based on the 2014 statistics on OECD 40% of gender marker "1" (= gender equality is "significant objective" in the programme or project, meaning at least it has been mainstreamed) and 100% of gender marker "2" (= gender equality is "main objective" in the programme or project).

⁷ "Transforming the Lives of Girls and Women through EU External Relations, 2016-20 – SWD(2015) 182 final of 21/09/2015

Electoral processes and democratic cycles supported, observed and followed include:

- EU Election Observation Missions (EOMs): fully-fledged election observation missions;
- EU Election Assessment Team missions (EATs): limited observation or assessment missions in countries with particularly difficult security situations;
- EU Election Expert Missions (EEMs): small scale missions composed of electoral experts of assessment of the election process;
- Electoral assistance (e.g. technical assistance, provision of voting material and equipment, support to the registration of political parties and/or of voters, support to civil society organisations in areas such as voter and civic education or training of local observers, media monitoring, training of journalists, etc.).

The first three items are counted in Indicator 1 of Specific Objective 4 below.

Specific objectives

Specific Objective 1: Support to Human Rights and Human Rights Defenders in situations where they are most at risk.

Indicator 1: Number of Human Rights Defender individuals who have received EU support (being protected politically, legally and/or physically and pulled out of their position of abuses)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
230	300	300	300	1200*	1200*	1200*	1200*
	Actual results						
	421	258**	1181***				

Source: CSO networks and small grants allocated.

* Milestones and target were updated based on ongoing experience following the strengthened EU support to Human rights and Human Rights Defenders (HRDs) at risk under the 2014-2020 instrument and the ever more shrinking space for civil society worldwide that turns into an increasingly number of requests for HRDs protection.

** In 2015, at least 258 human rights defenders at risk were supported by the EIDHR (without counting human rights defenders supported by projects financed via global or local calls for proposals for which no data collection exists yet, including for confidential reasons).

*** In 2016, at least 1,181 human rights defenders at risk were supported by the EIDHR under the Emergency Fund, the new mechanism ProtectDefenders.eu and HQ-managed projects (without counting human rights defenders supported by projects financed via global or local calls for proposals for which no data collection exists yet, including for confidential reasons).

Indicator 2: Number of crisis response projects implemented under the EIDHR

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
10	15	15	15	15	15	15	15*
	Actual results						
	15**	8***	17****				

*Target set on the basis of our experience from the last programming period

**The 2014 milestone was realised as follows: 9 in country projects (most difficult situations as Belarus, Syria, Ukraine) and 6 global projects were deployed offering a global coverage and compiling a mix of in-country and multi-country projects (most difficult type of HR violation and/or categories of defenders at risk) activities.

*** The 2015 milestone was realised as follows: at least 6 in-country projects under the EIDHR Crises Facility and 2 global projects (EIDHR Emergency Fund and the grant to the EU Comprehensive HRDs mechanism Protectdefenders.eu)

**** The 2016 milestone was realised as follows: at least six projects, four in countries and two regional, under the EIDHR Crises Facility and eleven projects under the Country Based Support Scheme.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects related to situation where Human Right Defenders are most at risk	21 04 01	30	30

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Projects related to situation where Human Right Defenders are most at risk	F	52	52	52	30	30	30	30
	P	86	18*	26*				

* A more streamlined, less labour-intensive system has been adopted to channel the grants to beneficiaries resulting to less contracts for a higher number of human rights defenders supported.

Specific Objective 2: Support to other priorities of the Union in the fields of human rights

Indicator 1: Number of EIDHR projects in line with EU Guidelines*

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
150	250	250	250	250	250	250	250
	Actual results						
	271	332	158**				

*http://eeas.europa.eu/human_rights/guidelines/index_en.htm

EU guidelines are not legally binding, but because they have been adopted at ministerial level, they represent a strong political signal that they are priorities for the Union. Guidelines are pragmatic instruments of EU Human Rights policy and practical tools to help EU representations in the field better advance our Human Rights policy. They also serve as priorities for defining activities in order to put into practice the political orientation.

There are 11 Human Rights Guidelines the EIDHR is delivering on:

1. Death penalty (2013)
2. Torture and other cruel, inhuman or degrading treatment or punishment (2012)
3. EU Guidelines on the promotion and protection of freedom of religion or belief (2013)
4. Guidelines to promote and protect the enjoyment of all Human Rights by lesbian, gay, bisexual, transgender and intersex (LGBTI) persons (2013)
5. Human Rights dialogues with third countries (2009)
6. Children and armed conflict (2008)
7. Human Rights defenders (2008)
8. Promotion and Protection of the Rights of the Child (2008)
7. Violence against women and girls and combating all forms of discrimination against them (2008)
10. International Humanitarian Law
11. EU Human Rights Guidelines on Freedom of Expression Online and Offline

Despite the fact that the indicator is output oriented, the number of EIDHR projects is an important element, for such a financial instrument, as it should be highlighted that having a human rights project in place in some countries is an achievement by itself. For this reason part of the EIDHR projects are classified 'confidential'.

By definition, those projects, their beneficiaries and the country in which they operate cannot be mentioned.

** The increase in the average size of contracts is the main explanation relating to the decrease in the number of contracts.

Indicator 2: Number of Human Rights victims benefitting from EIDHR projects

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
3 000	4 000	4 000	4 000	4 000	4 000	4 000	4 000*
	Actual results						
	Not available**	Not available**	Not available**				

*Target set based on experience from the previous programming period.

** Data not available as there is no data collection tool available.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects	21 04 01	250	65

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Projects	F	250	250	250	250	250	250	250
	P	271	332	132				

Specific Objective 3: Support to Democracy.

Indicator 1: The percentage of countries belonging to the Democracy Pilot Countries which have improved their V-DEM Electoral Democracy Index*

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0 %	15 %	30 %	50 %	65 %	75 %	90 %	100 %
Actual results							
Not available	41,6%	42,9					

*Source: The V-DEM Electoral Democracy Index can be found at V-DEM net (<https://v-dem.net/about>).

V-DEM for Varieties of Democracy is a new approach to conceptualizing and measuring democracy. It is a collaboration among more than 50 scholars worldwide which is co-hosted by the Department of Political Science at the University of Gothenburg, Sweden, and the Kellogg Institute at the University of Notre Dame, USA

Indicator 2: The percentage of actions of the democracy support action plans implemented

Baseline	Milestones foreseen						Target 2020
	2014*	2015*	2016	2017	2018	2019	
0	0	0	15 %	25 %	45 %	60 %	100 %
Actual results							
0	0	25%					

* Democracy action plans were adopted during 2015 and thus their implementation has started in 2016.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Projects	21 04 01	50	25,4

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Projects	F	160	160	110	50*	50*	50*	50*
	P	140	115*	44				

* Based on actual trends and increased average size of contracts.

Specific Objective 4: EU Election Observation Missions

Indicator 1: Number of electoral processes and democratic cycles supported, observed, and followed by means of Election Observation Missions, Election Assessment Teams and Election Experts Missions proposing recommendations to the host country

Baseline 2010 - 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
17	19	21	22	23	23	24	25
Actual results							
17 (7 EOMs, 1 EAT, 9 EEMs)	16 8 EOMs, 8 EEMs	16 7 EOMs, 9 EEMs					

The indicator takes into consideration the:

- EU Election Observation Missions (EOMs): fully-fledged election observation missions;
- EU Election Assessment Team missions (EATs): limited observation or assessment missions in countries with particularly difficult security situations;
- EU Election Expert Missions (EEMs): small scale missions composed of electoral experts of assessment of the election process.

The total number of processes observed and assessed by the EU depends on:

- the political agenda as defined by the High Representative/Vice President,
- the changes (postponements/cancellations) of the corresponding electoral calendars/processes,
- the annual budget available,
- the EU capacity to deploy electoral missions in view of the operational and security conditions in the countries concerned.

The number of electoral missions is important "per se" because election observations contribute to strengthening democratic institutions, build public confidence in electoral processes and help deter fraud, intimidation and violence. Election observation also serves to reinforce other key European Union foreign policy objectives most notably to enhance security and development in partner countries and to support them in improving governance and capacity building.

Indicator 2: Number of Election Follow-up Missions (post-election expert missions) deployed in countries after an Election Observation Mission to assess the implementation of recommendations.

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	2	3	4	4	4	4	5
	Actual results						
2: Bolivia and Mozambique	2: Nigeria and Democratic Republic of Congo	3: Paraguay, Cambodia and Honduras	3:Madagascar, Kenya, Pakistan				

The aim of Election Follow-up Missions is to take stock of the state of implementation of the EOM/EAT recommendations. Based on the missions conducted in 2016 for Madagascar, Kenya and Pakistan, usually the EFM missions are conducted within a period of 2 to 3 years into the electoral cycle (which starts with the initial EOM/EAT mission). The Election Follow-up Missions serve the deepening of the dialogue with partner countries on the recommendations, but also open up space for wider political dialogue on the governance and rule of law in partner countries.

Election Follow-up Missions have been implemented since 2013.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. EU Election Observation Missions and EU Election Assessment Team Missions	19 04 01	11	42,5
2. EU Election Expert Missions	19 04 01	12	3,1
3. Follow-up missions	19 04 01	4	0,7
Total			46,3

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. EU Election Observation Missions and EU Election Assessment Team Missions	F	8	9	10	11	11	12	12
	P	8	8	7				
2. EU Election Expert Missions	F	11	12	12	12	12	12	13
	P	9	8	9				
3. Follow-up missions	F	2	3	4	4	4	4	5
	P	2	3	3				

Specific Objective 5: Support to targeted key actors and processes, including international and regional human rights instruments and mechanisms.

Indicator 1: Number of States that have signed and ratified international & regional Conventions and related optional Protocols

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	10	10	10	10	10	10	10*
	Actual results						
5	34**	53***	49****				

Source: OHCHR Treaty Bodies.

* Target set on the basis of our experience from the last programming period

** Between January and December 2014, 34 countries have ratified one of the 18 International Human Rights Treaties

*** Between January and December 2015, 53 countries have ratified one of 18 International Human Rights Treaties

**** Between January and December 2016, 49 countries have ratified one of the 18 International Human Rights Treaties or related optional Protocols (<http://indicators.ohchr.org/>)

Indicator 2: Number of key actors supported, in particular international, regional and national organisations

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
	15	15	15	15	15	15	15*
	Actual results						
10	15**	11***	10****				

Source: OHCHR, HR CSO and networks.

*Target set on the basis of our experience from the last programming period

**15 key actors were supported in 2014 as follows: OHCHR - Office of the High Commissioner for Human Rights, EIUC - European Inter-University Centre for Human Rights and Democratisation, National Human Rights Institutes, ICC - International Criminal Court, International Organization for Migration.

*** 11 key actors were supported in 2015 as follows: European Inter-University Centre for Human Rights and Democratisation (7 stakeholders), IOM - International Organization for Migration, OHCHR - Office of the UN High Commissioner for Human Rights, UNICEF and indirectly the African Union

**** 10 key actors were supported in 2016 as follows: European Inter-University Centre for Human Rights and Democratisation (7 stakeholders), ILO - International Labour Organization, OHCHR - Office of the UN High Commissioner for Human Rights, UNHCR – the UN Refugees Agency

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Support to UN OHCHR	21 04 01	2	5,5
Support to EIUC/ Network	21 04 01	7	5,4
Support to ICC	21 04 01	1	1,0
Other	21 04 01	5	3,1
Total			15,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Support to UN OHCHR	F	2	2	2	2	2	2	2
	P	4	2	2				
Support to EIUC/ Network	F	7	7	7	7	7	7	7
	P	7	7	7				
Support to regional mechanism	F	1	1	1	1	1	1	1
	P	1	5	1				

Justification of changes to the financial programming and/or to the performance information

Changes in the financial programming and/or to the performance information (by specific objective) may occur, pending the results of the mid-term review of the instrument and the adoption of the new 2018-2020 Multiannual Indicative Programme for the EIDHR.

5. Additional information

EIDHR contribution to the situation of migrants in Turkey:

In Turkey, the EIDHR is implemented through local calls for proposals launched by the EU Delegation. In 2016, in addition to the specific human rights challenges within Turkey, the EIDHR played a key role in the context of the regional migration dynamics and even more in the context of the Syrian crisis through a call for proposals including a EUR 2 million lot focusing on the rights of refugees, asylum seekers, and migrants. Projects have been selected and started implementation at the beginning of 2017. The objective of these projects is to promote, protect and monitor the rights of over 2.8 million refugees from Syria and Iraq in the making, implementation and monitoring of policies at local, national and international levels or where violation of their rights is observed, in the following priority areas: respect of the principle of non-refoulement; provision of psychosocial support; rights of children (in particular right to education); access to justice and legal counsel/aid, right to fair trial and due process; prevention of torture and ill-treatment; social rights and equal opportunities (including but not limited to people with disabilities, right to education, health, housing, employment).

This EIDHR contribution is not part of the Facility for Refugees in Turkey.

6. Programme contribution to the Sustainable Development Goals

With its focus on human rights, gender equality, vulnerable groups, economic, social and cultural rights, and the inclusion of environmental HRDs, the EIDHR is already contributing to achieving the Sustainable Development Goals (SDGs) in the 2030 Agenda – in particular Goals 1-8, 10 and 12-16. In fact, with the recognition in the EIDHR that democracy and human rights are inextricably linked and mutually reinforcing while the SDGs are rather silent on democracy, the EIDHR even goes beyond the SDGs to some extent.

In support of the 2030 Agenda, the European Commission released on 22 November 2016 a Communication proposing a new European Consensus on Development to ‘provide the framework for the common approach to development cooperation policy that will be applied by the EU and its Member States’. The Communication recognises that ‘shortcomings in governance, democracy, human rights and the rule of law, including corruption and security challenges and the shrinking space for public participation and civil society, pose a fundamental challenge to the effectiveness of development efforts’. In addition, the Communication recognises the centrality of gender equality to achieving the SDGs and commits the EU and Member States to ‘promote women’s rights,

gender equality and the empowerment of women and girls and their protection as a priority across all areas of action'. With its focus on democracy, human rights, gender equality, non-discrimination and the shrinking space for civil society in particular, the EIDHR thus has a key role to play in implementing both the Communication and the SDGs themselves.

The proposal for a new European Consensus on Development also recognises the importance of a rights-based approach to development (RBA) that 'will encompass all human rights and promotes inclusion and participation; non-discrimination; equality and equity; transparency and accountability' and proposes to commit both the EU and all its Member States to implementing the RBA to ensure that "no-one is left behind" under the 2030 Agenda. The EIDHR is of prime importance in this regard and leads the way within EU development cooperation when it comes to implementing the RBA.

Finally, EOM in particular contributes to the achievement of gender equality and the empowerment of women and girls under SDG 5 as well as contributing to the promotion of peaceful and inclusive societies for sustainable development and to providing access to justice for all and to build effective, accountable and inclusive institutions at all levels in line with SDG 16.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe

Instrument contributing to Stability and Peace

Lead DG: FPI

Associated DG: DEVCO

I. Programme Update

Implementation status (2015-2016)

- In 2016, a total of EUR 271,5 million was committed under the IcSP objectives managed by the Service for Foreign Policy Instruments (FPI): EUR 244,5 million under the short-term crisis response component (Article 3) and EUR 27,0 million under the structural peace-building component (Article 4).
- In accordance with the IcSP Regulation, the first objective under Article 3 - Response to situations of crisis or emerging crisis, is not subject to multi-annual programming as the actions depend on developments in the international situation, in particular in terms of conflicts and crises. At least 70% of the financial envelope is allocated to this objective.
- The second objective under Article 4 – Assistance for conflict prevention, peace building and crisis preparedness, which consumes 9 % of the financial envelope, and the third objective under Article 5 - Assistance to address global and trans-regional threats implemented by DG DEVCO, are both subject to programming¹. The IcSP programme is being implemented in accordance with the relevant Multi Annual Indicative Programme and funds have been committed at 100% against this benchmark. Any difficulties and problems are being addressed in a continuous manner to avoid any impact on the implementation of the programme and no delays have been encountered.
- A total of EUR 64.4 million was committed under the IcSP Article 5 implemented by DG DEVCO, providing assistance in addressing global and trans-regional and emerging threats such as the fight against terrorism, organised crime, cyber-crime, illicit trafficking, threats to critical infrastructure, and Chemical, Biological, Radiological and Nuclear (CBRN) risk mitigation.

Key programme achievements to date (examples of programme success stories / generated EU value added)

Service for Foreign Policy Instruments (FPI):

In terms of achievements under the first objective, 35 short-term crisis response actions, 3 Interim Response Programmes and 1 support measure were adopted and launched in 2016. Of these, 80 % responded directly to political priorities as discussed in the Foreign Affairs Council which illustrates both the timeliness and relevance of IcSP short-term interventions. In addition, 3 actions (Bosnia and Herzegovina, Central African Republic, and Ukraine) directly complemented the work of Common Foreign and Security Policy (CFSP) missions, thereby contributing to the realisation of the EU Comprehensive Approach with 2 further actions (Libya and Turkey) establishing a less direct but nevertheless complementary link..

- **Syrian crisis:** With a current portfolio of 10 Financing Decisions of EUR 80.2 million, including 5 new Financing Decisions adopted in 2016, the Syrian crisis remains a key priority for IcSP interventions. The adopted measures include a Comprehensive Syria Peace Support Initiative, set up to provide financial, technical and operational support to peacebuilding processes related to Syria in cooperation with the German government with the view to respond to the rapidly changing political landscape. The initiative supports track II mediation initiatives (unofficial interactions undertaken by non-governmental actors with access to decision makers), offers logistical support to opposition participation in the Geneva peace talks, provides inputs for the opposition to develop its position on a post-conflict Syria and strengthens the inclusion of civil society and women thereby facilitating local peacebuilding initiatives.. Two additional programmes were adopted in 2016 to support specific aspects of the EU response. The first programme focuses on continuing to facilitate dialogue initiatives aiming to build confidence among Syrian actors (including, where appropriate, between the opposition and the Government), support and complement the work of the United Nations Special Envoy for Syria and contribute to the preparations for a future process of transitional justice in Syria through the collection and analysis of evidence of potential war crimes. The second programme addresses the issue of missing persons. In addition to these programmes directly covering Syria, the IcSP is also providing support to further build the capacity of the Jordanian authorities on border and migration management in order to enable and expedite the provision of humanitarian assistance to meet urgent unmet needs resulting from the ongoing crisis in Syria. A regional programme adopted in 2016 on "Protecting cultural heritage and diversity in conflicts", also covers Syria and aims at reducing the vulnerability of populations whose culture and heritage is targeted or affected in complex emergency situations, notably in Iraq, Libya, Syria and Yemen.
- **Colombia:** After years of complex negotiations, the peace process in Colombia, has made unprecedented progress and there is now a genuine prospect of this long conflict coming to an end. A first Financing Decision of EUR13 million was adopted at the beginning of 2016 to support this process and contribute to creating the conditions for both post-conflict and territorial peace. Negotiations between the Government of Colombia and the Fuerzas Armadas Revolucionarias de Colombia Ejército

¹ The 2014-2020 Strategy Paper and 2014-2017 Multi-annual Indicative Programme (MIP) adopted on 11 August 2014.

del Pueblo (FARC-EP) seemed to have concluded with the signature of the General Agreement for the Termination of the Conflict and Construction of a Stable and Lasting Peace on 26 September 2016. However, following the rejection of the Agreement in a plebiscite in October 2016, a second Financing Decision of EUR7.6 million was adopted in order to safeguard the gains achieved through the peace negotiations between the Government of Colombia and the FARC-EP and enable a potential Peace Agreement to succeed. It supports activities to build the conditions for enhanced respect for human rights and protection of civilians in key areas of FARC-EP influence, contributing to the reception, assistance and social inclusion and reintegration of minors released by the FARC-EP or by other non-state armed groups. It also contributes to improving the effectiveness of the fight against criminal organisations and their support structures; reducing the level of impunity concerning crimes committed against human rights defenders and members of social and political movements and reducing the effectiveness of criminal conduct that threatens the peace process.

- **Migration and refugee crisis:** The IcSP contributed to the immediate European response to the crisis situation in the Mediterranean as well as to address root causes of migration linked to instability and conflicts. In Turkey, the IcSP is enhancing the capacity of the Turkish Coast Guards to carry out search and rescue operations thereby contributing to saving lives and enhancing the protection of migrants and refugees at sea while at the same time tackling irregular migration and trafficking through regular patrolling. This EUR 20 million action responds directly to the October 2015 Council Conclusions on Migration, the EU-Turkey Joint Action Plan, and the European Agenda on Migration which lists "saving lives at sea" as the first priority. It is also complementary to long-term support to the Turkish Coast Guards provided under IPA and to humanitarian assistance ensuring that once refugees and migrants are brought back to shore immediate provisions are available to them. In 2016, the IcSP was also mobilised along the Central Mediterranean migration route, with the implementation of 2 actions adopted in late 2015 focusing respectively on the setting up of a multi-purpose migration centre in Agadez (Niger) and on voluntary return for migrants stranded in Libya. Besides the actions related to the crisis in Syria, the IcSP is engaged in most conflicts that are generating the main migration flows to Europe. This includes the adoption, in 2016, of 3 new measures to support stabilisation efforts in Libya, the adoption of new programmes for Iraq and Afghanistan as well support for the State formation process in Somalia. Furthermore, IcSP has also been mobilised to respond to the wider global refugee crisis. In the Diffa region of Niger, for example the consequences of forced displacement caused by Boko Haram are being addressed, with similar activities taking place in Chad. In Kenya, the provision of support to community-oriented security and prevention of radicalisation at the Dadaab and Kahuma complexes for Somali Refugees remains crucial. Other new programmes in this area include support for internally displaced people from the Federally Administered Tribal Areas (FATA) in Pakistan, addressing irregular migration in Rakhine State in Myanmar, the mixed migration crisis on the Island of Hispaniola (Haiti and Dominican Republic) as well as continued support to conflict-affected populations in Ukraine. With these actions, the IcSP contributed to developing a consistent EU approach to migration, while responding to priorities set in the European Agenda on Migration² as well as in the Communication on Forced Displacement³.

In terms of achievements under the second objective covering programmable actions for conflict prevention, peace-building and crisis preparedness, a total of 996 processes and 468 entities benefited from strengthened capacity attributable to IcSP funding during the course of 2016. This allowed the EU to engage with its partners – international, regional, sub-regional organisations, Member States and civil society actors – on structural measures to support peace-building in a more comprehensive manner.

- **Civilian stabilisation missions:** The IcSP contributed to strengthening the capacities for participation in international stabilisation missions through the European Union Police Services Training Programme (EUPST II). The programme, in its second phase, aims to build the capacity of police and gendarmerie services from EU MS, non-EU CSDP contributing countries and third countries to participate in international crisis management missions and projects of the EU, the UN, the African Union (AU) and other International Organisations. It is implemented by a consortium of 17 members (mainly Police and Gendarmerie corps) from 13 EU Member States.

In 2016, the programme contributed to enhance the performance of international missions in particular through the harmonization of the training approaches and the methodological basis of training as well the improvement of the interoperability between EU police officers, police officers of partner countries and officers of international organizations. It contributed to developing a common training and exercise scenario as well as learning objectives and curricula and to developing international linkages in the area of police training for international stabilization missions and projects. In 2016, 2 Comprehensive Live Exercises were successfully carried alongside 7 harmonized training sessions, including themes such as mentoring and monitoring for civilian crisis management and policing with communities in fragile and conflict-affected states. These events were all hosted by the different consortium partners and provided training for over 800 participants both police and gendarmes from 23 EU Member States.

- **Building capacity in Mediation, Dialogue and Reconciliation**

Through the European Resources for Mediation Support (ERMES) programme, the IcSP enables the EU to support third parties through quick-response engagements as well as longer term capacity-building efforts for mediation processes. In particular, ERMES provides short-term, high-calibre technical assistance to peace processes and actors, including training and coaching support to peace process participants alongside short research papers to guide mediation actors, as well as the organisation of meetings linked to third party engagement in mediation, at international, national and local levels.

² Communication from the Commission of 13 May 2015 on "A European Agenda on Migration" (COM(2015) 240 final)

³ Communication from the Commission of 26 April 2016 on "Lives in Dignity: from Aid-dependence to Self-reliance Forced Displacement and Development" (COM(2016) 234 final)

In 2016, the programme allowed the EU to engage as a political actor in a number of mediation and peace processes in a dozen conflict or post-conflict settings through 25 specific assignments. The EU contributed to building the capacity of the members of the De-escalation and Ceasefire Committee (DCC) in Yemen, as a concrete contribution to the UN-led peace talks. In Nigeria, the EU supported the work of "insider mediators" involved in the dialogue process around the local conflicts in the Niger Delta area. ERMES was also mobilised to support the peace process in Colombia, where the EU provided political and technical support thereby contributing to a favourable context leading to the first agreement between the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC). In Mozambique, ERMES was usefully deployed to support dialogue between the Government and the main opposition group, "Renamo". In addition to these case specific assignments, ERMES organised a workshop on best practices and lessons learned in mediation support bringing together seven intergovernmental organisations (United Nations, African Union, Economic Community of West African States –, Intergovernmental Authority for Development, Organization of the Islamic Cooperation, Organisation for Security and Cooperation in Europe, and the EU), thereby supporting their respective efforts to create their own mediation support structures

DG DEVCO:

Under the third IcSP objective covering programmable actions addressing global, trans-regional and emerging threats, preliminary key programme results based on established programme indicators are indicating the fulfilment of planned objectives. In terms of overall programme management, a successful change process over the past years has led to actions being of longer duration and the average size of contracts have tripled leading to a more effective use of resources and efficiency gains. Concerning actions under Article 5:

Legislative and operational capacity in third countries was strengthened and global and trans-national cooperation frameworks and networks established. The focus has been two-fold, by supporting security capacities at national and regional levels on the one hand and promoting frameworks for effective global and trans-regional cooperation on the other. Following a tailored approach, key countries were identified in priority regions and the capacities of local law enforcement and security units were strengthened by setting up or further developing specialised units and inter-agency cooperation. Regional coordination and information-sharing functions continued to be supported to foster regional and trans-regional cooperation, primarily by making use of existing structures whenever possible.

Our support in the Counter-Terrorism field continued, with numerous concrete, complementary actions with a regional, trans-regional and global dimension, working in the areas of Counter-Terrorism, Preventing and Countering Violent Extremism, and Countering the Financing of Terrorism. Progress in the area of Preventing and Countering Violent Extremism (P/CVE) in 2016 was particularly notable. For example, under a P/CVE action working with the Kofi Annan Foundation, in April 2016 the "extremely together" initiative was launched. This initiative succeeded in bringing together 10 young leaders to steer the way in countering and preventing violent extremism. The first project with Club de Madrid ended this year, having, inter alia, formulated the "Global Consensus", a new framework for the prevention and countering of violent extremism, which provides a set of principles and values to serve as a benchmark, resource and source of inspiration to political leaders on how to respond to the daunting challenge of radicalization and violent extremism. Further, an online platform allows the Global Consensus principles to be further shared and interlocutors to share their initiatives and activities exhibiting how the principles can be translated into policies and measures to be implemented in P/CVE. Club de Madrid also successfully brought together more than 250 key stakeholders at an event to address P/CVE and radicalization from various angles.

Success was also remarkable in the Countering the Financing of Terrorism area. For example, under CFT HoA (Countering the Financing of Terrorism in the Horn of Africa) programme, there was a notable increase in relations between AML/CFT international stakeholders and the beneficiary countries (notably with IMF, UN CTED, UNODC, US, ESAAMLG, IGAD, as well as with the World Bank) and dialogue between the public and private (both from commercial and civil society) sectors. Meanwhile, as an example in the Counter Terrorism area, the first phase of CAPRI ended in 2016. CAPRI aimed to improve the ability of Pakistani agencies to successfully investigate, prosecute, convict and detain terrorists. Under CAPRI, greatly improved conviction rates in Anti-Terrorism Courts in Punjab and KPK were noted, as well as improved forensic techniques (such as a greater sensitivity of DNA techniques). Furthermore, 68 Anti-Terrorism Court Prosecutors and over 160 police officers were trained in Counter Terrorism fundamentals.

Support for iArms, the INTERPOL's Illicit Arms Records and tracing Management System, continued. iArms is an information technology system that facilitates information exchange and investigative cooperation between law enforcement agencies. Indicative of the system's added value is the fact that iArms was utilised by INTERPOL member countries to share information on recovered firearms in the wake of the January 2015 Paris attacks.

The final report of the evaluation of the Small Arms and Light Weapons programmes (SALW) was produced in early 2016. The evaluation covered four separate programmes: iArms, Regional Centre on Small Arms (RECSA), United Nations Office on Drugs and Crime (UNODC), and the Central America Small Arms Control programme (CASAC). The evaluation concluded that the programmes were relevant, generally effective, and efficient, achieved significant elements of impact, and added substantial value to the fight against the illicit dissemination of SALW. Though there was criticism of the effectiveness and efficiency of the RECSA programme, the evaluation noted that the four programmes are "the largest and most comprehensive SALW programmes implemented worldwide in recent years. This highlights the central role played by the EU in supporting the worldwide implementation of international agreements on SALW". "The programmes have made a substantial contribution to training law enforcement officials and legal experts on the legal and policy framework of the fight against SALW. By helping to share

information across borders to trace illicit SALW, the programmes have helped setting the groundwork to potentially restrict access to military-style weapons by terrorist or criminal groups – the iArms database being important in this regard."

A follow-up action to the Heroin Route Programme in tackling the issue of trafficking in human beings (THB) in countries along the heroin route (Albania, Azerbaijan, Bosnia and Herzegovina, Moldova, Turkey and Pakistan) continued.

Along the Cocaine Route, the implementation of projects including AIRCOP, CORMS, SEACOP, and GAFILAT continued. AIRCOP has 26 participating countries, whilst SEACOP, which supports the fight against maritime illicit trafficking and associated criminal networks, has delivered numerous training sessions.

In other Organised Crime areas, the Article 5 Falsified Medicines, GLACY, and CyberCrime and Crimjust projects also were implemented over the course of 2016. The Falsified Medicines project successfully fostered political will and promoted sustainability in the field of falsified medicines that will continue after project completion.

Maritime security actions in the Indian Ocean, such as CRIMLEA and CRIMARIO continued. A new project to improve maritime security and safety in the Gulf of Guinea region – GOGIN – was signed and started activities in October 2016.

At the strategic level, the Centres of Excellence (CoE) programme has increasingly taken a bottom-up, needs-based approach that promotes cooperation with the partner countries. It would benefit from deeper and more systematic coordination with similar programmes implemented by EU Member States, other States (USA, Japan), and International Organisations and their associated bodies. There are, on the other hand, good examples for effective operational-level coordination, including through working groups in the areas of border controls and export control of dual use goods. Several actions have been undertaken in that direction in particular by using the International Science and Technology Centre (ISTC) and the Science and Technology Centre in Ukraine (STCU) to implement projects initiated by the CBRN CoE and to coordinate their content with similar actions undertaken by other ISTC (biosecurity in Central Asia) and STCU partners (first intervention and protective CBRN equipment for the Ukrainian and Moldova border guards).

The IcSP has made an effective use of the technical expertise of EU Member States and their institutions involved with chemical, biological, radioactive and nuclear (CBRN) prevention, detection, preparedness and response. It has also complemented the outreach and technical support programmes implemented by individual EU Member States, for example in such fields as dual use export controls, chemical and biosecurity, nuclear/radiological security and border controls. It has mirrored internal action under the EU's CBRN Action Plan. However, further efforts are needed to improve expertise transfers between these different EU programme sectors to the benefit of the support to third countries, by more effective collaboration between DG DEVCO (responsible for the implementation of the "Global Threat " measures) and other DGs and EU institutions, as well as the EEAS.

Under the EU CBRN Risk Mitigation initiative, the most significant results and EU-added value were achieved through the finalisation of CBRN needs assessments by national teams and EU experts in more than 20 partner countries and the development of CBRN National Action Plans in 15 partner countries.

Another initiative to strengthen capabilities against biological threats was launched in African countries affected by Ebola in 2015 (three existing light mobile labs and a new six-wheel drive truck mobile lab were deployed). The latter has proven the efficiency of the IFS/IcSP in the West Africa Ebola crisis. The EU project on mobile diagnostic laboratories has helped to contain the Ebola outbreak in Nigeria, where one EMLab was deployed for trainings. In Nigeria 20 people were infected and eight died, in comparison to an estimated 11 300 mortalities in the three other countries. The outbreak was contained in a few weeks for several thousand euros, whereas in the neighbouring countries of Sierra Leone, Guinea, and Liberia, the crisis continued for over one and a half years, with the cost reaching over several billion euros.

In the North African and Sahel region, a border control and management project has been started to support to the efforts of the International Community to restore order and peace.

The EU engages in outreach activities with various actions related to dual-use goods export controls. This EU-P2P Export Control Programme aims to enhance the effectiveness of export control systems of dual-use items and related materials, equipment and technologies. One focus is to constitute an effective export control system, the programme's framework covers all aspects: legal, licensing, customs, enforcement and sanctions.

Two Export control dual use programmes (global programme and South East Asia) are currently being implemented by a consortium led by Expertise France includes the French Ministry of Economy, Industry and Numerics, represented by the Export Control Office on Dual-Use Goods (SBDU), King's College London, the Swedish Inspectorate of Strategic Products, the Customs authorities of France and Belgium, the United Kingdom National Nuclear Laboratory and the University of Liege.

A second project with the focus supporting Jordan and Kazakhstan is implemented by the German Export Licensing Agency (BAFA). The approach of this programme is very much a practitioner's and focuses on peer-to-peer consultations. It is technical in nature and the EU has invited various countries that are advanced in having established effective controls to join on a partnership – train the trainers basis. Long term experts are deployed in Jordan and Kazakhstan.

Under these projects approximately 200 experts, from various professional backgrounds across the European Union, offer technical expertise to the activities with partner countries. The experts are coming from authorities such as licensing authorities or customs administrations as well as industry and scientific institutions, last but not least also from the judicial sector. The programme's approach is that of a practitioner's and operates on the basis of peer-to-peer consultations.

Relevant findings of evaluation and/or programme related studies' (if any)**FPI:**

- The Mid-term review evaluation of the IcSP was conducted in the framework of the Mid-term Review Process as set out under Article 17 of the Common Implementing Regulation.⁴ A draft evaluation report has already been delivered and is subject to an open public consultation from 7 February until 3 May 2017. The report of the external evaluator will be finalised in June 2017 and a Staff Working Document will be drafted subsequently. Both documents will feed into a Mid-term Review report due by end of 2017 which is to be submitted to the Council and the European Parliament.

DG DEVCO:

- In the CT and P/CVE area, an Evaluation Report of the STRIVE Horn of Africa project funded under Article 5 IcSP found that STRIVE "has contributed to learning. With relatively modest financial and human resources available, the project has sought to test different approaches to CVE and in different contexts (some more permissive than others). Its most marked successes (e.g. the mentoring pilot) confirm the relevance of the approach taken (e.g. underlining the importance of careful selection of mentees and use of experienced and respected mentors)". The Report also found that "STRIVE has contributed in a number of ways to increasing the EU's knowledge about CVE and radicalisation in the Horn of Africa region as well as thematically. This includes experience on designing, implementing and monitoring CVE programmes, as well as experience on cooperating with national authorities on sensitive topics".
- The Prevention Project, funded by the EU in conjunction with Norway and Switzerland, whilst still being implemented, produced some key recommendations in 2016. The project has produced a study, entitled "Communities First: A Blueprint for Organizing and Sustaining a Global Movement Against Violent Extremism", which contains a series of recommendations for sustaining a global movement against terrorism and violent extremism, which will strengthen arguments for obtaining more resources for CVE, including from the private sector, and other non-kinetic CT tools. The recommendations can also be used to help guide future work in the field.
- An Activity Report covering all of Article 5 IcSP activities from 2007 to 2017 was commissioned to provide a comprehensive overview of the Article 5 activities of the IcSP in the first ten years of its life span.
- On CBRN, a recent review found that at the strategic level, the CBRN Centres of Excellence programme has increasingly taken a bottom-up, needs-based approach that promotes cooperation with the partner countries. The review found that it would benefit from deeper and more systematic coordination with similar programmes implemented by EU Member States, other States (USA, Japan), and International Organisations and other related bodies. There are, on the other hand, good examples for effective operational-level coordination, including through working groups in areas of security which can be further supported by other financial instruments within or outside the EU.

Information about forthcoming implementation (2017/2018)**FPI:**

As measures under the first objective are non-programmable and respond to international developments and crises, it is not possible to outline future implementation measures.

In relation to the second objective, the following 7 outputs and policy results can be expected in 2017:

- Continuing support to in-country civil society actors in conflict prevention, peace-building and crisis preparedness will continue in conflict-affected or post-conflict countries and regions (the indicative regions/countries are West Africa, Lake Tchad, Central African Republic, Zimbabwe, Madagascar and Central Asia). This support will be in addition to the 40 countries already within its scope on the basis of earlier IfS/IcSP funding in the period 2010-2016. The thematic scope of support in 2017 will be: preventing violent extremism, strengthening the engagement of civil society organisations in the security sector and preventing electoral violence.
- Continuing support to Recovery and Peace Building Assessment (RPBA) and Post-Disaster Needs assessment (PDNA). This action aims to strengthen third countries' capacity to carry out RPBA and PDNAs, through provision of technical expertise, deployment of experts, provision of training and capacity building activities to national authorities and regional/international organizations;
- Continuing investment in facilitating EU support to third parties engaged in inclusive peace mediation and dialogue processes at the international, regional or local levels - with a view to contributing to conflict prevention and resolution - will allow to extend the reach and quality of EU global engagement on mediation;
- A new measure to prevent violent extremism with a gender sensitive approach. This action will have a research component, in order to analyze women's role in violent extremism and radical group activities and an action component to support women and women's organizations to prevent violent extremism;

⁴ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014

- A new measure to facilitate expertise in the justice and transitional justice sectors will support and sustain relevant initiatives in third countries during conflict, post-conflict and transition periods through provision of short-term policy and technical support particularly in the areas of constitution-making, formal and community-based transitional justice processes;
- A new measure to strengthen education capacities for conflict prevention and crisis preparedness, through the support to key national and international actors to plan and manage the education sector through a conflict-sensitive approach. The project will provide conflict-sensitive training, country-level capacity development, research, analysis and policy advocacy;
- A new measure to curb use of natural resources to finance conflicts and to support compliance by stakeholders with initiatives such as the Kimberley Process Certification Scheme. The action will focus on some conflict and high-risk countries in West and Central Africa promoting responsible sourcing and trading of gold and diamonds

DG DEVCO:

In relation to the third objective, the following outputs and policy results can be expected in 2017: Implementation of a new Climate Change project has started in March 2017. The action seeks to address global and trans-regional effects of climate change that may have a potentially destabilising impact in fragile states through strengthening national and community-level capacity and resilience with regard to climate change-related security risks in two target countries, as a means of demonstrating proof of concept that can then be replicated and up-scaled in a greater number of fragile states.

Continued support to partner countries in the areas of Counter Terrorism, Countering Violent Extremism, and Countering the Financing of Terrorism. Projects will utilise techniques such as capacity building of relevant authorities to ensure that development can occur in a secure environment.

Continuing funding for disrupting the illegal networks that are disseminating drugs and other illicit products and facilitating the filling of the gaps in the programme that has so far had remarkable achievements, through activities at airports in Africa, Latin America and the Caribbean. Promoting evidence-based strategic capacity building and information sharing in the fight against organised crime and the smuggling of migrants, at the same time contributing to strengthening the internal-external security nexus in support of the European Agenda on Security, the European Agenda on Migration and the EU Action Plan against migrant smuggling.

With regard to the protection of critical infrastructure, support on cyber security capacity building and cooperation will continue by supporting the adoption and implementation of a comprehensive set of policy, organisational and technical measures. This aims at contributing to enhancing the security and resilience of critical information infrastructure and networks in third countries, as well as addressing the vulnerabilities in ICT infrastructure to allow for the reaping of the benefits of the internet on human development.

In the field of CBRN risk mitigation, strengthening national and regional CBRN governance and promoting a culture of CBRN safety internationally will continue. With the EU CBRN Risk Mitigation Centres of Excellence initiative –security platforms– having reached a stage of maturity in 2016, further efforts will concentrate inter alia on developing its sustainability and involving existing local expertise and experts, as well as on enhancing the role of EU delegations. The access to top decision makers in partner countries will increase through the reinforcement of the technical excellence and representativity of the national inter-ministerial CBRN teams.

The EU CBRN CoE network will also extend its activities to new domains such as explosives, cybersecurity, fight against organised crime but still in a bottom up approach driven by the partner countries.

Efforts will also be made to orient the CoE activities towards testing and feasibility studies for larger DCI funded actions.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace	2014 - 2020	2 338,7

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	9,1	8,8	8,9	9,2	10,1	10,5	10,7	67,3
Operational appropriations	267,7	321,6	335,9	264,1	359,9	366,2	383,1	2 298,5
Total	276,8	330,4	344,8	273,3	370,0	376,7	393,8	2 365,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	349,474	98,67 %	281,040	96,23 %	277,642	10,53 %	256,536	20,32 %
Authorised appropriation excluding external earmarked revenue	348,916	99,27 %	280,019	95,73 %	277,084	11,37 %	255,738	20,15 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Treaty on the European Union, under Article 21, has defined common overarching principles and objectives for the Union's external action, such as to: "preserve peace, prevent conflicts and strengthen international security". Responding to this particular challenge requires a collective effort based on strong partnerships with other States, civil society actors, multilateral and regional partners. As a global player, the EU has credibility and a perception of neutrality that provides a competitive advantage to intervene in many conflict areas to avoid escalation or to offer assistance in preventing conflicts. A greater impact is achieved when the response is provided at EU level, as combined efforts provide increased leverage over authorities and international partners. Crisis response actions at EU level increase the coherence of response and aid efficiency while peace-building actions create openings for structural and thematic engagement with Member States and civil society. Synergies and cooperation are increasingly needed at international level, as EU Member States and international donors are facing similar problems in terms of scarce resources. In this regard, it should be noted that a very limited number of EU Member States operate a crisis response or peace-building facility comparable in scope to the Instrument contributing to Stability and Peace.

Contribution to Europe 2020 headline targets

The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Specific objective: Addressing global and trans-regional effects of climate change having a potentially destabilising impact.	5,5*	0

* The total amount for 2014-2017 constitutes 4% of Article 5 (Assistance in addressing global and trans-regional threats and emerging threats, Budget line: 210501 – Global, trans-regional and emerging threats) of the Instrument contributing to Stability and Peace, as per the MIP adopted for the programming period 2014-2017, and is planned for commitment in 2017.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
0	5	0	5,5	0	8,5	0	19

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

Gender is a key cross-cutting issue for the IcSP: it is integrated into all actions, both non-programmable crisis response measures under Article 3 and programmable actions on conflict prevention, peace-building and crisis preparedness and in addressing global and trans-regional threats under Articles 4 and 5, respectively. Due attention is paid to the relevant provisions of the legal basis particularly those related to combating gender-based violence and promoting the participation of women in peace-building. In this regard, key priority is given to ensuring that all actions contribute to delivering on EU commitments on Women, Peace and Security (WPS) based on the Comprehensive EU Approach to the Implementation of UNSCR 1325 and 1820 on WPS (2008).

To this end, the IcSP Gender Facility supported and strengthened the capacity of staff at Headquarters and in Delegations to mainstream gender more systematically and to address Women, Peace and Security (WPS) issues more efficiently in all IcSP actions. Services delivered included ad hoc guidance and technical assistance to improve project design, conduct of baseline studies for particular sectors or geographic regions to improve project effectiveness. Throughout 2016, FPI used the Gender Facility to support Headquarter and Delegation staff to mainstream gender more systematically when designing Article 3 and Article 4 projects and programmes. It was used to identify where gender aspects could be reinforced in project design for example in developing a "Regional Approach to the Kimberley Process" in the Mano River Union (AAP 2015 Article 4) or under an Article 3 project "Border and Security management in Tunisia's southern borders" and to provide food for thought as to how some gender concepts or aspects can be practically translated into programming. A new contract in 2017 will take into account the implementation of the Commission's Gender Action Plan 2016-2020.

In 2016, 51% of contracted actions reported a G-Marker 1, 3% reported a G-Marker 2 and the remaining 46% reported a G-Marker 0.

This data is provided in line with Objective 5.3.2 of the EU Gender Action Plan 2016-20⁵.

4. Performance information

General objectives

General Objective 1: To provide direct support for the Union's external policies by increasing the efficiency and coherence of the Union's actions in the areas of conflict prevention, crisis preparedness and crisis response and peace-building, and in addressing global and transregional threats.

Indicator 1: Number of conflicts worldwide*

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
				Total: 402			
	Actual results						
Total: 405 - 44 highly violent conflicts (level 5: 19 wars and level 4: 25 limited wars); - 177 violent conflicts (level 3); - 184 non-violent conflicts (level 2: 85 non-violent crisis and level 1: 99 disputes)	Total: 424 - 46 highly violent conflicts (level 5: 21 wars and level 4: 25 limited wars); - 177 violent conflicts (level 3) - 201 non-violent conflicts (level 2: 89 non-violent crises and level 1: 112 disputes)	Total: 409 - 43 highly violent conflicts (level 5: 19 wars and level 4: 24 limited wars) - 180 violent conflicts (level 3) - 186 non-violent conflicts (level 2: 89 non-violent crises and level 1: 97 disputes)	Total: 402 - 38 highly violent conflicts (level 5: 18 wars and level 4: 20 limited wars) - 188 violent conflicts (level 3) - 176 non-violent conflicts (level 2: 78 non-violent crises and level 1: 98 disputes)				Total: 399

*Source: Conflict Barometer published annually by the Heidelberg Institute for International Conflict Research; <http://hiik.de/en/index.html>

Note: This indicator is used on a trial basis and will need to be evaluated over a longer time period whether it is appropriate for the assessment of the EU's impact on global crises.

The indicator is based on the "Conflict Barometer" of the Heidelberg Institute for International Conflict Research (HIK) which measures the number of crises in the world and quantifies crises by intensity of conflict as: wars (level 5); limited wars (level 4); violent crises (level 3); non-violent crises (level 2); disputes (level 1).

The indicator has the merit of establishing a global picture of the situation annually, thus making it possible to track conflicts over time based upon empirical evidence. However, it is difficult to establish a direct link between CFSP or IcSP interventions and any particular outcome as regards the overall global level of conflict or in relation to the country/region concerned by the intervention. For example, IcSP responses often require a collective effort based on partnerships with other donors, civil society actors, multilateral and regional partners.

Moreover, the EU does not intervene in all conflicts and therefore no correlation can be established between IcSP interventions and the number of conflicts. The evolution of a specific conflict, as measured by the Conflict Barometer in terms of intensity, depends on factors which go beyond the results and the scope of a specific EU intervention. These interventions have to be seen as a contribution to the ultimate goal of either a de-escalation of a conflict or avoiding its escalation, in light of the EU's comprehensive approach and the efforts of the international community.

Nonetheless, this is a useful indicator of the EU's global impact as a stabilising force. As a global player, the EU often has certain credibility and is perceived as a more neutral actor, lending it a comparative advantage when intervening in many conflicts to offer

⁵ Transforming the Lives of Girls and Women through EU External Relations, 2016-20 – SWD(2015) 182 final of 21/09/2015

assistance in preventing conflict or avoiding escalation. Thus, an impact can be achieved when a response is provided at EU level, as a combined effort provides increased leverage over local authorities and international partners.

2016 is the second consecutive year when the worldwide insecurity shifted from an increasing trend to a slight decrease in total worldwide conflicts as measured by the Barometer.

Situation in 2012 (total 405):

1. 44 highly violent conflicts (level 5: 19 wars and level 4: 25 limited wars)
2. 177 violent conflicts (level 3)
3. 184 non-violent conflicts (level 2: 85 non-violent crises and level 1: 99 disputes)

Situation in 2014 (total 424):

1. 46 highly violent conflicts (level 5: 21 wars and level 4: 25 limited wars)
2. 177 violent conflicts (level 3)
3. 201 non-violent conflicts (level 2: 89 non-violent crises and level 1: 112 disputes)

Situation in 2015 (total 409):

1. 43 highly violent conflicts (level 5: 19 wars and level 4: 24 limited wars)
2. 180 violent conflicts (level 3)
3. 186 non-violent conflicts (level 2: 89 non-violent crises and level 1: 97 disputes)

Situation in 2016: (total 402):

1. 38 highly violent conflicts (level 5: 18 wars and level 4: 20 limited wars)
2. 188 violent conflicts (level 3)
3. 176 non-violent conflicts (level 2: 78 non-violent crises and level 1: 98 disputes)

Specific objectives

Specific Objective 1: In a situation of crisis or emerging crisis, to swiftly contribute to stability by providing an effective response designed to help preserve, establish or re-establish the conditions essential to the proper implementation of the Union's external policies and actions in accordance with Article 21 TEU.

Indicator 1: Percentage of projects adopted within 3 months of a crisis context (date of presentation to PSC).							
Baseline 2012*	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
2011-2013 69 %				70 %			75 %
	Actual results						
	68 %	64 %	61%				

*The indicator measures swift mobilization of resources to implement projects for short-term crisis response and conflict prevention where other financial instruments are not available and/or where the IcSP needs to contribute to a comprehensive response.

The total number of actions under this objective adopted in 2011 was 47 of which 26 were adopted (COM Decision) within 3 months of a crisis context (presentation to PSC), a percentage rate of 57%. The number of actions adopted in 2012 was 37 of which 29 were adopted (COM Decision) within 3 months of a crisis context, a percentage rate of 78%. In 2013, the percentage rate was 72%. Therefore, the average percentage rate for the three year baseline period amounts to 69 %. The objective is to reach a percentage rate of 75 % by 2020.

In 2014 of the 30 projects adopted, 28 responded to situations of crisis or emerging crisis, whereas 2 related to situations adopted via Comitology as Interim Response Programmes in line with Article 7 (6) of the IcSP Regulation. 68% were adopted within 3 months of a crisis context.

In 2015, of the 44 projects adopted 41 respond to situations of crisis or emerging crisis whereas 3 relate to protracted conflict situations adopted via Comitology as Interim Response Programmes in line with Article 7 (6) of the IcSP Regulation. 64% of IcSP actions were adopted within 3 months of a crisis context.

In 2016, of the 39 projects adopted 36 respond to situations of crisis or emerging crisis whereas 3 relate to protracted conflict situations adopted via Comitology as Interim Response Programmes in line with Article 7 (6) of the IcSP Regulation. 61% of IcSP actions were adopted within 3 months of a crisis context against an annual target of 65 %..The use of Interim Response Programmes (requiring Comitology) to respond to protracted crises globally, particularly in regions of key EU political interest (Ukraine, Libya and Bosnia and Herzegovina) alongside the need to better schedule measures in the context of contributing to comprehensive EU responses can account for the decrease in the performance indicator. In addition, in 2016, several actions had to be cancelled (Burundi, Republic of Congo) due to conditions no longer allowing them to proceed. Others needed to be delayed due

to uncertainties in the implementing environment and political constraints (Guatemala/Belize, Colombia, Kenya, Libya). Finally, the number of actions being launched is significantly higher than measured during the baseline year (2013) while the number of staff has been reduced when compared to the baseline year.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of estimated response actions in situations of crisis or emerging crisis.	19 02 01	32	233,6

The IcSP component “crisis response” is not programmable. However, based on previous IfS experience, some 32 response actions are launched per year. The financing will remain flat over the period 2014-2020.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of estimated response actions in situations of crisis or emerging crisis (projects launched)	F	32	32	32	32	32	32	32
	P	30	44	39				

The IcSP component “crisis response” is not programmable. However, based on previous IfS experience, some 32 response actions are launched per year. The financing will remain flat over the period 2014-2020.

Specific Objective 2: To contribute to the prevention of conflicts and to ensuring capacity and preparedness to address pre- and post-crisis situations and build peace.

Indicator 1: Number of processes and entities with strengthened capacity attributable to IcSP funding							
Baseline 2012*	Milestones foreseen						Target 2020
	2014**	2015	2016	2017	2018	2019	
Processes: 734 Entities: 449 Total: 1 183				Total: 1 200			Total: 1 500
	Actual results						
	Processes: 512 Entities: 861 Total: 1 373	Processes: 961 Entities: 454 Total: 1 415	Processes: 996 Entities: 468 Total: 1464				

*In 2012, the base line figure was 1183, composed respectively of 734 processes and 449 entities with strengthened capacity attributable to IFS funding in relation to a budget of EUR 22 million. In 2014, the figure was 1373, composed respectively of 512 processes and 861 entities with strengthened capacity attributable to IcSP funding in relation to a budget of EUR 24 million. In 2015, the figure rose to 1415, composed respectively of 961 processes and 454 entities in relation to a budget of EUR 19 million.

**Results stemming from the contracting of the year n-1 Annual Action Programme.

The indicator measures the strengthened capacity of EU and beneficiaries of EU assistance to prevent conflicts, address pre- and post-crisis situations and to build peace. It refers to the annual number of processes (for example: mediation processes, training and coaching) and entities (local communities, regional organisations, NGOs, technical bodies, media outlets) benefiting from strengthened capacity, attributable to IcSP funding in conflict prevention, crisis preparedness and peace-building through the so-called “Peace Building Partnership”.

In 2016, the figure rose to 1464, composed respectively of 996 processes and 468 entities in relation to a budget of EUR 25 million.

Examples of processes include, among others, the organisation of coaching and capacity building for security forces participating in stabilisation missions, capacity building activities for the actors involved in the Kimberley process certification, data collection and advocacy events on violence against Women. It also includes training for civil society and other stakeholders in third countries on mediation and peacebuilding, reinsertion initiatives for youth from LRA (DRC), protection initiatives for child victims of violence (Colombia), inter-cultural and inter-religious dialogue (Kirghizstan), inter-community events (Bangladesh).

The entities covered *inter alia* civil society and community-based organizations, regional and technical organizations, private sector operators, traditional as well local and government authorities.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of actions launched under the Annual Action Programme.	19 02 02	5	31,0

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of actions launched under the Annual Action Programme.	F	5	5	5	5	5	5	5
	P	5	7	7				

Specific Objective 3: To address specific global and trans-regional threats to peace, international security and stability.

Indicator 1: EU contribution towards tackling global and transregional threats, measured as :

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Global and trans-regional threats							
1.1. Risk Mitigation: Number of former weapon scientists talents redirected to peaceful activities (Moscow and Kiev): 18.000**	Actual results						18.600
	18.150	18.300	18.500				
1.2. Strengthening capabilities against biological threats: Number of facilities upgraded to international standard level: 2	Actual results						12
	5	8	8				
1.3. Regional centres of excellence: Number of partner countries benefitting from the assistance of the EC acting in multilateral framework: 15	Actual results						70
	45	52	55				
1.4. Countering Terrorism: Number of partner countries covered by the countering terrorism activities financed by the EU: 8	Actual results						20
	12	12	12				
1.5. Fighting organised crime: Number of major drug smuggling routes tackled by activities supported by the EU: 2	Actual results						2
	2	2	2				
1.6. Protecting critical infrastructure: The number of countries covered by protection of critical infrastructure activities: 4	Actual results						14
	11	14	14				

* Cumulative

** Including TACIS period (from1994)

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Number of countries involved /projects covered in the chemical, biological, radiological and nuclear (CBRN) Centres of Excellence initiative	21 05 01	57	23
2. Number of countries/regional organisations covered by critical infrastructure activities	21 05 01	14	9
3. Number of major drug smuggling routes covered by the organised crime activities	21 05 01	2	10,4
4. Number of countries covered by counter terrorism activities	21 05 01	16	21
5. Climate change project	21 05 01		
6. Export Support Facility project	21 05 01	10	2,5
Total			65,90

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Number of countries/projects involved in the Centres of Excellence initiative	F	40/40	45/48	50/51	50/55	57/57	59/60	60/60
	P	48/42	52/53	56/60				
2. Number of countries/regional organisations covered by critical infrastructure activities	F	10	12	14	14	14	14	14
	P	11	12	14				
3. Number of major drug smuggling routes covered by the organised crime activities	F	2	2	2	2	2	2	2
	P	2	2	2				

4. Number of countries covered by counter terrorism activities	F	12	14	16	16	16	16	16
	P	12	14	12				
5. Climate change projects	F	0	2	5	5	6	7	8
	P	0	0	1				
6. Export Support Facility projects	F	6	10	10	10	10	10	10
	P	6	10	10				

5. Programme contribution to the Sustainable Development Goals

IcSP contributes to the achievement of gender equality and the empowerment of women and girls under SDG 5 as well as contributing to the promotion of peaceful and inclusive societies for sustainable development and to providing access to justice for all and to build effective, accountable and inclusive institutions at all levels in line with SDG 16.

6. Programme related additional information

In July 2016, the Commission submitted to the Council a proposal amending Regulation (EU) No 230/2014 establishing an Instrument contributing to Stability and Peace (IcSP), known as the "CBSD proposal"⁶. It followed the commitment in the CWP 2016 to further develop instruments to enhance security and development in partner countries. It was also a response to the request of several EU Member States to act in that direction⁷. The proposal forms part of a broader package that covers elements for an EU-wide strategic framework to support Security Sector Reform (SSR)⁸.

The purpose of the proposal is to extend the Union's assistance under the IcSP by allowing for the financing of measures in support of capacity building for security and development (CBSD) of military actors in partner countries in exceptional circumstances, i.e: where the establishment of peace and security – the conditions necessary for development – is not possible without military partners, and where there is a consensus with the partner country that this is the right approach.

The Council's adopted on 7 December 2016 a mandate for negotiations with the European Parliament. Deliberations at the European parliament will start in March 2017 with a view to a vote in plenary in September 2017 and trilogues thereafter.

The IcSP financial envelope would be increased, over the period (from the adoption of the instrument and until 2020), by EUR 100 million to implement the new type of assistance measures. The EUR 100 million exclusively earmarked for new measures would draw funds from the margin in Heading 4 and three instruments (CFSP, ENI, DCI).

Pending the adoption of the Commission's proposal, an amount of EUR 20.4 million for Article 3 measures and an amount of EUR 2.7 million for Article 4 measures have been placed in reserve under the 2018 DB.

In addition to the indicators given above under Section 4, the provisional indicator to be used for CBSD measures would be the level of human security (freedom from fear) of people living in fragile states or in crisis-prone or post-conflict areas as measured by the UNDP Human Security Index (HSI) or other cognate indicators from the Global Peace Index (GPI).

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

⁶ COM (2016) 447 final

⁷ Implementation of the CBSD initiative “, Food For Thought Paper by Belgium, the Czech Republic, Finland, France, Germany, Italy, Luxemburg, the Netherlands, Portugal and Spain (Brussels, 15 April 2016).

⁸ JOIN(2016) 31 final

HEADING 4: Global Europe**Humanitarian aid**

Lead DG: ECHO

I. Programme Update**Implementation Status (2014/2016)**

The implementation of the programme for humanitarian assistance is on track.

The annual working programme – called "General Guidelines for Operational Priorities for Humanitarian Aid (GGOPHA)¹" – establishes priorities on the basis of the assessment of foreseen Humanitarian Aid needs. The working programme provides sufficient flexibility to adapt priorities to new crises and evolving Humanitarian Aid needs. For instance, between 15 and 20 % of the budget is set aside as operational reserve for unforeseen needs.

Key achievements

As the world's largest humanitarian aid donor, the EU plays a central role in tackling the humanitarian challenges. In 2016, the European Commission provided EUR 1,6 billion in aid to the most vulnerable across more than 80 countries, reaching over 140 million beneficiaries.

In 2016, more than 50 % of the Humanitarian budget went to most vulnerable countries² and an additional 17 % was allocated to forgotten crises (crises with little media attention and poor coverage). 72 % of the contracts were issued within very short deadlines (11 days). In addition, the Commission is committed to build capacity and resilience of vulnerable communities and has put in place a resilience action plan for which 80 % of actions are on target.

In 2017, DG ECHO, through the Humanitarian Aid programme, will maintain its commitment to rapid and needs-based assistance with over 58% of the initial budget allocated to crises in most vulnerable countries and 15,8% to forgotten crises. The programme will also continue to support vulnerable countries in establishing resilience priorities. The aim is for at least 20 countries to have country resilience priorities in place by 2020.

Concrete examples of programme success stories / generated EU added value are:

- The "Whole of Syria" approach is built on a four-pillar strategy, which includes negotiated access, emergency response, protection, accountability and support to partnerships. Inside Syria, the EU humanitarian assistance continued to responding in a principled manner to the needs of most vulnerable Syrians throughout the country, working from all humanitarian hubs, including across conflict lines and across international border crossings. This assistance contributed to the vital delivery of food, medicine, water, shelter items for millions of Syrians directly affected and/or internally displaced by the conflict; on 2 October 2016, the HR/VP Mogherini and Commissioner Stylianides launched the Humanitarian Initiative for Aleppo to ensure minimum conditions for humanitarian access and for the security and safety for medical staff and humanitarian workers. The Commission/DG ECHO remained directly involved in international diplomatic initiatives (e.g. the London pledging conference, and the important Humanitarian Task Force of the international Syria Support Group in Geneva) and other advocacy efforts to promote the respect of basic humanitarian principles and respect of International Humanitarian Law. In neighbouring Lebanon, EU humanitarian funding has contributed to cash assistance for most vulnerable refugees, secondary healthcare for lifesaving cases, non-formal education and shelter -including water, hygiene and sanitation- to improve the living conditions of the vulnerable families mostly affected by the displacement. In Jordan and Turkey, the European Commission supports the most vulnerable refugees inter alia through cash assistance as this is considered the most cost-efficient and dignified method. The Commission/DG ECHO contributed to the renewed Partnership Programmes ("compacts") with these countries.
- The armed conflict in South Sudan since December 2013 has left thousands dead and over 2.7 million uprooted from their homes, including a million who have sought refuge in neighbouring countries. Fleeing to safety from the areas of armed violence, people abandon their livelihoods and become extremely vulnerable. South Sudan also hosts refugees from neighbouring Sudan, Democratic Republic of Congo, Ethiopia and the Central African Republic. DG ECHO's humanitarian experts are permanently based in the country. They work closely with partner relief organisations, monitor the situation and ensure the efficient use of EU funds. In 2016 alone, the Humanitarian Aid programme provided EUR 143.2 million in support of more than 25 humanitarian partner organisations on the ground. DG ECHO's humanitarian partners in South Sudan include UN agencies, as well as non-governmental and international organisations.

The Commission also takes the role of a reference donor, basing its actions on the humanitarian principles, informed assessments, and promoting a non-political approach to humanitarian assistance by participating in well-established fora such as the Good

¹ SWD(2015)267 of 26/11/2015

² based on the Index for Risk Management (INFORM), a tool for the comparative analysis of countries to identify their level of risk to humanitarian crisis and disaster

Humanitarian Donorship the UN Economic and Social Group, the OCHA Donor Support Group and holding strategic dialogues with its partners as major Humanitarian actors.

The principled and needs based approach includes addressing ‘forgotten crises’, where The Commission / DG ECHO was present in every humanitarian situation in 2014/16 with a variety of adapted funding tools. In larger crises the Commission consistently advocated responding to situations where other donors were not present and often played the role of coordinator and catalyst.

Furthermore, the Commissions strong field presence allows for a comprehensive understanding of the complex needs on the ground, and its neutrality provides greater flexibility and power to act on behalf of the most vulnerable. The Commission is valued by other donors for its technical know-how and capacity for coordination.

Complementary to humanitarian assistance, the Union's civil protection operations offer immediate support with expert teams, rescue equipment, and real-time monitoring.

Indeed, this complementarity has become effective with the establishment of the Emergency Response Coordination Centre (ERCC), a Commission's flagship initiative. It aims at immediate, coordinated and pre-planned live-saving EU response during an emergency. Complementing its primary tasks in supporting and facilitating civil protection and humanitarian aid operations, the ERCC serves as the crisis management coordination platform for the whole Commission and for the Solidarity Clause invocations at the heart of the EU's emergency management architecture. The setup of one common emergency centre (ERCC) provides a unique opportunity for further efficiency gains, enhanced effectiveness and good use of scarce budget resources. Good examples of successful coordination are the EU response to the Ebola epidemic and to the floods in Western Balkans.

Evaluation/Studies Conducted

The duration of the Humanitarian Aid Regulation (Council Regulation (EC) No 1257/96) is not limited to the duration of one Multi-annual Financial Framework. Evaluations could thus cover parts of two different MFF cycles. In addition, because of the ‘continuous’ nature of humanitarian operations, it is deemed that evaluation results have a validity for the medium term (3-5 years) – unless actions have been substantially modified– which also provides a basis for Commission’s evaluation strategy, by which basically all humanitarian interventions are evaluated over a five-year period. Accordingly, the evaluations presented below are considered – to a certain extent – relevant also for the period of 2015–2016. To be added is that it is not feasible to have evaluation results referring to a specific year available already at the end of the same year.

The following evaluations were finalised in 2015 and 2016:

- Evaluation of the Approach to Communication under the Humanitarian Implementation Plans (HIP)
- Actions in Coastal West Africa, 2008-2014
- The Sahel Strategy, 2010-2014
- The Syrian Crisis, 2012-2014
- Pakistan, 2010-2014
- Evaluation of the use of different Transfer Modalities in Humanitarian Aid actions, 2011-2014
- Actions in the Field of Protection and Education of Children in Emergency and Crisis Situations, 2008-2015
- Building Resilience in the Latin American and Caribbean (LAC) region, 2012-2016
- Sudan and South Sudan, 2011-2015

Evaluations are published on: http://ec.europa.eu/echo/funding-evaluations/evaluations_en

Forthcoming implementation (2017/2018)

Activities are planned annually on the basis of the outcome of needs assessment exercises conducted every year. For 2017/2018, the following activities/outputs are planned:

- 100% of humanitarian aid budget implemented is needs-based;
- >15% initial planned budget is spent in forgotten crises;
- At least 6% of initial adopted budget allocated to Education in Emergencies;
- 35% of aid provided through cash transfers modalities;
- Humanitarian aid is delivered rapidly, for instance, contracts are issued within very fast set targets (11 days).

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	
Regulation No 1257/96, Regulation concerning humanitarian aid	

	Financial Programming (EUR million)							
	2014	2015*	2016*	2017	DB2018	2019	2020	Total Programme
Administrative support	9,0	9,1	8,8	9,2	9,4	9,6	9,8	64,9
Operational appropriations	1 072,7	1 087,8	1 375,3	936,2	1 076,0	969,1	971,6	7 488,7
Total	1 081,7	1 096,9	1 384,1	945,4	1 085,4	978,7	981,4	7 553,6

*In addition, an amount of EUR 198,9 million has been transferred from the Emergency Aid Reserve (EAR) to Humanitarian Aid (HUMA) in 2015 and EUR 219,4 million in 2016, corresponding to appropriations carried over from years 2014 and 2015, respectively.

2. Implementation rates

	2016*				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	2 633,028	81,77 %	2 195,090	88,11 %	1 833,057	58,33 %	1 464,254	21,27 %
Authorised appropriation excluding external earmarked revenue	1 415,368	115,47 %	1 670,420	94,12 %	983,862	89,11 %	1 260,350	20,07 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The aim of the humanitarian aid policy as defined in article 214 of the Treaty on the Functioning of the European Union and the Council Regulation 1297/96 is to provide ad hoc assistance, relief and protection to people in third countries who are victims of natural or man-made disasters, in order to meet the humanitarian needs resulting from these situations.

Over the years, the EU has acquired high levels of recognition as a reference donor and important contributor to humanitarian action. The EU leads the way in ensuring that humanitarian aid allocations are needs based and that no humanitarian crisis is overlooked in the international humanitarian response. Because of the financial weight of its humanitarian actions, the EU is also in a unique position to be able to encourage other humanitarian donors to implement effective and principled humanitarian aid strategies and has a comparative advantage in being able to intervene in politically sensitive situations more flexibly.

Furthermore, the EU is well positioned to rapidly complement as required EU Member States' bilateral contributions in response to crises. A share of the annual EU humanitarian aid budget is pre-allocated to on-going crises (in some cases, the Commission being the only donor, namely in "forgotten crisis") and for prevention/preparedness measures, while the rest is deployed to respond to new crises or deterioration of existing ones.

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Disaster preparedness activities funded through the Humanitarian Aid budget (budget line 23 02 02) aim to increase the resilience of local communities to withstand climate related disasters	43,1	50

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
36,2	37,3	37,9	43,1	50	51	52,02	307,52

In addition, funds for humanitarian operations through budget line 23 02 01 are also mainstreamed for DRR.

Gender mainstreaming

In its commitment to quality programming, DG ECHO has developed several assessment parameters, one of them being the Gender-Age Marker. DG ECHO is fully committed to ensuring that its humanitarian aid takes into account the different needs and capacities of women and men of all ages. The Gender-Age Marker is a tool that assesses to what extent humanitarian actions integrates gender and age considerations. The Gender-Age Marker uses a set of four criteria to assess how strongly humanitarian actions are adapted to and integrate gender and age considerations. Given that the Gender-Age Marker represents a new generation of assessment tools and strengthening the integration of gender and age concerns is an organizational change process for partners that can take time, DG ECHO aims for 37% of its funded operations to have a Gender-Age marker of 2 (meets all four criteria) by 2018 and 50% by 2020. In 2014, the result was 16% (EUR 234,5 million). To achieve this, in the coming years, DG ECHO will continue the targeted training of implementing partners, as well as the dissemination and further development of guidance and toolkits on the gender-age cross-cutting issues. The development of operational best practices will continue to be based on operational experience. Systematic monitoring of operational guidance implementation via feedback loops will be ensured.

4. Performance information

General objectives

General Objective 1: The aim of the humanitarian aid policy as defined in article 214 of the Treaty on the Functioning of the European Union and the Council Regulation 1297/96 is to provide ad hoc assistance and relief and protection for people in third countries who are victims of natural or man-made disasters, in order to meet the humanitarian needs resulting from these different situations.

Indicator 1: Number of deaths due to natural disasters (Source: As recorded in the EM-DAT database)							
Baseline Annual average 2010-2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
98 689	≤ 100 000	≤ 100 000	≤ 100 000	≤ 100 000	≤ 100 000	≤ 100 000	≤ 100 000
	Actual results						
	20 882	23 834	7 625				

The number of deaths in 2016 due to natural disasters was 7,625. This is considerably lower than in 2015 and reflects a year of relatively few extreme events and the receding influence of El Nino, which was a strong factor in 2015 (NB: the numbers for 2014 and 2015 have both been revised upwards since the last management plan was published). All geographical Humanitarian Aid evaluations address this General Objective by assessing the contribution of EU humanitarian aid to improving the situation of crisis affected people. Nevertheless, the reduction in 2016 compared to the 2010-2012 average cannot be attributed to EU humanitarian and civil protection assistance only. There remain many significant external factors such as political and economic stability and the number and scale of disasters, which affect the annual number of those who lost their lives as a result of a natural disaster.

Global indicators for measuring progress on implementing the Sendai Framework for Disaster Risk Reduction were adopted by the UN in February 2017. DG ECHO will revise this indicator to bring it in line with the new indicator on disaster mortality

Indicator 2: Number of countries ranked very high risk to disasters in the INFORM Index (Source: INFORM)*

The index for Risk Management - INFORM is a global, open-source risk assessment for humanitarian crises and disasters. INFORM is a collaboration of the Inter-Agency Standing Committee Task Team for Preparedness and Resilience and the European Commission, developed in a partnership of 23 international and civil society organisations and governments. INFORM simplifies a lot of information about risk into a risk profile for every country, by assessing natural and human hazards and exposure, vulnerability and lack of coping capacity. INFORM categorises countries in 5 risk clusters: very high, high, medium, low and no risk. More on: www.inform-index.org.

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
12	≤ 11	≤ 11	≤ 14	≤ 14	≤ 13	≤ 13	≤ 12
	Actual results						
	13	13	13	14			

The INFORM partners work annually to improve the transparency and reliability of the INFORM index for users. This includes improvements in data, indicators and methodological approaches. In 2016, the INFORM introduced 5 risk assessment clusters (previously 4). These are very high, high, medium, low risk and no risk clusters. Moreover, for the 2017 Results, additional improvements have been made:

- A measure of reliability is now displayed for each country. It is presented as a Reliability Index on a scale from 0-10 and takes into account missing data, out of date data, and conflict status.
- “Maternal mortality ratio” has been added as a new indicator in the “Access to Health System” component of the "Lack of coping capacity" dimension.
- The Global Conflict Risk Index, which is used in the "Projected Conflict Risk" component of INFORM, has been significantly improved.
- The exposure layer used for Natural Hazards has been changed from LandScan to the Global Human Settlements Layer Population Grid by the Commission's Joint Research Centre.

These improvements and in particular the use of more reliable statistical cluster analysis to identify risk categories, have had an impact on the total number of countries that fall in the category of very high risk. INFORM results were calculated retroactively for the 2014 – 2016 period and the foreseen milestones of this specific objective were adjusted accordingly for 2016, 2017, 2018, 2019 and 2020. Also, the 'actual results' were adapted to the new methodological approach and they are presented in the table for the 2014 – 2017 period.

We can observe an increase of the number of countries exposed to very high risk from humanitarian crises and disasters that could overwhelm national response capacity from 13 in 2016 to 14 in 2017. This slight deterioration of the global overall INFORM's risk assessment can be contributed to several countries' increase of natural and human hazards and exposure. For example, this is the case for Haiti due to its experience of Category 4 Hurricane (Matthew) in October 2016.

Also, while looking at the results, we should consider the overall impact that global trends, including population growth, unsustainable urbanisation and poor land management, ecosystem degradation and in particular climate change, have had on the increase in the frequency, intensity and impact of disasters over the last years (in particular in 2016, as the warmest year globally in the modern temperature record). Improvements in disaster risk management have led to reductions in the number of lives lost in some countries. However, millions of people remain affected by conflict and disasters every year - this aspect is directly reflected in the INFORM assessment of countries' future risks.

Specific objectives

Specific Objective 1: Provide needs based delivery of EU assistance to people faced with natural and manmade disasters and protracted crises.

Indicator 1: % of non-emergency agreements signed in maximum 11 working days

Baseline 2015	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
77%			≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	Actual results						
		77 %	72 %				

This indicator evaluates current procedures for non-emergency proposals, since the use of primary emergency decisions is very rare (none in 2015) and the process for emergency decisions has been modified (possibility of accelerated process through the Worldwide Decision, hence without the need to have an ad-hoc decision).

Indicator 2: Total number of beneficiaries of Commission's interventions (Source: Hope database)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
106 million beneficiaries for a budget of 1,277 billion => 72,4 million when prorating to 2014 HUMA budget of EUR 872 million	≥ 73 million	≥ 73 million	≥ 73 million	≥ 73 million	≥ 73 million	≥ 73 million	≥ 77 million
	Actual results						
	105 million	110 million	116,6 million				

The number of beneficiaries disclosed should be better viewed as a number of beneficiaries per million EUR spent in order to get a fair comparison basis.

The number of beneficiaries per EUR 1 million is decreasing since 2014 due to the negative effects of the inflation, EUR exchange rate and the current rising trend of prices of humanitarian items, mainly food.

In 2014, 105 million beneficiaries were reached for a total budget of around EUR 1,1 billion , i.e. 94 000 beneficiaries per EUR 1 million.

In 2015, 110 million beneficiaries were reached for a total budget of around EUR 1.4 billion, i.e. 77 000 beneficiaries per EUR 1 million.

In 2016, 116,6 million beneficiaries were reached for a total budget of around EUR 1.8 billion, i.e. 64 700 beneficiaries per EUR 1 million.

Indicator 3: % of HA funds spent in "very high risk to disaster" countries (Source: INFORM)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
50 %			≥ 53 %		≥ 55 %		≥ 56 %
	Actual results						
	51 %	52,5 %	53,37 %				

Indicator 4: % of projects in the health, nutrition, food, shelter and WASH sectors using standard output indicators ('Key Result Indicators')

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A - new		90 %		90 %	90 %		90 %
	Actual results						
	73 %	77 %	62 %				

The Key Result Indicators3 (KRI) are standardized metrics based on international good practice in the respective sector, its use can be interpreted as a proxy indicator for quality as good project indicators are crucial for good project management, monitoring and reporting which ultimately has a positive effect on project quality as a whole. DG ECHO has revised the KRI system in June 2016 in order to address a number of shortcomings, and simplify and increase the use of the standard indicators. Due to the transition from the old to the new system, KRI were used less than previously in 2016. However, the new system has partially automated the KRI system and thus ensures that these indicators are used for virtually all future humanitarian projects in key sectors of activity. Given past performance and current developments, the 2017 and 2018 milestones and the 2020 target have been slightly reduced to 90%.

³ List of KRIs available at <https://myintracomm.ec.europa.eu/echo/partners/fpa/Documents/EN.pdf>

Indicator 5: % of EU HA initial budget for specific crises spent in forgotten crises (Source –'Forgotten crises countries based on the Commission' Forgotten Crisis Assessment - as explained and described in the yearly Operational Priorities document of DG ECHO)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
15,6 %			≥ 18 %		≥ 19 %		≥ 20 %
	Actual results						
	16,5 %	16,7 %	17,2 %*				

In 2017, the calculation methodology has been modified. While the percentage of the budget allocated to forgotten crises was previously calculated as a proportion of the HA initial budget including the operational reserves, it is now compared to the HA initial budget excluding the operation reserves. This amendment is necessary given that, throughout the year, based on needs-assessments, the operational reserves can also be allocated to forgotten crises. Therefore the old method of calculation could potentially underestimate the percentage of the budget allocated to forgotten crises. The baseline and the actual results pre-2017 have been recalculated according to the new methodology.

* The 2016 result is explained by the change in priorities in the course of the year due to the Syria crisis, the Syria crisis having mobilised higher than expected amounts of funding.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018 EUR million
HA funds for specific crises in most vulnerable countries	23 02 01	564
HA funds for forgotten crises	23 02 01	161
HA funds for other crises	23 02 01	301
Total		1 026

Outputs		Funds foreseen (F) and funds allocated (P)						
		2014	2015	2016	2017	2018	2019	2020
HA funds for specific crises spend in most vulnerable countries (EUR million)*	F	≥ 481	≥ 450	≥ 467	≥ 476	≥ 501	≥ 511	≥ 522
	P	511	769	867,5				
HA funds for forgotten crises (initial HA budget – EUR million excluding reserve 20%)**	F	≥ 129	≥ 106	≥ 128	≥ 129	≥ 138	≥ 141	≥ 149
	P	127	118	115,7				

* The results produced are higher than the foreseen, because of several reinforcements made through the Emergency Aid Reserve and internal transfers (Global Transfer and Art. 26.2).

**The 2016 result is explained by the change in priorities in the course of the year due to the Syria crisis, the Syria crisis having mobilised higher than expected amounts of funding.

Specific Objective 2: Build the capacity and resilience of vulnerable or disaster affected communities.

Indicator 1: Number of persons benefiting from DIPECHO actions in disaster prone regions (Source: Hope database)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
18 million beneficiaries	≥18 million	≥18 million	≥18 million	≥18 million	≥18 million	≥18 million	≥19 million
	Actual results						
	16 million	24 million	24 million				

Indicator 2: No of vulnerable countries with country resilience priorities in place (Source: EU Del, MIPs, CSPs)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A New	3		10				20
	Actual results						
	7	9	11				

Indicator 3: % of actions 'on track' of Resilience Action Plan. (Source: Transition Interservice Working Group on Resilience)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A New	70 %		80 %				90 %
	Actual results						
	80 %	85 %	85 %				

Indicator 4: % of ECHO funded operations in which Disaster Risk Reduction has been mainstreamed (Source: ECHO DRR metrics – E-single form)*

*number of operations

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
40 %	≥ 45 %	≥ 45 %	≥ 45 %	≥ 45 %	≥ 45 %	≥ 45 %	≥ 50 %
	Actual results						
	48 %	43 %	57 %				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018 EUR million
DIPECHO	23 02 02	50*

*In addition, funds for humanitarian operations through budget line 23 02 01 are also mainstreamed for DRR

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Operational funds including a DRR component (in EUR million)*	F	n/a new	≥ 137	≥ 138	≥ 140	≥ 142	≥ 145	≥ 146
DIPECHO	P	36.2	37.3	37.9				
DRR mainstreamed in HA operations	P	85.8	104.7	137.1				
Total produced	P	122	142	175				

5. Programme contribution to the Sustainable Development Goals

Humanitarian aid aims to save and preserve lives and alleviate suffering. By catering for the needs of the most vulnerable, humanitarian aid also indirectly contributes to several SDGs, and to meeting the wider SDG pledge of "leaving no one behind". Specifically, the Humanitarian Aid programme contributes towards the achievement of the following Sustainable Development Goals.

SDG 1 – End poverty in all its forms everywhere

The provision of humanitarian aid to the most vulnerable, sometimes in the form of cash transfers for their basic needs, contributes to paving the way for national social safety nets and more structural poverty reduction national programmes.

SDG 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

The Humanitarian Aid programme will continue to provide life-saving food assistance to those facing food insecurity in humanitarian crises around the world, as well as preventing and reducing under-nutrition.

SDG 3 - Ensure healthy lives and promote well-being for all at all age

The Humanitarian Aid programme provides emergency health support to those in need during both natural and man-made humanitarian crises. The programme also supports emergency health response such as against epidemics. In protracted situations, humanitarian funding for health actions helps pave the way for more structural actions from development instruments and the strengthening of national capacities.

SDG 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Providing safe and quality education to the most vulnerable children affected by emergencies is a priority of the programme, with funding for EiE increasing yearly since 2012. At the same time, DG ECHO is a strong advocate for EiE on the international stage.

SDG 5 - Achieve gender equality and empower all women and girls

The Commission (DG ECHO) ensures that gender and age considerations are taken into account in all its humanitarian aid operations. To ensure an effective, quality response, humanitarian action should cater for the differentiated needs and capacities of women, girls, men and boys; and should contribute to the equality and empowerment of women and girls by promoting their adequate participation in the humanitarian response. Supporting the prevention and response to gender-based violence is considered as a life-saving humanitarian intervention and a priority.

SDG 6 - Ensure availability and sustainable management of water and sanitation for all.

The Commission (DG ECHO) provides water, sanitation and hygiene (WASH) support through its humanitarian aid operations to those in need during humanitarian crises and ensure that the most vulnerable have access to WASH.

SDG 13 - Take urgent action to combat climate change and its impacts

The Disaster Risk Reduction and Resilience actions, help local communities to be more resilient to shocks including those resulting from climate (such as the El Niño phenomenon) and to be better prepared in advance.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

In 2017, the Humanitarian Aid programme will continue to contribute to the following Trust Funds:

- The EU Regional Trust Fund in response to the Syrian Crisis, the 'Madad Fund', which primarily addresses longer-term resilience needs of Syrian refugees and IDPs in neighbouring countries, as well as supports host communities and their administrations. The planned contribution for 2017 amounts to EUR 3 million,
- The EU Emergency Trust Fund for Africa which assists a number of countries across Africa that are among the most fragile and affected by migration and draw the greatest benefit from this form of EU financial assistance. The planned contribution for 2017 amounts to EUR 10 million,
- The Bêkou Trust Fund which benefits the long-suffering population of the Central African Republic (CAR) and also contributes to reducing the fragility caused by this crisis in the wider region. The Bêkou Trust Fund links relief, rehabilitation and development which is essential in order to make a long-term difference in a fragile situation like the CAR crisis. The planned contribution for 2017 amounts to EUR 1 million.
- The EU Trust Fund in support of Colombia's post-conflict peace building efforts, the activities of which support the people in Colombia at the local level, with a focus on rural areas disproportionately affected by the conflict. The planned contribution for 2017 amounts to EUR 2 million.

7. Programme related additional information

Contribution to the Facility for Refugees in Turkey:

Budget Line	Budget 2016 (EUR million)		Budget 2017 (EUR million)
	Amount Committed	Amount Paid	
23 02 01	165	132	145

The amount paid in 2016 corresponds to the total pre-financing amount of the agreements signed in the same year.

- EUR 165 million (EU budget) committed for 2016 (including frontloading in 2015) under voted budget appropriations.
- EUR 1 090 million (external assigned appropriations coming from Member States' contributions) were made available in 2016 at DG HUMA budget line 23.0201.
- EUR 145 million (EU budget) is earmarked for the Facility in the 2017 budget on budget line 23.0201.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe

Common foreign and security policy (CFSP)

Lead DG: FPI

I. Programme Update

Implementation Status (2014/2016)

The European Union's (EU's) Common Foreign and Security Policy (CFSP), including the Common Security and Defence Policy (CSDP) which forms a part of the CFSP, aims to promote peace, security and progress in Europe and the World. The volatile nature of challenges to the strategic interests of the EU means that **many of the actions that the EU undertakes to implement the CFSP cannot be programmed in advance**. Rather, for the CFSP to be effective, the EU needs to be ready to react, rapidly and with determination, to respond to new emerging crises that threaten its strategic interests. Moreover, the actions undertaken to implement the CFSP need to be sufficiently flexible so that responses can be tailored at a moment notice to evolving situations such as the refugee crisis and the terrorist atrocities and on-going threats in EU Member States. Consequently, the majority of CFSP actions are initially implemented, at short notice, for short time periods and then are adapted, adjusted, re-sized and prolonged or terminated in accordance with the changing needs and priorities.

No new civilian CSDP missions were established in 2016 and, as in 2015, the activities of **11 civilian CSDP missions** continued their implementation: EU Advisory Mission for Civilian Security Sector Reform in Ukraine (EUAM Ukraine); EU Integrated Border Assistance Mission in Libya (EUBAM Libya); EU Border Assistance Mission at the Rafah Crossing Point (EUBAM Rafah); EU Mission on Regional Maritime Capacity Building in the Horn of Africa (EUCAP Nestor); EU CSDP Mission in Mali (EUCAP Sahel Mali); EU CSDP Mission in Niger (EUCAP Sahel Niger); EU Rule of Law Mission in Kosovo*¹ (EULEX Kosovo); EU Monitoring Mission in Georgia (EUMM Georgia); EU Police Mission in Afghanistan (EUPOL Afghanistan); EU Co-ordinating Office for Palestinian Police Support (EUPOL COPPS); EU Mission to provide Advice and Assistance for Security Sector Reform in the Democratic Republic of Congo (EUSEC RD Congo). Two of these missions, EUAM Ukraine and EUCAP Sahel Mali, were launched in 2014. In addition, two civilian CSDP missions ceased operations in 2014; EU Police Mission in the Democratic Republic of Congo (EUPOL DR Congo) and EU Aviation Security Mission in South Sudan (EUAVSEC South Sudan). In 2016, EUSEC RD Congo completed its liquidation following the end of its operational mandate and EUPOL Afghanistan entered the liquidation phase following the end of its operational mandate on 31 December. In addition, EUCAP Nestor activities were concentrated on Somalia (with back office support in Kenya) and the sub-offices in Djibouti and the Seychelles were closed; accordingly, the name of the mission was changed to EUCAP Somalia. Also, during 2016, EULEX Kosovo has been downsized in line with the recommendations of the 2015 Strategic Review.

European Union Special Representatives (EUSRs) also play an important role in the development of a stronger and more effective CFSP. In 2016, as in 2015, **9 EUSRs were funded** for Afghanistan, Bosnia and Herzegovina, Central Asia, Horn of Africa, Kosovo* and the Sahel as well as for Human Rights, the Middle East Peace Process and the South Caucasus and the crisis in Georgia. These EUSRs promote the EU's policies and interests in troubled regions and countries and play an active role in efforts to consolidate peace, and to promote stability and the rule of law. Previously in 2014, there were also EUSRs for the African Union and for the Southern Mediterranean region.

In addition to the CSDP missions and the EUSRs, the CFSP also supports projects to promote disarmament, non-proliferation and arms export control (NPD projects) as well as horizontal measures contributing to security and peace. **In 2016, 3 new NPD projects were adopted** (in addition the Council adopted the Decision for another NPD project in late December 2016 but due to the timing of the adoption it was not possible to commit the funds and sign the contract before the year end and hence FPI requested to carry-over the corresponding amount to the 2017 budget) following the commencement of 7 projects in 2015 and 6 projects in 2014.

The EU via CFSP also provided funding to the European Security and Defence College (ESDC) in 2015 and in 2016 which provides strategic training in the field of CSDP in the context of the Common Foreign and Security Policy (CFSP), promoting a common understanding of CSDP among civilian and military personnel. Furthermore, the Commission through FPI has provided financing for the establishment and operation of the Kosovo Specialist Chambers in the Netherlands, which will act in relation to the alleged crimes against humanity committed during and after the conflict in Kosovo*.

Given the crisis situations in which CFSP actions are typically undertaken, a key requirement underpinning their success is the rapidity with which they are launched and with which the necessary financial, managerial, logistical and human resources are provided. Throughout 2016, FPI assured that Financing Decisions were signed soon after the adoption of the relevant Council Decision. In addition, so as to further strengthen the level of support provided to CSDP missions, in 2016 FPI completed a concept for a revised and extended warehousing facility for key and essential equipment rapidly required by missions on start-up. In

¹ *The use of the designation "Kosovo" is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

addition, all actions were undertaken so that from the start-of the 2017 the Mission Support Platform (MSP) would be fully deployed and staffed, providing centralised services and assistance to the missions.

Key achievements

The achievements of CSDP missions are as wide-ranging and diverse as the EU's strategic security interests and of the regions of the world in which they operate.

For example, in order to build up the capacities of Niger authorities to fight terrorism and organised crime, EUCAP Sahel Niger has trained over 7000 members of the internal security forces and of the judiciary. This contributes to improving such aspects as: the responsiveness to crises and the interoperability of internal security services; technical and scientific aspects of police work; human resource management and training capacities. EUCAP Sahel Niger also improved and rehabilitated training centres and automobile maintenance workshops and it contributed to improving coordination of international security projects.

In order to strengthen the maritime security capacity of Somalia to effectively govern its territorial waters and to reinforce its ability to fight piracy, EUCAP Nestor co-ordinated and facilitated specialised training to support capacity building efforts. An important achievement is the development of a regional network of law drafters and prosecutors with experience in prosecuting piracy and maritime crime while the regional networking of prosecutors and lawyers from various countries from the Horn of Africa and the western Indian Ocean has been improved through the organisation of conferences and simulations.

EULEX Kosovo has contributed significantly to strengthening justice in Kosovo*, particularly in respect of challenging fields such as corruption, organised crime, war crimes and human trafficking. EULEX prosecutors and police have investigated over 200 war crimes as well as over 125 cases of corruption, financial and organised crime. EULEX judges have delivered over 600 verdicts and Special Chamber Judges have finalised over 10,000 property cases. EULEX expertise has also been used in 96% of the laws proposed by the Kosovo Ministry of Justice since 2008. The EULEX department of forensic medicine has carried out over 400 operations and identified 518 missing persons (on average the remains of missing persons have been returned to their families every six days). As a result of EULEX support not only has the Kosovo* police service become more efficient but, according to polls, it has also become the most trusted public institution in Kosovo*.

The Kosovo Specialist Chambers (KSC) was established with a seat in the Netherlands, the operational costs of which are in part financed through the CFSP. The KSC has been established so that criminal proceedings may be implemented in respect of crimes against humanity allegedly committed during and after the conflict in Kosovo*.

EU Special Representatives work in some of the most challenging regions and on some of the fractious subjects worldwide, promoting and protecting the EU strategic interests. An example of the types of achievements and value added resulting from the work of the EU Special Representatives is that of Bosnia and Herzegovina (BiH), where after 20 years, the peace and reconciliation process remains fragile and where the established political environment and dynamics are largely unchanged, being based upon a de-jure power-sharing method that emphasises the ethnic principle and preserves political partners ethno-partisan goals. Despite this context, the EUSR's efforts resulted in the entry into force of the Stabilisation and Association Agreement between the EU and Bosnia and Herzegovina and the endorsement of the "Reform Agenda for BiH 2015-2018" by the State and Entities Governments. In 2016, progress in the implementation of the Reform Agenda was achieved and necessary conditions for International Financial Intermediary funding for the implementation of the Reform Agenda were fulfilled. Also, a co-ordination mechanism to deal with EU matters was adopted, a platform for EU cultural diplomacy adopted and the framework transport strategy was secured.

With regard to non-proliferation and disarmament, the positive trend observed in recent years in terms of number of countries having ratified the Comprehensive Nuclear Test Ban Treaty (CTBT) and the Arms Trade Treaty (ATT) has been maintained. In 2016, 2 additional countries ratified the CTBT, raising the total to 166, and an additional 12 countries ratified the ATT, raising the total to 88. In addition, 5 more countries submitted National Implementation Action Plans for the United Nations Security Council's Resolution 1540, which obliges States, to refrain from supporting by any means non-State actors from developing, acquiring, manufacturing, possessing, transporting, transferring or using nuclear, chemical or biological weapons and their delivery systems. Universalization of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC) became one step closer with the accession of another country (raising the total number of State Parties to the convention to 192), 3 countries joined the Biological and Toxin Weapons Convention (BTWC) following EU sponsored regional workshops and India subscribed to Hague Code of Conduct against Ballistic Missile Proliferation and to the Missile Technology Control Regime.

Evaluations/studies conducted

Given the specific nature of CFSP actions, which are a response to evolving crises, the approach adopted to the evaluation of these actions is also specific so that the key stakeholders, Member States, EEAS and FPI can constantly utilise results and lessons learned in the initiation and adaptation of actions to protect the EU's strategic interests.

During the period from 2015 to early 2017, 8 civilian Missions have been subject to Strategic Review (EUAM Ukraine, EUMM Georgia, EULEX Kosovo, EUCAP Sahel Mali, EUCAP Nestor, EUCAP Sahel Niger, EUPOL COPPS and EUBAM Rafah). Such Reviews require an in-depth analysis of the achievements and efficiency. On the basis of the results of these reviews, the planning documents (i.e. the Operational Plans) are then adapted accordingly.

In addition, the lessons learned from the missions are identified in accordance with the "Guidelines for identification and implementation of lessons and best practices in civilian CSDP Missions". An Annual Report on these lessons learned is compiled by the Lessons Working Group which gathers representatives of the CMPD, CPCC, EUMS, geographical desks, DG DEVCO, DG NEAR, ECHO and the FPI. These Annual Reports are used when undertaking Strategic Reviews or when planning new Missions. This exercise has led to improved intelligence, communication, co-operation, co-ordination and knowledge sharing as well as the adoption / improvement of operational and administrative procedures.

The European Court of Auditors produced 2 Special Reports of particular relevance to CFSP actions: Special Report n°18/2012 on "European Union assistance to Kosovo* related to the rule of law"² which relates to EULEX Kosovo during the period 2007-2011; Special Report n°7/2015 on EUPOL Afghanistan since the start of the mission in 2007 until end 2014³, the findings of which are relevant to the 2014-2020 MFF.

The evaluation of the non-proliferation and disarmament projects takes place within the competent Council bodies. In addition to the FPI and EEAS receiving quarterly reports on implementation and spending from the implementing agency (e.g. IAEA, UN or Member State agency) and conduct of regular audits similar to those for CSDP Missions, the final Impact Assessments provided at the end of each project are discussed in the competent Council preparatory groups (COARM, CONOP).

Altogether, every CSDP action is subject to a constant evaluation process, notably by the Council and its preparatory bodies, as well as to monitoring and auditing by the FPI, from the initial planning phase until after its termination, with a lessons learned process feeding into the decision-making process on the same action (if continued) and on future actions.

For instance, the results of an Interim Strategic Review of EUCAP Sahel Niger resulted in the opening of a local antenna of the mission in the Agadez region which is a major hub for would-be immigrants to Europe from western Africa. This complemented the Instrument contributing to Stability and Peace (IcSP) actions.

A comprehensive "Study of the EUSR System" was produced in September 2015 by a consultant commissioned under the aegis of the FPI/EEAS steering committee. The Study of the EUSR system identified important added value through high-level political engagement access, political focus, the ability to focus on regional crises or thematic policy issues and responsiveness to dynamic fast-paced environments. While noting a potential for operational efficiencies to be realised, the report also highlighted dangers and pitfalls from a reform of the EUSR system, which could jeopardise the responsiveness of the system that generates the identified added value. This evaluation led to recommendations submitted by the EEAS to PSC in October 2015, notably with a view to improving the operational efficiency of the system.

Forthcoming implementation (2017/2018)

Maintenance of the EU ability to respond rapidly and decisively throughout the spectrum of crisis management tasks will continue to be important, requiring both the availability and the flexibility of funding. New crises may flare up at any time or existing crises may become aggravated.

Depending upon the evolution of the security situation in Libya, a possible civilian capacity building and assistance mission in the field of Security Sector Reform in Libya may be proposed. Likewise, if the political and security arrangements were to allow, EUBAM Rafah could be reactivated. To counter destabilisation by radical and terrorist organisations, additional efforts may be required in the Sahel. Civilian CSDP engagement devoted to security sector reform in the Horn of Africa may also increase.

For the Balkans region, EULEX has downsized but establishment and financing of the Kosovo Specialist Chambers will likely have a significant impact on the CFSP budget. In the Eastern Neighbourhood, the financing needs for EUMM Georgia and EUAM Ukraine are likely to remain at or around current levels. Similarly, for planning purposes, it is assumed that funding requirements for EUSRs will continue at or around current levels. Depending upon decisions of the Council, a number of new activities in the areas of Disarmament, Non-Proliferation, and Arms Export Controls may be undertaken.

II. Programme key facts and performance framework

1. Financial programming

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	DB2018	2019	2020	
Administrative support	0,4	0,5	0,5	0,5	0,4	0,5	0,5	3,3
Operational appropriations	300,8	269,6	202,4	326,8	332,6	339,4	346,4	2 118,0
Total	301,1	270,1	202,9	327,3	333,0	339,9	346,9	2 121,2

² http://www.eca.europa.eu/Lists/ECADocuments/SR12_18/SR12_18_EN.PDF

³ http://www.eca.europa.eu/Lists/ECADocuments/SR15_07/SR_EUPOL_AFGHANISTAN_EN.pdf

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	265,916	84,64 %	275,748	84,62 %	359,081	23,84 %	326,211	21,98 %
Authorised appropriation excluding external earmarked revenue	265,916	84,64 %	275,748	84,52 %	359,081	23,84 %	326,211	21,95 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The Treaty on the European Union (article 21) has defined common overarching principles and objectives for the external action of the Union, in particular to "preserve peace, prevent conflicts and strengthen international security".

The EU's Common Foreign and Security Policy (CFSP) is intended to safeguard the common values of the Union, to strengthen its security, to preserve peace and strengthen international security, to promote international cooperation and to develop democracy and the rule of law, respect for human rights and fundamental freedoms.

With 28 Member States acting within common policies and strategies, the EU alone has the critical mass to respond to global challenges, whereas the action of Member States may be limited and fragmented, with projects which are often too small to make a sustainable difference in the field. This critical mass also puts the EU in a better position to conduct policy dialogue with partner governments.

The EU is in a uniquely neutral and impartial position to deliver on external action on behalf of and with Member states, lending enhanced credibility in the countries in which it works. It is best placed to take the role of global leader on behalf of its citizens.

Gender mainstreaming

All actions and operations carried out in the framework of the CFSP serve to increase peace and stability. Given that women and girls can suffer particular hardships before, during and after conflicts and that conflict in too many cases leads to increases in sexual and gender based violence, all CFSP actions and operations, no matter their nature, contribute to peace and stability by increasing gender equality

In addition, civilian CSDP missions and EUSRs mainstream gender in their activities taking particular account of the context and circumstances under which they pursue the objectives set out for them by Council. For example, EULEX Kosovo includes a Gender Resource Unit, which provides strategic advice on gender mainstreaming in the implementation of all the missions activities. In addition, staff members have been appointed to act as Gender Focal Points, facilitating gender mainstreaming in the internal and external activities of the mission. A wide variety of activities have been undertaken by the mission to mainstream gender, which range from promoting and supporting female participation in public life and particularly in law enforcement in Kosovo*, to addressing such issues as domestic violence and violence against females, the trafficking of human beings, homophobia, hate crimes and rape as a war crime.

In addition, non-proliferation and disarmament projects addressing the trafficking, security and accumulation of small arms and light weapons often also include specific gender-related activities both in the generation of intelligence as well as the implementation of solutions.

In 2016, 50% of Heads of CSDP missions were women.

This data is provided in line with Objective 2.2.1 of the EU Gender Action Plan 2016-20.⁴

4. Performance information

General objectives

General Objective 1: Contribute to the implementation of the Lisbon Treaty (Article 21 (2) (c) which seeks to preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the United Nations Charter, with the principles of the Helsinki Final Act and with the aims of the Charter of Paris.

Indicator 1: Actual vs. planned capacity deployment rate (international staff) of the main CSDP missions							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
84 %			85%	86%			90%
	Actual results						
	80,5 %	82,3 %	82%				

* Notes:

⁴ Transforming the Lives of Girls and Women through EU External Relations, 2016-20 – SWD(2015) 182 final of 21/09/2015

The indicator measures the actual implementation of the deployment (versus the operational plan) of the CSDP civilian missions under the respective responsibilities of:

- EEAS in terms of human resources mobilization (international staff, i.e. staff seconded from the Member States and contracted staff), IT, procurement, logistics, etc. ,
- FPI in terms of expenditure management (budget, contracting, support to missions in financial issues, etc.).

The indicator monitors the effectiveness of the ongoing civilian CSDP missions' deployment but also the level of cooperation between the HRVP's services (EEAS and FPI). The fulfilment of the objectives of the mission's mandate depends on the transfer of know-how which is linked to the rapid generation of civilian capabilities. Reaching the full operational capacity of CSDP missions depends on effective mobilization of human resources and logistics.

CSDP missions and EUSRs usually have annual mandates. The milestones and targets have been identified on the assumption that these actions will be extended until 2020, while keeping the same objectives.

According to the Treaties, the evaluators of the CFSP achievements are the European External Action Service (EEAS) and the Council.

Specific objectives

Specific Objective 1: Support to preservation of stability through substantial CSDP missions and EUSRs mandates

Indicator 1: Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1) Georgia Council Joint Action 2008/736/CFSP of 15 September 2008 on the European Union Monitoring Mission in Georgia, EUMM Georgia. Actual vs. planned capacity deployment rate: 91%			Milestones as per Council Joint Action.	Milestones as per Council Joint Action. Actual vs. planned capacity deployment rate: 86%			Achievement of the objectives foreseen in the Council Joint Action.
	Actual results						
	91%	72%	Increased follow-up of potential infringements of 6-point plan. Increased monitoring patrols to increase stability. Confidence building measures implemented. Incident prevention and response mechanism re-established. Deployment rate: 73%				
2)Kosovo* Council Decision 2012/291/CFSP of 5 June 2012 amending and extending Joint Action 2008/124/CFSP on the European Union Rule of Law Mission in Kosovo. Actual vs. planned capacity deployment rate: 91%			Milestones as per Council Decision.	Milestones as per Council Decision. Actual vs. planned capacity deployment rate: 86% Planned vs. actual capacity deployment rate: 86%			Achievement of the objectives foreseen in the Council Decision. Actual vs. planned capacity deployment rate: 90%
	Actual results						
	87%	86%	Progress in development of indigenous capacity (esp. customs and correctional services). Cases and responsibilities increasingly handed over to local rule of law services. Kosovo* police have				

			<p>more effective command and control processes. Religious and Cultural Heritage Unit fully operational. Quick response teams operational. Improved cross-frontier communication between police services.</p> <p>Increased commercial trade and revenue collection. Agreement on 2 new crossing points.</p> <p>Improved border management co-operation.</p> <p>Deployment rate: 92%</p>					
3) Libya Council Decision 2013/233/CFSP of 22 May 2013 on the European Union Integrated Border Management Assistance Mission in Libya (EUBAM Libya).			Milestones as per Council Decision.	Milestones as per Council Decision.			Achievement of the objectives foreseen in the Council Decision.	
	Actual results							
	Due to the continuously deteriorating security situation in the host country EUBAM Libya was relocated to Tunis on 31 July 2014. All operational activities were stalled by end of the year	The Strategic Review extended the on Hold mission mandate to 20 May 2016	EU Planning on possible civilian capacity building and assistance informed.	Deployment rate: 25% (this deployment rate is a result of the particular security circumstances which during 2016 prohibited deployment in Libya).				
4) Palestinian Territories COUNCIL DECISION 2013/354/CFSP of 3 July 2013 on the European Union Police Mission for the Palestinian Territories (EUPOL COPPS). Actual vs. planned capacity deployment rate: 91%		Interim Strategic Review in March 2016, no significant changes are expected to the Mission's mandate. EU Member States have decided (in April 2015) to extend the Mission's mandate for year and, in principle, for another year until 30 June 2017.	Milestones as per Council Decision.	Milestones as per Council Decision.	Actual vs. planned capacity deployment rate: 86%		Achievement of the objectives foreseen in the Council Decision. Actual vs. planned capacity deployment rate: 90%	
	Actual results							
	91%	82%	Workshop on digital media. Police workshop. Training of trainers. In-service training. Road safety conference.					

			<p>Training on interviewing, money laundering, cyber crime, Community policing model strengthened.</p> <p>Draft disciplinary manuals. Draft legislation and training on gender based violence. Provision of protective equipment organised.</p> <p>Deployment rate: 92%</p>			
5) Afghanistan	91%	82%	Milestones as per Council Decision.	Milestones as per Council Decision.		Achievement of the objectives foreseen in the Council Decision.
<p>COUNCIL DECISION 2013/240/CFSP of 27 May 2013 amending Decision 2010/279/CFSP on the European Union Police Mission in Afghanistan (EUPOL AFGHANISTAN).</p> <p>Actual vs. planned capacity deployment rate: 91%</p>	Actual results					
	91%	82%	<p>General Directorate of Monitoring and Evaluation established; SOP on Police-Prosecutor co-operation signed in May by Minister of interior and Attorney General Female Policing conference. Interpol National Central Bureau. 1st Afghan organised education conference. Awareness campaign on code of conduct.</p> <p>Deployment rate: 72 % (Note: during 2016 EUPOL Afghanistan was winding-down operations in readiness for the end of the mandate).</p>			
6) Mali				<p>Milestones as per Council Decision.</p> <p>Actual vs. planned capacity deployment rate: 86%</p>		Achievement of the objectives foreseen in the Council Decision.
<p>COUNCIL DECISION (CFSP) 2015/76 of 19 January 2015 launching the European Union CSDP mission in Mali (EUCAP Sahel Mali) and amending Decision 2014/219/CFSP</p>	Actual results					
	50 %	74%	<p>1221 ISF student trained. Survey of legal texts completed. Revised recruitment doc. Working Groups established. Border management action plan. Entry and exit validation of students. Pilot training evaluations. Continuous liaison.</p> <p>Deployment rate: 77%</p>			Actual vs. planned capacity deployment rate: 90%
7) Ukraine			Milestones as per Council Decision.	<p>Milestones as per Council Decision.</p> <p>Planned vs. actual capacity deployment rate: 86%</p>		Achievement of the objectives foreseen in the Council Decision. Planned vs. actual capacity deployment rate: 90%
Actual results						

sector reform in Ukraine (EUAM Ukraine)	62%	81.9%	Criminal cases investigated by NABU, sent to court, indictments, suspensions. Improved transparency of selection. Training / study visits. Donor co-ordination. Deployment rate: 89%			
8) EUCAP SAHEL Niger COUNCIL DECISION 2012/392/CFSP of 16 July 2012 on the European Union CSDP mission in Niger (EUCAP Sahel Niger). Actual vs. planned capacity deployment rate: 72.5%	80.7%	79%	Milestones as per Council Decision.	Milestones as per Council Decision. Planned vs. actual capacity deployment rate: 86%		Achievement of the objectives foreseen in the Council Decision. Actual vs. planned capacity deployment rate: 90%
			Actual results			
9) EUCAP Nestor (Somalia) COUNCIL DECISION 2012/389/CFSP of 16 July 2012 on the European Union Mission on Regional Maritime Capacity Building in the Horn of Africa (EUCAP NESTOR). Actual vs. planned capacity deployment rate: 8%	54%	72%	Milestones as per Council Decision.	Milestones as per Council Decision. Actual vs. planned capacity deployment rate: 86%		Achievement of the objectives foreseen in the Council Decision. Actual vs. planned capacity deployment rate: 90%
			Actual results			

			approaches. Internal legal library established. Law on organisation of police reviewed. Workshop for judges, prosecutors and investigators. Deployment rate: 88%				
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* The milestones are based on the respective Council Decisions or Joint Actions of the missions and on public information about the mission's activity (Mission Factsheet). The milestones might need to be modified following changes in the planning documents (CONOPS and OPLAN). Given the qualitative nature of monitoring, mentoring and advising activities it proved difficult to identify quantitative milestones.

** The targets are based on the respective Council Decisions or Joint Actions. For each CSDP Mission, the final target is the achievement of the objectives foreseen in the Council Decisions establishing them. The Strategic Reviews of the respective missions and Assessments of the respective actions under the political guidance of the HR and of the Council constitute appropriate milestones for each mission.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. CSDP Mission: EU Monitoring Mission in Georgia	19 03 01 01	1	18
2. CSDP Mission: EU Rule of Law Mission in Kosovo* (EULEX Kosovo)	19 03 01 02	1	94,2
3. CSDP Mission: EUPOL (EU Police Mission) Afghanistan	19 03 01 03	1	
4. CSDP Mission: EUCAP Sahel Mali	19 03 01 04	1	41
5. CSDP Mission: EUCAP Sahel Niger	19 03 01 04	1	31
6. CSDP Mission: EU Police Mission for the Palestine Territories (EUPOL COPPS)	19 03 01 04	1	10,3
7. CSDP Mission: EUCAP Nestor (Somalia)	19 03 01 04	1	25
8. CSDP Mission: EUBAM Ukraine	19 03 01 04	1	21,5
9. Other CSDP Missions	19 03 01 04	5	20,3
10. Emergency measures (including reserve for the financing of staff and other costs in support of the EUSRs based outside the EU)	19 03 01 05	4	22,1
11. Preparatory and follow-up measures	19 03 01 06	5	5,5
12. EU Special Representatives	19 03 01 07	9	23,7
Total		31	312,6

Justification of changes to the financial programming and/or to the performance information

In view of adoption by the legislative authority of the CBSD initiative, a decrease of EUR 7.5 million per year over 2018-20 from Chapter 19 03 to part-fund CBSD costs is programmed.

Specific Objective 2: Support the implementation and promotion of: 1) strategy on non-proliferation of weapons of mass destruction in order to increase security in this area (WMD); 2) strategy on combating illicit accumulation and trafficking of Small Arms and Light Weapons (SALW) as well as measures against illicit spread and trafficking of other conventional weapons; 3) EU's policies in the field of conventional arms exports, in particular on the basis of Common Position CFSP/944/2008

Indicator 1: Number of countries having ratified the treaties mentioned in the baseline

Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1) Comprehensive Nuclear-Test-Ban Treaty Organization, CTBTO: number of countries having ratified 159				165			166
	Actual results						
	163	164	166				
2) UN Resolution 1540: number of countries having submitted the National Implementation Plan				175			192
	Actual results						
	14	21	26				
3) Nuclear security assistance provided by IAEA: 82 countries				Assistance provided to up to 120 countries.			120 (focusing on countries for EU interest)
	Actual results						

	100	104	120				
4) Arms Trade Treaty: number of ratifications NB: entered into force on 24/12/2014	Entry into force of the Treaty (ratified by 50 States Parties)			Entry into force of the Treaty (ratified by 100 States Parties)			130
	Actual results						
	61	79	88				

CTBTO website: <http://www.ctbto.org/the-treaty/status-of-signature-and-ratification/>

UN Resolution 1540 website: <http://www.un.org/en/sc/1540/>

IAEA website: <https://www.iaea.org/Publications/index.html>

Arms Trade Treaty website: <http://www.un.org/disarmament/ATT/>

Progress in other monitoring reports will be followed: Chemical Weapons Convention (CWC), Biological convention, Ottawa Convention, Global Threat Reduction Initiative (GTRI), Non-Proliferation Treaty, Biological and Toxin Weapons Convention (BTWC), Hague Code of Conduct, Outer space activities, Wassemar arrangement, Comprehensive Nuclear-Test-Ban Treaty (CTBT) with the aim of having an increased number of signatories of those Treaties and better preparation of the countries to implement the clauses of the treaties.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1. Projects in the area of non-proliferation of weapons of mass destruction	19 03 02	6	15
2. Projects in the area of non-proliferation of Small Arms and Light Weapons	19 03 02	3	5
Total			20

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. Projects in the area of non-proliferation of weapons of mass destruction	F	4	5	5	6	6	6	7
	P	4	5	2				
2. Projects in the area of non-proliferation of Small Arms and Light Weapons.	F	3	3	3	3	3	4	4
	P	1	3	1				

5. Programme contribution to the Sustainable Development Goals

CFSP contributes to the achievement of gender equality and the empowerment of women and girls under SDG 5 as well as contributing to the promotion of peaceful and inclusive societies for sustainable development and to providing access to justice for all and to build effective, accountable and inclusive institutions at all levels in line with SDG 16.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe**Instrument for Nuclear Safety Cooperation (INSC)**

Lead DG: DEVCO

I. Programme Update**Implementation Status (2014/2016)**

The Annual Action Programme 2014 contained 7 Actions (Central Asia; Iraq; Tanzania; Ukraine (2 Actions); Training and Tutoring; Support measures) for a total of EUR 29,3 million. All the actions subject to the N+ 1 rule have been contracted before 31/12/2015 and all the Financing Agreements were signed by 04/12/2015. Three actions, although subject to the N+3 rule¹, were contracted and started before the end of 2016. Only the action foreseen for Ukraine is expected to be signed later in 2017/2018 as results from other currently ongoing projects are needed before the implementation of this action can start. All projects are going according to schedule.

The Annual Action Programme 2015 contained 10 Actions (actions to be implemented in: Armenia; Belarus; Central Asia; China; Cooperation with IAEA; Ukraine; Contribution to the Chernobyl Shelter Fund; Morocco; Safeguards; Support Measures). The necessary steps for the signature of the Financing agreement have already started. Two actions were already contracted (Central Asia and Chernobyl Shelter Fund). The procedure to sign the actions subject to N+1 rule have started. Several projects, subject to the N+ 3, will be contracted by the end of 2017.

The Annual Action Programme 2016 consists of 11 Actions (Armenia, Belarus, Iran, Ukraine (2), South East Asia, Turkey, Training and Tutoring, Contribution to the Chernobyl Shelter Fund, Technical support from the Joint Research Centre and support measures). Four projects have been contracted (Armenia, Ukraine and Joint Research Centre) and the last payment of the contribution to the Chernobyl Shelter Fund executed early 2017². The procedures to contract the remaining actions have started and all of them will be signed before the end of 2017.

Key achievements

The Central Asia states have inherited one billion tons of hazardous processing waste - highly toxic chemical and radioactive residues left behind and unsafely stored in uranium legacy sites. Failure in containing this waste in a number of the legacy sites in the Kyrgyz Republic and Tajikistan would have severe cross-boundary impacts. In order to avert the threat from the uranium legacy sites in Central Asia towards human health and the environment, the EBRD, upon the European Commission request, established in 2015 a multi-donor Environmental Remediation Fund that will finance the environmental remediation of targeted uranium legacy sites. The European Commission is the first donor to contribute to this fund (EUR 16.5 million in December 2015). The European Commission together with the EBRD and the International Atomic energy Agency is organising an international donors conference to be held in the fall 2017 or early 2018.

The Prydniprovskiy Chemical Plant (PCP) in Ukraine was, during its operation from 1947 to 1992, one of the largest enterprises of uranium production in former Soviet Union. This enterprise processed uranium ores of different geochemical composition that had been mined in Ukraine, Central Asia and former East-European countries, such as the Czech Republic and Germany. As a result of the Uranium production at the site of the PCP, there are five tailings storage facilities, two industrial waste disposal facilities (including radioactive waste) as well as other facilities that are now considered as uranium production legacy sites.

Following the end of Uranium production at the PCP during the period from 1992 to 2000, no planned or regulatory controlled decommissioning measures or clean-up of contaminated areas were performed. However, considerable amounts of pipework and equipment have been dismantled and apparently removed from the site. Some buildings and industrial facilities have been re-purposed for other industrial production as state property, whilst other facilities have passed to the private sector via long-term leasing or direct purchasing. Working closely with the Ukrainian Government, the European Commission oversees the implementation of EU support to the overall remediation programme for the Pridniprovskiy Chemical Plant. The first phase of the support was successfully concluded in November 2016 and several urgent measures to prevent the workers and citizens from radiological hazards have been launched and will be performed.

A major milestone to make the Chernobyl site environmentally stable and safe was met on 29 November 2016 by sliding the New Safe Confinement over the nuclear reactor destroyed in April 1986. The New Safe Confinement is a giant arch-shaped structure that covers the damaged Chernobyl Unit 4 in order to prevent any further radioactive release. It is a unique engineering project of proportions: a span of 257 metres, a length of 162 metres and a height of 108 metres. The New Safe Confinement also contains the remotely operated equipment for ultimate removal of the damaged reactor and radioactive material. This important milestone in the project was achieved thanks to the joint effort of the European Union, Ukraine, the European Bank for Reconstruction and

¹ The N+3 rule applies when a Financing Agreement with the Beneficiary Country is necessary; this is concerning in particular supply contracts where the Contracting Authority is the Beneficiary due to the issue of nuclear liability.

² An additional (and last) contribution for the Chernobyl remediation programme managed by the European Bank for Reconstruction and Development will be paid under the Annual Action Programme 2017 for the Nuclear Safety Account that finance an Interim Storage for spent nuclear fuel (ISF-2 project).

Development, and the international community. The total project cost is in the order of EUR1.5 billion, to which the EU contributed more than 430 million (under the TACIS (EUR 210 million) and INSC (EUR 220 million) programmes); it is scheduled for completion by the end of 2017 after more than 15 years of work.

Between July and September 2016, two short term expert missions were sent to Iran to support the Iranian Nuclear Regulatory Authority in the development of several legislative documents. Both missions were successful and highly appreciated by the Iranian counterparts. A follow-up project has been agreed with Iran in compliance with the EU commitment to the implementation of the Joint Comprehensive Plan of Action and will be signed in the first quarter of 2017.

Successful engagement with Turkey has been achieved in 2016 with an agreed project supporting capacity building for the nuclear regulatory authority in view of the decision to introduce nuclear in the national energy mix.

Evaluations/Studies conducted

The INSC evaluation was launched in the third quarter of 2016. Key stakeholders, including EU Delegations have been consulted. A first draft of the INSC evaluations was published in February 2017 and it is available at the following address: https://ec.europa.eu/europeaid/evaluation-instrument-nuclear-safety-cooperation-insc-draft-report_en. It is undergoing a Public Consultation (February 7th – May 3rd 2017) and will be finalised by end June 2017.

Forthcoming implementation (2017/2018)

The priorities for 2017 - 2018 are defined in accordance with the objective of the new INSC Regulation (2014-2020). Priority will be given to Accession Countries (Turkey and Balkan Countries) and countries in the European Neighbourhood area (ENP East: Armenia, Belarus, Georgia and Ukraine; ENP South: Egypt, Jordan, Morocco and Iraq). The new Multi-annual Indicative Programme (2018 – 2020) confirms the initial objectives; nevertheless the balance between the support to regulatory authorities and the safe management of radioactive waste will be revisited to take into account the new arising challenges. The improvement of the nuclear safety culture will remain the primary objective under the Instrument for Nuclear Safety Cooperation. Activities in waste management including environmental remediation and decommissioning will continue and cooperation in the field of Safeguards will be maintained.

In 2017 an Action aiming to support the Iranian Nuclear Regulator is foreseen. The projects for Iran approved in 2016 will start in the second trimester of 2017. The nuclear safeguards verification activities foreseen in the Joint Comprehensive Plan of Action and implemented by the International Atomic energy Agency will be supported through the scientific and technical expertise of the Joint Research Centre. Engagement with Serbia and Georgia is foreseen supporting the capacity building of the regulatory authorities for the safe management of radioactive wastes. The implementation of the stress tests recommendations in Armenia will be pursued.

The last EU pledge to the Chernobyl related Nuclear Safety Account will be executed in 2017 and a new contribution for the Environmental Remediation Account for Central Asia will be pledged during the international donors conference being organised by the European Commission, the International Atomic Energy Agency and the European Bank for Reconstruction and Development.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (Euratom) No 237/2014 of 13 December 2013 establishing an Instrument for Nuclear Safety Cooperation	2014 - 2020	225,3

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	1,2	1,4	1,4	1,4	1,5	1,5	1,5	9,9
Operational appropriations	29,3	59,7	70,4	60,9	31,5	32,2	31,4	315,4
Total	30,5	61,2	71,8	62,3	33,0	33,6	32,9	325,3

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	71,817	99,98 %	74,710	99,69 %	63,355	1,46 %	57,663	20,32 %
Authorised appropriation excluding external earmarked revenue	71,817	99,99 %	74,700	99,09 %	63,355	1,47 %	57,663	20,16 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value (ex-ante)

The promotion of the highest level of nuclear safety is crucial for the safety and the security of the population and the environment of the EU. The Fukushima Daichii accident in 2011 after the Chernobyl disaster in 1986 showed that any accident has trans-boundary effects and impacts the international community widely. The access to nuclear or radioactive materials is a security concern for the global world with proven evidence that non-state actors are trying to have access to such materials. The Instrument for Nuclear Safety Cooperation has successfully contributed to the reduction of both risks by providing support especially to regulatory authorities and the priority will be given to Accession Countries (Turkey and Balkan Countries) and countries in the European Neighbourhood area (ENP East: Armenia, Belarus, Georgia and Ukraine; ENP South: Egypt, Jordan, Morocco and Iraq) engaged in nuclear power generation. It also contains health and ecological measures directed to the population that suffered from the Chernobyl accident in Ukraine and Belarus.

New challenges have appeared over the years that could not be addressed before by the TACIS and the previous INSC programmes:

- The increasing cases of uncontrolled movement of radioactive or nuclear materials as shown in the Illicit Trafficking Database of the International Atomic Energy Agency. The number of incidents involving radioactive sources used in medical and industrial application also needs to be addressed through extra safety and security measures.
- The European Union has at various occasions expressed its support to remediate the radiological situation in Central Asia due to the legacy of former uranium mining and milling activities. There the international community is engaging in the development of ambitious remediation projects. This will drastically improve the health of the population and the environmental conditions (clean water). It will also reduce the risk of malevolent use of contaminated materials. The Commission will build on the results of previous EU funded feasibility studies and environmental impact assessments and fund direct remediation activities.
- A similar uranium mining legacy exists in many African countries. Moreover, mining activities are fast developing there and call for the establishment of a strong safeguards system to control possible diversion of the uranium produced. This work will continue.

These new challenges have to be addressed in addition to the on-going European Union actions aiming at establishing or enhancing independent and competent regulatory authorities that will guarantee the safe use of nuclear energy and promoting sound safeguards systems to enforce the non-proliferation regime. Emergency preparedness systems need to be put in place. Training and tutoring are essential to ensure adequate management of nuclear power generation.

In all these domains, the EU added value lies in its long experience in nuclear safety and security, as well as the use of the highest safety standards. Moreover, there is a need to further extend the *acquis communautaire* in the field of nuclear energy to third countries, especially with respect to the carrying out of the stress tests in the EU neighbourhood and abroad.

4. Performance information

General objectives

General Objective 1: The Union shall finance measures to support the promotion of a high level of nuclear safety, radiation protection, and the application of efficient and effective safeguards of nuclear material in third countries

Indicator 1: Number of countries benefiting from EU support in developing of a culture of safety for nuclear energy							
Baseline 2014	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
6 countries			10 countries	11 countries	12 countries	12 countries	12 countries* and 3 regions (Central Asia, Africa and South East Asia)
	Actual results						
	6 countries ³	8 countries ⁴	10 + 2 regions ⁵				

* The countries embarking on nuclear energy are: Armenia, Bangladesh, Belarus, Egypt, Indonesia, Jordan, Malaysia, Mongolia, Morocco, Nigeria, the Philippines, Thailand, Turkey and Vietnam. The countries with radioprotection issues are Ukraine, Kyrgyzstan, Tajikistan and Uzbekistan.

Specific objectives

Specific Objective 1: The promotion of an effective nuclear safety culture and implementation of the highest nuclear safety and radiation protection standards, and continuous improvement of nuclear safety.

³ Armenia, Belarus, Indonesia, Jordan, Thailand and Vietnam.

⁴ Armenia, Iraq, Morocco, Tanzania, Ukraine, Kyrgyzstan, Tajikistan and Uzbekistan.

⁵ Bilateral projects with Armenia, Belarus, Egypt, Iran, Indonesia, Jordan, Mongolia, the Philippines, Thailand and Vietnam. Regional project in Central Asia and Southern Africa

Indicator 1: Number of regulatory documents produced in the beneficiary countries with the support of EU expertise

Baseline 2012	Milestones foreseen						2020
	2014	2015	2016	2017	2018	2019	
4	2	1	1	1	1	1	1 (total 2014-2020 = 8)
	Actual results						
	5	3	5*				

* The five documents are: the safety principals document and the INRA General nuclear safety requirements corresponding to level 2 and 3 respectively in the regulatory hierarchy in Iran; the Road Map for regional cooperation on Emergency Preparedness and Response in South East Asia; the update of the Chinese nuclear Regulatory framework, in particular the Nuclear Safety Act and the Atomic Energy Act and the Government decree no. 11/2016, on security of radioactive materials and devices containing them in Armenia.

This indicator describes the implementation of EU projects:

At the preparation phase of the projects, a number of issues are identified through several Cooperation Forums with the IAEA. Subsequently during the implementation phase these issues are addressed through actions (e.g. training, reports, draft regulations). This indicator measures the number of nuclear safety regulatory documents (and actions such as laws, regulations, guidelines) that are produced with the support of the EU project and which proposes solution to the issues identified. At the final stage, those documents are adopted by the Beneficiary country and applied by the concerned stakeholders (operators, regulatory authorities, nuclear facilities).

This indicator is amongst the programme implementation indicators in the MIP 2014-2017⁶.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
1.Number of regulations and/or guidance in nuclear safety benefitting of the transfer of EU expertise	21 06 01	1	13,5
2. number of staff trained in the beneficiary countries	21 06 01	120	1,5
3. EC additional contribution to EBRD for the Chernobyl accident related projects*	21 06 02	0	0
Total			15

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1.number of regulations and/or guidance in nuclear safety benefitting of the transfer of EU expertise	F	2	1	1	1	1	1	1
	P	5	3	5				
2. number of staff trained in the beneficiary countries	F	90	90	100	120	120	100	80
	P	291	415	520**				
3. EC additional contribution to EBRD for the Chernobyl accident related projects (EUR million)*	F	N/A	30	40	30	N/A	N/A	N/A
	P	0	30	40				

* Additional appropriations amounting to EUR 100 million are mobilised under the INSC to continue EU's contribution to the Chernobyl Shelter Fund (CSF) and the Nuclear Safety Account (NSA). This relates to the funding gap of around EUR 615 million identified for the Chernobyl Shelter Implementation Plan and the EUR 105 million funding gap to complete the ISF2 under the NSA. Both funds are managed by the European Bank for Reconstruction and Development (EBRD). An additional contribution of EUR 100 million is provided from the INSC for the period 2015-2017 in instalments of EUR 30 million, EUR 40 million and EUR 30 million, respectively.

** The number of trainees under the “Training and Tutoring” programme amount to 499 trainees and 21 tutees in 2016. It reflects the attractiveness and efficiency of the programme that corresponds to an identified need in the beneficiary countries. This increased value (compared to the foreseen output) is due to the cumulative effect of the projects that are running in parallel (Annual Action Programme 2010 and 2011).

Specific Objective 2: Responsible and safe management of spent fuel and radioactive waste, namely transport, pre-treatment, treatment, processing, storage and disposal, and the decommissioning and remediation of former nuclear sites and installations.

⁶ Commission Implementing Decision of 13.06.2014 on the Instrument for Nuclear Safety cooperation Multiannual Indicative Programme (2014 – 2017) C(2014)3764 Final.

Indicator 2: Number of waste management and remediation documents developed with EU support							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
4	2	2	1	1	1	1	Total 2014-2020 = 8
	Actual results						
	2*	1	2*				

This indicator measures the number of documents produced with the EU support in the area of nuclear wastes: strategy, policy, regulation, laws, guidelines, environmental impact assessment and feasibility studies for remediation or decommissioning. "Waste management documents" has a broad meaning and does include also documents like spent fuel, nuclear waste and decommissioning strategies

* Overall Remediation strategy for the "Pridneprovskiy Chemical Plant" in Ukraine and Regulation for uranium mining and milling operations in Mongolia (the latter included 6 accompanying guidelines and 5 procedures).

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of regulatory document issued benefitting of the transfer of the EU expertise	21 06 01	1	11,5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of national strategies developed with EU support	F	1	0	1	0	1	1	0
	P	2	1	0				
Number of regulatory document issued benefitting of the transfer of the EU expertise	F	0	1	0	1	1	0	0
	P	0	1	2				

Specific Objective 3: The establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material in third countries.

Indicator 1: Number of nuclear safeguards authorities benefitting from EC funded projects							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
0	0	1	0	1	1	0	0 (total 2014-2020 = 3)
	Actual results						
	0	1	0				

This indicator describes more effectively the implementation of our projects. During the preparation phase of projects a number of issues are identified through several Cooperation Forums with the IAEA. Subsequently, during the implementation phase these issues are addressed through actions (e.g. training, reports, draft regulations). The indicator measures the number of national or international safeguards organisations that benefit from projects transferring the EU expertise in the area of safeguards

This indicator is amongst the programme implementation indicators in the MIP 2014-2017.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Support to regional safeguards systems	21 06 01	1	5

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Support to regional safeguards systems	F	0	1	0	1	0	1	0
	P	0	1	0				

Justification of changes to the financial programming and/or to the performance information

The indicators have been changed as compared to the 2016 Programme Statement but they are the same ones used in the Programme Statement 2017. The indicators proposed in the Regulation are focused on the identification phase of projects and not on the result of the projects. In fact in the implementation phase the issues identified are directly addressed and actions put in place for example this actions could be: trainings, or recommendations on how to change gaps in the legislation or even producing draft for regularity documents complying with international requirements. The indicators used in 2016 and 2017 are then more linked to the implementation and are more relevant to assess the overall INSC' achievements.

5. Programme contribution to the Sustainable Development Goals

The Instrument for Nuclear Safety Cooperation (INSC) participates to the double objective of safety and security, which is anchored in the EU's development and aid effectiveness commitments and the 2030 Agenda. It is also aligned with the Sustainable Development Goals 16 (Strong Institutions) and to a lesser extent 5 (Gender equality).

It exports the "acquis communautaire" worldwide thus participating to the implementation of the EU policy promoting nuclear safety worldwide.

The INSC acts as a door-opener⁷ as well as a confidence-building tool to strengthen crisis prevention in volatile regions as e.g. Iran.

The INSC implements the international role of the EU in particular with regards to the Joint Comprehensive Plan of Action.

Contributing to the establishment of legal and regulatory framework in line with international standards creates a business friendly environment in the partner countries that allows for European investment that will in turn potentially create jobs and fight against poverty (Sustainable Development Goal number 1).

Within this framework, the INSC is one of the important tools enabling the EU to play a stronger role as a global actor in policy dialogue.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

⁷ See in particular the role of the Instrument in engaging with Iran after the successful nuclear deal signed between the EU/3 + 3 and the Islamic Republic

HEADING 4: Global Europe**Union Civil Protection Mechanism - Heading 4**

Lead DG: ECHO

I. Programme Update**Implementation Status (2014/2016)**

Since 2014, selected prevention and preparedness actions can be implemented in eligible third countries (candidate, potential candidates countries and countries covered by the European Neighbourhood Policy), helping national civil protection administrations increase their capacities in cooperation with Member States (through prevention and preparedness projects, exercises, by participating in the training programme or in the exchange of experts programme). There were no delays in the programme execution. All activities started as planned, first projects and exercises involving third countries were launched at the beginning of 2015 (following selection procedures for grants and tenders launched in 2014). Some of these actions will be implemented over the period of 2 years (prevention and preparedness projects or exercises organised by Member States), others are more short-term.

Key achievements

- Introduction of prevention actions in eligible third countries with focus on Seveso implementation (prevention of technological disasters) in cooperation with the Joint Research Centre of the Commission already enabled the transfer of knowledge and experience of Member States with technological disasters from warnings and notifications of disasters to response.
- The peer review programme in third countries, with assistance of Member States experts (peer reviews in Georgia and Turkey organised in 2015). Peer review process should identify possible weaknesses in the current CP system and propose suitable solutions for improvements in preparedness of national civil protection organisations.
- Assets registered in the voluntary pool and upgraded with the use of EU funds performed medical evacuation of 16 persons from the Western Africa (medical evacuation by a specially adapted plane) hit by the Ebola crisis and provided necessary laboratory services to stop Ebola. Search and rescue teams and other assets (water purification) were deployed in Nepal following an earthquake in April 2015.
- Better cooperation with Member States' authorities in terms of information exchange and knowledge of procedures will speed up the provision of assistance during large scale emergencies (Ebola, Nepal earthquake).

Evaluations/studies conducted

The mid-term evaluation of the current legislation started in 2016. A report to the Parliament and the Council is to be delivered by 30 June 2017.

The Eurobarometer survey conducted in 2015 confirmed the need to increase the level of knowledge of citizens about disasters and need of European cooperation in civil protection.

Forthcoming implementation (2017/2018)

The prevention and preparedness actions with eligible third countries will continue, with slightly increased budget in 2016/2017. Prevention and preparedness project, exercises, training and the exchange of experts programme will provide opportunities for the involvement of relevant civil protection authorities to improve their capacities.

Response actions outside EU will follow any emergencies that might occur. The voluntary pool will be increasingly utilised in order to decrease the deployment time after the activation of the Mechanism.

II. Programme key facts and performance framework**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism	2014 - 2020	144,7

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	14,9	19,9	8,1	20,7	16,1	21,5	21,4	122,8
Total	14,9	19,9	8,1	20,7	16,1	21,5	21,4	122,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	9,576	92,07 %	13,849	66,96 %	21,543	69,22 %	20,661	13,25 %
Authorised appropriation excluding external earmarked revenue	9,097	91,65 %	13,335	65,68 %	21,543	69,22 %	20,661	13,24 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

Based on the new Treaty Article 196 for civil protection policy, the aim of the Mechanism is to support, coordinate and supplement the actions of the Member States in the field of civil protection with a view to improving the effectiveness of systems for preventing, preparing for and responding to natural and man-made disasters.

The EU's added value comes in the form of:

- reducing the loss of human life, environmental, economic and material damage caused by disasters through a comprehensive approach covering disaster prevention, preparedness and response;
- an improved understanding in Member States of disaster risks through cooperation on risk assessment and planning, and the gradual development of a European culture of disaster prevention;
- an improved preparedness for disasters through training, exercises, exchange of best practices and similar activities; improved coordination of the response to disasters by bringing together and facilitating Member States' offers of assistance; increased cost-effectiveness through the pooling of assistance, the sharing of transport capacities, the identification of complementarities and the avoidance of duplication; a coherent, predictable and more visible response to disasters through the set-up of a European Response Capacity ready to help everywhere in the EU and in third countries when needed.

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
Climate change linked actions	2,22	2,33

The figure for 2017 and 2018 linked to the climate action represents around 40% of the total budget for prevention and preparedness outside the Union including following activities: prevention projects, studies related to prevention actions, peer review programme and the exchange of experts programme related to prevention. This methodology follows the one applied since 2014.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
1,23	2	2,1	2,22	2,33	2,5	2,6	14,98

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

4. Performance information

General objectives

General Objective 1: The Union Civil Protection Mechanism shall aim at strengthening the cooperation within the EU and facilitating coordination in the field of civil protection in order to improve the effectiveness of systems for preventing, preparing for and responding to natural and man-made disasters in Third countries.

Indicator 1: Economic damage caused by natural disasters (Source: As recorded in the EM-DAT database)

Baseline Annual average 2010-2012 (USD Billion)	Milestones foreseen					Target 2020 (USD Billion)
	Annual average 2014 – 2019* (USD Billion)					
155	93					93
	Actual results					
	85	66	92			

* Estimate based on the average of annual economic damage of the past 10 years

The results on this indicator depend to a large extent on external factors (such as the occurrence of disasters and their severity that are not under the Commission's control. Nevertheless, the impact of EU funding will be reviewed in 2016 during the interim evaluation of the Union Civil Protection Mechanism.

Specific objectives

Specific Objective 1: To achieve a high level of protection against disasters by preventing or reducing their effects by fostering a culture of prevention and by improving cooperation between the civil protection and other relevant services.

Indicator 1: Number of projects financed for prevention in Third countries covered by the Instrument for Pre-Accession Assistance and the European Neighbourhood Policy (including exchange of experts)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A New	4	4	5	7	7	8	8
	Actual results						
	4	5	4				

The available budget for 2016 did not allow for the financing of additional prevention projects, 3 projects were selected during the call for proposals 2016. As other activities used planned budgetary resources, no additional funding was available in order to increase the number of prevention projects funded. The total number mentioned in the table above thus includes 3 selected prevention projects and 1 activity – the exchange of experts programme as described in the indicator 1.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Grant agreements	23 03 01 02	3-4	1,8
Contracts	23 03 01 02	2	0,5
Total		3-6	2,3

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Grant agreements	F	2	2	2	2	2	2	2
	P	3	4	3				
Contracts	F			2	1	2		
	P			2				

Specific Objective 2: To enhance preparedness in Third countries to respond to disasters.

Indicator 1: Number of projects financed for preparedness (including training and exercises, workshops and exchanges of experts) in Third countries covered by the Instrument of Pre-Accession and the European Neighbourhood Policy

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A New	5	5	6	6	6	7	7
	Actual results						
	5	6	7				

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Grant agreements and contracts	23 03 01 02	10	3,4

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Grant agreements and contracts	F	4	5	6	8	10	10	10
	P	5	6	7				

Specific Objective 3: To facilitate rapid and efficient response in the event of disasters or imminent disasters.

Indicator 1: Average speed of interventions under the EU Civil Protection Mechanism (from the acceptance of the offer to deployment). (Source: Annual report for the EP on the implementation of the new union Civil Protection Mechanism Decision)

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
≤ 36 hours	≤ 24 hours			≤ 18 hours			≤ 12 hours
	Actual results						
		22	20				

Remark: Quantitative response indicators will depend entirely on the number of future disasters, which are unpredictable. This is reflected in the fact that a separate implementing decision on disaster response was adopted (C(2013) 9085 final) which contains no indicators: Commission Implementing Decision of 18.12.2013 on financing emergency response actions under the Union Civil Protection Mechanism in 2014 from the general budget of the European Union.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Number of contracts	23 03 02 02	1	0,6
Grant agreement/ service contract	23 03 02 02	80	9,8
Total		81	10,4

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of contracts	F	1	1	1	1	1	1	1
	P	1	1	1				
Grant agreement/ service contract	F	60	60	70	75	80	85	90
	P	91	67	45				

The number of grant agreements depends on the number of activations of the EU Civil Protection Mechanism. In 2016, as there were fewer disaster in Third Countries than expected, the number of grant agreements is lower than that forecasted.

Specific Objective 4: To increase public awareness and preparedness for disasters.

The Union Civil Protection Mechanism strengthens cooperation and coordination between Member States in preventing, preparing for and responding to natural and man-made disasters. While response actions are foreseen anywhere in the world, the prevention and preparedness actions are limited to Member States, accession candidates and potential candidates, and European neighbourhood countries. According to Article 20(d) Mechanism Decision, public information, education and awareness raising and associated dissemination actions are limited to Union citizens. Therefore, the specific objective 4 has been removed (To increase public awareness and preparedness for disasters). The progress in increasing public awareness and preparedness is measured only inside the Union.

5. Programme contribution to the Sustainable Development Goals

Through the Union Civil Protection Mechanism, DG ECHO contributes to the following Sustainable Development Goals:

SDG 6 - Ensure availability and sustainable management of water and sanitation for all.

DG ECHO and Participating States provide water, sanitation and hygiene (WASH) support through the UCPM response to those in need during humanitarian crises and ensure that the most vulnerable have access to WASH.

SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

By providing a faster response to natural and man-made disasters, the UCPM helps minimise their impacts on the economical means of the affected areas, and therefore helps preserve the employment of local workers.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe**EU Aid Volunteers initiative (EUAV)**

Lead DG: ECHO

I. Programme Update***Implementation Status (2014/2016)***

The Annual Work Programme 2016 of the EU Aid Volunteers initiative was adopted in December 2015 ((C2015)9058). It foresaw the publication of two calls for proposals, one for projects in the field of capacity building and technical assistance and another one for the deployment of EU Aid Volunteers. It also covers the costs related to the evaluation of applications for certification under the initiative and support measures, such as the continuous development of a platform for project management and networking, as well as communication and outreach activities. The calls were published as planned in the Annual Work Programme, the development of the platform continued and many communication and outreach activities were undertaken. The Annual Report 2015 was adopted on 30 June 2016 (COM(2016) 436 final)¹. The Annual Work Programme 2017 of the EU Aid Volunteers initiative was adopted on 6 January 2017 (C(2016) 8989 final).

Key achievements

Key achievements in 2016 included the selection of 2 projects for capacity building (19 organisations), 3 projects for technical assistance (22 organisations) and 4 deployment projects (74 organisations) which brings the total number of organisations participating in ongoing projects to 230. Furthermore, until end 2016, 10 sending and 52 hosting organisations completed successfully their certification. The EU Aid Volunteers IT Platform was put online in summer 2016 and the first 44 vacancies for volunteers were published. Two info days were organised to promote the launching of the new calls. 97 candidate volunteers attended the dedicated EU Aid Volunteers online and face-to-face training in Pisa in October / November 2016. The deployment of the 44 volunteers to 13 countries (Angola, Bolivia, Cambodia, Ecuador, Haiti, Jordan, Lebanon, Malawi, Nicaragua, Senegal, Sierra Leone, Tunisia and Turkey) started in December 2016. The 4 deployment projects will start implementation beginning of 2017 and foresee the deployment of 162 volunteers.

The programme incentivises and fosters collaboration, exchange of knowledge and good practices and building of partnerships between organisations in the field of humanitarian aid. Organisations that wish to participate in capacity building projects need to form consortia composed of a minimum of 3 EU-based organisations and 3 organisations based in third countries. Technical assistance projects require the participation of 3 organisations based in the EU. Furthermore, the set-up of a dedicated on-site training of selected volunteers to prepare them for deployment creates a strong 'esprit de corps' among European volunteers from different countries who are trained together in groups. This will then further be strengthened in the course of the implementation of the programme through the creation of a network of former and current EU Aid Volunteers, and the participating sending and hosting organisations in order to enhance learning and further professionalization of the sector.

The possibility to do an apprenticeship with an NGO based in the EU ahead of deployment will provide especially for European citizens whose national NGOs do not provide such services due to their size or management capacity, an opportunity to engage or even seek their professional future in the field of humanitarian aid.

Evaluations/Studies conducted

A mid-term evaluation of the programme will take place in 2017 according to Legal Base requirements.

Forthcoming implementation (2017/2018)

The Annual Work Programme 2017 foresees the launch of two calls for proposal, one for capacity building and technical assistance projects, with the objective to strengthen the capacities of 110 organisations, and one call for proposal for the deployment of volunteers, with the objective to deploy 525 volunteers. It is expected that the programme could reach a peak in 2017 with many organisations involved in ongoing projects. Therefore, the planning for 2018 is more cautious proposing a total operational budget of EUR 19 165 000 that foresees the deployment of 350 volunteers and capacity building / technical assistance that allows for the support of 115 organisations. Including the administrative budget, the total budget estimated for 2018 would be EUR 19,2 million, which would be a reduction of almost EUR1,7 million compared to the total budget requested for 2017 and EUR 6 million below the initial Financial Programming (EUR 26,3 million).

¹ http://ec.europa.eu/echo/who/accountability/annual-reports_en

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 375/2014 of the European Parliament and of the Council of 3 April 2014 establishing the European Voluntary Humanitarian Aid Corps ('EU Aid Volunteers initiative')	2014 - 2020	147,9

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	12,1	6,6	8,3	21,0	19,2	25,5	26,2	119,0
Executive Agency	0,5	0,9	1,0	1,0	1,1	1,2	1,3	7,0
Total	12,7	7,4	9,3	22,0	20,3	26,8	27,5	126,0

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	9,284	98,11 %	7,793	94,17 %	22,011	6,87 %	23,718	17,90 %
Authorised appropriation excluding external earmarked revenue	9,284	98,11 %	7,793	94,17 %	22,011	6,87 %	23,718	17,90 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU added value comes in the form of:

- the European and transnational character of the EU Aid Volunteers bringing together Union citizens from different Member States for joint contributions in humanitarian aid operations;
- fostering transnational cooperation of humanitarian aid organisations and stakeholders in implementation of the actions of the initiative;
- allowing for economies of scale and effects through complementarities and synergies with other relevant national, international and Union programmes and policies;
- providing for a tangible expression of the European values in general and in particular the solidarity of the Union and its citizens with the people who are most vulnerable and in need;
- contributing to reinforcing active European Union citizenship by empowering Union citizens of a different age and from different social, educational and professional background to engage in humanitarian aid activities.

Contribution to Europe 2020 Strategy

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed

Contribution to Europe 2020 priorities

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Smart Growth (innovation, education, digital society)	6,3	4,2
Inclusive Growth (employment and skills, fighting poverty)	0	1,3
Total	6,3	5,5

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
Training, capacity building and deployments will focus amongst other on disaster risk reduction and prevention of climate related disasters.	2,52	1,68

The amount earmarked constitutes 20% of total appropriations for the EUAV deployment based on the assumption that the whole project cycle from selection, training and deployment, and 20% of all volunteer placements, are foreseen for activities related to disaster risk reduction and prevention. This has been confirmed by experience of pilot projects.

Total appropriations for deployment in 2017 = EUR 12 600 000; 20% = EUR 2 520 000.

Total planned appropriations for deployments in 2018 = EUR 8 400 000; 20% = EUR 1 680 000.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
0	0,3	1	2,5	1,7	1,9	2,3	9,6

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Estimated appropriations for deployment in 2019 = EUR 9 800 000 (1 project more than 2018); 20% = €1 960 000;
 Estimated appropriations for deployment in 2020 = EUR 11 200 000 (2 projects more than 2018); 20% = €2 280 000.
 The methodology for the calculation of this amount for 2018 is the same as for 2017.

Gender mainstreaming

In 2016, 29 female and 15 male volunteers were deployed.

4. Performance information

General objectives

General Objective 1: To contribute to strengthening the Union's capacity to provide needs-based humanitarian aid aimed at preserving life, preventing and alleviating human suffering and maintaining human dignity and to strengthening the capacity and resilience of vulnerable or disaster-affected communities in third countries, particularly by means of disaster preparedness, disaster risk reduction and by enhancing the link between relief, rehabilitation and development. That objective shall be attained through the added value of joint contributions of EU Aid Volunteers, expressing the Union's values and solidarity with people in need and visibly promoting a sense of European citizenship.

Indicator 1: The number of people reached by humanitarian aid provided through the EU Aid Volunteers initiative and the average costs per person reached

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of people reached	0	17 500	25 000	30 000	17 500	42 500	50 000
	Actual results						
Costs (in EUR) / person reached	n/a	845	716	733	1160	631	550
	Actual results						
	0	0	n/a				

These data will be taken from the final project reports from consortia (data centralised on EACEA database). Given that the projects only started in spring 2015 and normally last 2 years, no final reports are available yet (one project ended on 30 November 2016, but the final report will, due to audit reasons, only be available in May 2017).

The costs per person reached by deployed volunteers are calculated in relation to the total budget of the initiative. However, the total budget also covers other expenses (e.g. capacity building, communication, setting up and maintaining the EUAV Platform, trainings which are paid in tranches). Since these expenses vary, there is no linear dependence between the budget and the number of volunteers. Hence, the costs related to number of people reached (which relies totally on the number of deployed volunteers) can fluctuate over time and do not necessarily decrease.

Explanation for 2018 planned figures: it is planned to deploy 350 volunteers from the budget 2018 and each volunteer will reach 50 people, i.e.17 500 people reached. With a total budget for 2018 of EUR 20 300 000, the cost per person reached is estimated at EUR1 160.

Specific objectives

Specific Objective 1: Contribute to increasing and improving the capacity of the Union to provide humanitarian aid.

Indicator 1: Number of EU Aid Volunteers deployed or ready for deployment with the required qualifications

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A new programme	0	≥ 350	≥ 350	≥ 550	≥ 800	≥ 1000	≥ 1 250
	Actual results						
	0	0	44				

4 volunteers were deployed in December 2016. The other 40 follow beginning 2017..

The figure is the result of the deployment call published in 2015. It is a competitive procedure. A total amount of EUR 8,400,000 has been allocated to this action in the 2015 Work Programme of the Commission C(2015) 1548 adopted on 12.3.2015. Proposals

had to be submitted on or before 30th October 2015. Two applications were submitted under this submission deadline for a total grant requested of approximately EUR 1.4 million. Both were eligible and funded, and resulted in the deployment of 44 volunteers at the end of 2016/beginning of 2017.

Reasons for the underachievement:

- New initiative: following agreement on legislative base and implementing rules (covering the high standards required for good volunteer management, safety and security), first-wave organisations needed time to be ready to apply.
- Awareness of new scheme limited at outset to traditional humanitarian partners; not enough awareness from a wider-range of organisational stakeholders;
- Pipeline issue: for deployment of volunteers, organisations need to be certified.
- New procedures: need for certification of organisations that want to receive funding for the deployment of volunteers is different approach from the 'usual' DG ECHO partnership framework.
- Change of conditions for participation compared to pilot phase: in the pilot phase to test the design of this new initiative no certification and no forming of consortia was needed; now the formation of a consortium of 6 organisations is required (EU added-value) and consortia forming new for some;
- Some larger organisations regarded the budget for each call as too low for sharing costs across large consortia (EUR 700,000).

Indicator 2: Number of EU Aid Volunteers who have completed their contract of deployment							
Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A new programme	0	315	350	550	800	1000	1 125
	Actual results						
	0	0	0				

The figure reflects the number of volunteers who have completed / ended their deployment. Given that the first volunteers were only deployed end of 2016, none of them has completed the assignment or contract yet.

Specific Objective 2: Improvement of the skills, knowledge and competences of volunteers in the field of humanitarian aid and the terms and conditions of their engagement.

Indicator 1: The degree of satisfaction of the EU Aid Volunteers trained and deployed, of the sending and hosting organisations with regard to the quality of the training, level of knowledge and competences of volunteers, the fulfilment and adequacy of the standards and procedures for management of candidate and EU Aid Volunteers (overall satisfaction rate out of 100%)

Baseline	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A new programme	0	75	80	80	85	85	85
	Actual results						
	0	0	88				

The figure only relates to the overall satisfaction with the **training**. Given that the deployment of the first group of EU Aid Volunteers only starts from December 2016, no survey among volunteers was launched yet.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Training of volunteers	23 04 01	425	2,5
Deployment	23 04 01	350	8,4
Total			10,9

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Training of volunteers and apprenticeships	F	0	540	825	1 025	425	1.400	1 700
	P	0	0	97				
No of volunteers deployed	F*	0	≥ 350	≥ 350	≥ 550	350	≥ 1000	≥ 1 250
	P	0	0	44				

Tables cover expenditure related outputs of objectives 1 and 2.

Specific Objective 3: Building the capacity of hosting organisations and foster volunteering in third countries.

Indicator 1: Number of third country staff and volunteers participating in the capacity building actions

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A new programme	≥ 1.450	≥ 300	≥ 700	≥ 700	≥ 600	≥ 550	≥ 550
	Actual results						
	0	0	Tbc*				

*The final figure will be known when the projects come to an end.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Capacity building and technical assistance	23 04 01	23	7,6

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
No of participants to capacity building and technical assistance actions	F	1 450	≥300	≥700	≥700	≥600	≥550	≥550
	P		n/a	45 803				

Tables cover expenditure related outputs of objectives 3 and 5.

The figure summarise the number of third country staff and volunteers who are estimated to receive capacity building (14 604) plus the number of staff and volunteers estimated to participate in technical assistance activities (31 199). Actual figures will only be available when final project reports are handed in (mid-2017).

Specific Objective 4: Communication of the Union's humanitarian aid principles as agreed in the European Consensus on Humanitarian Aid.

Indicator 1: Number, type and costs of information, communication and awareness-raising actions

Baseline N/A new programme	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Number of communication and awareness-raising actions	2	3	4	5	4	4	4
	Actual results						
	2	4	6				
Costs per action (in EUR)	0	686 234*	425 000	565 000**	365 000	187 500	165 000
	Actual results						
	n/a	171 559	70 833				

* The high amount in 2015 combines the budgets in 2014 & 2015 into a commitment for the development costs of the EU Aid Volunteers IT platform.

** Costs include the estimated amounts for the mid-term evaluation of the EU Aid Volunteers initiative and the continuous development and maintenance of the EU Aid Volunteers platform (EUR 265 000 platform, EUR 200 000 evaluation, EUR 100 000 communication costs).

2018 costs include maintenance of the EUAV Platform (EUR 265 000) and Outreach / Communication (EUR 100 000)

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR
Support measures (Awareness raising events, platform, networking)	23 04 01	4	440 000

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Overall information platform produced and maintained during the programme	F	1	1	1	2	1	1	1
	P	0	0	1				
Awareness raising conference and seminars	F	1	2	3	3	3	3	3
	P	0	2	5				

Specific Objective 5: Enhancement of coherence and consistency of volunteering across Member States in order to improve opportunities for Union citizens to participate in humanitarian aid activities and operations.

Indicator 1: Number of (newly) certified sending organisations applying the standards and procedures for deployment and management of European volunteers

Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
N/A new programme	n/a	50	44	15	20	30	10
	Actual results						
	n/a	13	10				

The number reflects the certified sending organisations in 2016 (additionally, 52 hosting organisations were certified in 2016). The lower number of certified sending organisations in 2016 compared to the forecast for that year can be explained by the introduction of the new certification procedure: the need for certification of organisations that apply for funding for the deployment of volunteers is a different approach from the usual DG ECHO partnership framework. An accreditation as a Framework Partnership Agreement (FPA) partner does not exempt an organisation from certification under the EU Aid Volunteers initiative.

The certification mechanism is a requirement of the legislation (Regulation (EU) No 375/2014 of the European Parliament and of the Council of 3 April 2014 establishing the European Voluntary Humanitarian Aid Corps). It seeks synergies with the Commission's partnership instruments in the humanitarian field and existing humanitarian standards, with the aim of administrative simplification. The certification takes into account the important specificities of the programme, notably the management of volunteer staff.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR
Certified sending organisations and info days	23 04 01	20	200 000

Note: the budget also includes the certification of hosting organisations.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of certified sending organisations	F	n/a	50	44	15	20	20	20
	P	n/a	13	10				

5. Programme contribution to the Sustainable Development Goals

The EU Aid Volunteers has the potential to contribute to specifically to the following Sustainable Development Goals:

Goal 1: End poverty in all its forms everywhere

Resilience aims at protecting vulnerable populations from the shocks and stresses that keep people in poverty, whilst providing services, livelihoods and opportunities to address the underlying causes of their vulnerability – to "leave no-one behind". The **EU Aid Volunteers Initiative** works together with volunteers in vulnerable communities to strengthen their resilience to disasters and to build local capacity.

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Volunteers will work with vulnerable or disaster affected communities in fields such as food security and nutrition.

Goal 5: Achieve gender equality and empower all women and girls

EU Aid Volunteers are recruited as gender experts to promote gender sensitivity and mainstreaming of gender considerations in disaster risk management in affected communities. Women are disproportionately affected by disasters.

Goal 13: Take urgent action to combat climate change and its impacts

Volunteers can be employed for prevention and preparedness actions resulting from climate change risks. This could for example include work on risk assessments, small mitigation works, awareness raising actions or the implementation of early warning systems.

Goal 17: Strengthen Means of Implementation and revitalise the global partnership for sustainable development

Helping people affected by crises and disasters is a global concern and includes coordination at the global level, as essential way to ensure efficient and effective provision of aid to those that need it most. The EU humanitarian assistance includes working in close partnership with a large number of humanitarian and development UN and Civil Society international organisations. The **EU Aid Volunteers Initiative** also works together with volunteers in vulnerable communities to strengthen their resilience to disasters and

to build local capacities. It supports creation of national and local volunteering frameworks and schemes in third countries, which can be instrumental to increase the capacity of countries to cope with disasters as local communities are the first responders.

6. Programme related additional information

The initiative started slowly in 2015 and is still not at the levels that were envisaged in the planning. However, we see an increasing interest of stakeholders to participate. The number of volunteers to be deployed will strongly increase in 2017 (44 volunteers in 2016, 162 in 2017). The total number of certified organisations increased from 20 at the end of 2015 to 82 at the end of 2016. The objectives and design of the initiative are still valid and stakeholders participating in the initiative have started to appreciate the many features that might look difficult at first sight but once overcome, they have benefits for the organisation, e.g. the certification mechanism and the need to form partnerships, and the opportunity to send volunteers to an excellent training programme. It is very positive that organisations even reach out to other organisations to promote the initiative and bring them on board. Many outreach and communication activities took place in 2016 to promote the initiative and will be stepped-up also in 2017 (e.g. with the first EU Aid Volunteers Network Workshop that brings together about 100 participating and new organisations). Compared to the previous year, the initiative is now already able to show some preliminary results, examples are the first volunteers in the field. This will raise further interest about the initiative among organisations and might also convince hesitating organisations that shied away from being first movers to participate in this new initiative.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

HEADING 4: Global Europe**Financial Statement for European Fund for Sustainable Development (EFSD)****Lead DG: DEVCO**

Associated DGs: NEAR and ECFIN

I. Programme Update

On 14 September 2016, the Commission presented a draft Regulation of the European Parliament and of the Council on the European Fund for Sustainable Development (EFSD) and establishing the EFSD Guarantee and the EFSD Guarantee Fund¹. The EFSD is part of the External Investment Plan (EIP), the long-term strategy to address the root causes of migration, as outlined in the Commission communications of 7 June 2016 and of 14 September 2016². The EFSD will be composed of regional investment platforms, which will combine financing from existing blending facilities and the EFSD Guarantee. It will operate as a "one-stop shop" to receive financing proposals from financial institutions and public or private investors and deliver a wide range of financial support to eligible investments.

The EFSD is expected to mobilise up to EUR 44 billion investments with funds from the general budget of the Union and other sources of EUR 3,35 billion until 2020.

The Regulation establishing the European Fund for Sustainable Development (EFSD) has not been adopted at the time of the adoption of the 2018 Draft Budget. The Parliament joint Committee vote took place on 24 April 2017.

It is based on the Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank on Strengthening European investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan.³

A partial general approach was adopted by the General Affairs Council on 13 December 2016. The general approach remains partial, because financial amounts are kept in brackets pending the outcome of the mid-term review of the multi-annual financial framework (MFF).⁴

The EFSD programme currently consists of a set of Commission proposals including⁵:

- C (2016) 5917 of 14.09.2016 on the individual measure 'Creation of Africa Investment Platform' and repealing Decision C (2015) 5210;
- C (2016) 5837 of 14.09.2016 amending Implementing Decision C(2016)3436 final on the Neighbourhood Investment Facility, part of the European Neighbourhood wide Action Programme 2016 to be financed from the general budget of the European Union
- C (2016) 5918 of 14.09.2016 on the individual measure for a contribution to the EFSD Guarantee Fund to be financed from the 11th European Development Fund.

Blending practices will be covered, with two facilities (NIF, AFIF) to become investment platforms, with a more specific focus on SDGs and therefore addressing root causes of migration.

Evaluations/studies conducted

Draft ex ante assessment of the EFSD guarantee

The draft assessment recognised the role of the EFSD Guarantee Facility as a complementary tool to the grant and blending facilities already provided by the EU. It also valued the emphasis placed on portfolio guarantees as well as the potential to leverage financial institution funding through guaranteeing partially their risks, including above and over the more traditional *pari passu* guarantees. The assessment commended instruments such as first or second loss partial portfolio guarantees, guarantee on the junior debt of infrastructure projects, as well as junior portion of bond issues. Optimised pricing of the guarantees against the market pricing and the expectations of the beneficiaries is of importance to avoid moral hazard, dead weight effect and market distortion.

The proposed amount of guarantee available, estimated at about 2% of the estimated financing gaps for Sub-Saharan and Neighbourhood Partner countries, depending on either infrastructure financing or access to finance requirements of MSMEs, appears significant. It could be all the more so if the instrument is restricted in a first stage to a few emerging countries or sectors. Should the restrictions be too narrow, the absorption capacity in these environments might become an issue.

The mission supports the implementation of the EFSD Guarantee Facility through a number of eligible lead partners, under a framework similar to the Blending Investment Facilities. New private sector lead partners must be attracted to the implementation

¹ COM(2016) 586 final, 14.9.2016.

² COM(2016) 581 final, 14.9.2016.

³ COM (2016) 581 final, of 14.09.2016.

⁴ Draft version of the proposal as of December 2016 (it is not the last version) is available at: <http://data.consilium.europa.eu/doc/document/ST-15559-2016-INIT/en/pdf>.

⁵ All the proposals are available at: https://ec.europa.eu/headquarters/headquarters-homepage/9798/legal-documents---european-external-investment-plan_en

of the Facility: local and international financial institutions, as well as insurance and re-insurance companies and investments funds (while the latter might require further study as to their potential for leveraging the guarantees and market distortion).

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Proposal for a Regulation of the European Parliament and of the Council on the European Fund for Sustainable Development (EFSD) and establishing the EFSD Guarantee and the EFSD Guarantee Fund (COM(2016)586 final)	The EFSD Guarantee should be granted to eligible counterparts which have concluded guarantee agreements for supporting financing and investment operations for an initial investment period up to 31 December 2020 .	350,0 (The EFSD Guarantee shall not, at any time, exceed EUR 1 500 000 000)

	Financial Programming (EUR million)*				
	2017	DB2018	2019	2020	Total Programme
Operational appropriations	275	25	25	25	350
<i>Contribution from the European Development Fund</i>	<i>150</i>	<i>150</i>	<i>50</i>	<i>50</i>	<i>400</i>
<i>TOTAL EFSD Guarantee Fund</i>	<i>425</i>	<i>175</i>	<i>75</i>	<i>75</i>	<i>750</i>

*Subject to the adoption of the Regulation establishing the EFSD Guarantee and the EFSD Guarantee Fund

2. Implementation rates

Not applicable

3. EU added value, mainstreaming of policies

EU added value (ex-ante)

The European Fund for Sustainable Development (EFSD) aims at promoting innovative and additional types of support, notably through the new Guarantee and credit enhancement. The new Guarantee coverage will encompass innovative instruments notably aimed at addressing bottlenecks to private investment, that are not yet addressed by the market itself, such as first-loss guarantees to portfolios of guarantees to private sector projects, risk capital, SME loan guarantees or guarantees covering specific risks in infrastructure projects.

The operations financed or guaranteed through the instruments of the European Fund for Sustainable Development (EFSD) are aimed at representing a highly visible and effective tool in support of the Union's external action. The EFSD provides the necessary EU political and financial backing for the Eligible Counterpart financing in countries and to investment projects which otherwise would not be able to comply due to high risk.

Contribution to mainstreaming of climate action

In order to fulfil the political commitments of the EU on renewable energy and climate change a minimum share of 20% for the funding allocated under the EFSD should be devoted to financing and investment operations relevant for these sectors.

The more precise figures will be provided once the legislative package is adopted.

Gender mainstreaming

The cooperation under this Regulation should contribute to gender equality and implement the Gender Action Plan (SWD(2015) 182 final. There are no specific quotas or pre-allocations in the Regulation.

4. Performance information*

*To be further developed when the legislative package is adopted.

General objectives

General Objective 1: The EFSD shall contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda with a particular focus on sustainable growth, job creation, socio-economic sectors and on the support to micro, small and medium sized enterprises, thus addressing root causes of migration and contributing to sustainable reintegration of returned migrants in their countries of origin while maximising additionality, delivering innovative products and crowding in private sector funds.

Specific objectives

Specific Objective 1: The purpose of the EFSD as an integrated financial package shall be to support through the supply of financing capacity in the form of grants, guarantees and other financial instruments to eligible counterparts investments and increased access to financing starting in African and Neighbourhood partner countries.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018
		EUR million
Provisioning of the EFSD Guarantee Fund	01 03 08	25

In addition, a contribution of EUR 150 million from the European Development Fund in the form of assigned revenue is foreseen in 2018.

5. Programme contribution to the Sustainable Development Goals

The EFSD shall contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda with a particular focus on sustainable growth, job creation, socio-economic sectors and on the support to micro, small and medium sized enterprises, thus addressing root causes of migration and contributing to sustainable reintegration of returned migrants in their countries of origin while maximising additionality, delivering innovative products and crowding in private sector funds.

HEADING 4: Global Europe**Cooperation with Greenland**

Lead DG: DEVCO

I. Programme Update

Following the Council Decision 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other, the Commission agreed with the Government of Greenland the "Programming document for the sustainable development of Greenland 2014-2020" which was signed on 28/10/2014. The objectives and indicators follow those in the Council decision, complemented by indicators on education, taken from the programming document.

Implementation Status (2014/2016)

The Financing Agreement for the 2016 budget was signed with the Government of Greenland on 22/06/2016 (GL(2016/038-940). The Annual Work Plan 2016 was presented by the Government of Greenland and approved. Subsequently, the fixed tranche for the 2016 programme was paid in December 2016.

The Annual Implementation Report 2015 was received from the Government of Greenland providing adequate proof of programme implementation. However, the achievement rate was lower compared to the previous year, due to targets not being met for two out of five indicators (*7th grade test* and *Transition rate to education 2 years after drop-out*). The variable tranche 2015 was paid in December 2016 amounting to EUR 4.1 million (68% of the total foreseen). During the latest Policy Dialogue Meeting in February 2017, the Government of Greenland and representatives of Greenland municipalities showed the implementation of further reforms in the Elementary School system improving the management skills of school directors and skills upgrading of existing teachers. In addition and after an evaluation of the Teacher Training College, the Government presented reforms it is initiating in the Teachers Education in order to align it with the reforms of the Elementary Schools.

Three Policy Dialog Meetings were held of which 2 in Greenland in 2016, from 16-18 March 2016 in Sisimiut and from 22-23 June 2016 in Nuuk respectively and one in Brussels, from 6 to 8 February, 2017.. For each meeting an Aid-Memoire was signed between the Government of Greenland and the Commission detailing the main points discussed and conclusions reached.

Key achievements

The EU continues to provide financial support to the Greenland Education Sector through the implementation of a budget-support Sector Reform Contract. The overall objective of the new programme adopted in 2014 is to contribute to a higher standard of living through improved education, skills development and knowledge. This will ensure Greenland's continuous economic progress in the increasingly globalised world economy through provision of a critical mass of qualified, flexible people and a competitive workforce. Increased productivity in the working age population will reduce the growing pressure on the public finances resulting from the growing share of elderly people in the population. Furthermore, a highly educated and skilled labour force will reduce the economic dependence on single sectors and is a prerequisite for development and inclusive growth in emerging sectors.

Whereas Greenland Education Programme phase 1 (2007-2013) resulted in an increased capacity of the education system and a related improved general access to education, the emphasis during phase 2 (period 2014 – 2020) is on:

- increasing initiatives to reduce the dropout rate, including in vocational education and training (VET),
- improving the quality of the education system,
- the ability of the system to accommodate and include students who are in need of special attention,
- improvements in the transitions between different stages in the education system, i.e. from elementary school to high school and from high school to higher education,
- reducing the number of 16 – 18 year young people outside the education system.

On basis of the Annual Implementation Report 2015 the performance of the Greenland Education Programme II is measured against an agreed set of indicators. Targets for these indicators were set in the Annual Work Plan 2015.

The indicators for the variable tranche payment for the Financing Agreement 2015 are shown in the table below with baseline value 2013, targets and results for 2015 and weights- used for the calculation.

Table: Variable tranche indicators

No.	Indicator	Weight 2015	Baseline 2013 ¹	Target 2015	Result 2015	Target 2020	TA	CT
EU3	7 th grade test	0.20	56.25	56.25	55.74	63.00	0	0
EU4	Transition rate to education 1 year after elementary school	0.20	35.6 %	38.6 %	41.0 %	48%	1.8	0.2
EU8	Number of completions	0.20	968	1020	1085	1110	2.25	0.2
EU11	Transition rate to education 2 years after drop-out	0.20	41.4 %	44.5 %	42.7 %	50.0%	0.42	0.08387
EU13	Expenditure on education as percentage of total public expenditure***	0.20	25.8 %	25 %	26.7 %	25.0%	∞ ²	0.20
	Tranche	1.00						0.68387

* Target achievement in relation to baseline TA*** = (R-B)/(T-B)

** Contribution to tranche release CT*** = TA x W

*** If the target achievement is above 100% for a specific target, the figure of 100% will be used to calculate the amount to be released

Evaluations/Studies conducted

A first draft of the Greenland Decision report was published in February 2017 and is available at the following address : https://ec.europa.eu/europeaid/evaluation-greenland-decision-gd-draft-report_en. It is subject of the Public Consultation (February 7th – May 3rd 2017) and will be finalised by end June 2017.

Forthcoming implementation (2017/2018)

For 2017 one of the main priorities will continue to be the improvement of elementary schools, which will be done through the education and up-skilling of school staff, on the basis of the external evaluation of the elementary school system reported in 2015. Furthermore, based on the external evaluation of the Teacher Training Education, as start will be made to improve the overall curriculum and bring it in line with the reforms in the elementary schools. Lastly, the EU funded study on dropout from vocational education and training programmes in 2014, examining the causes of and solutions to the substantial dropout rates from these programmes will provide further recommendations for each school, as well as overall recommendations for central policy making.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Decision 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other	2014 - 2020	217,8

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	0,2	0,2	0,2	0,3	0,3	0,3	0,3	1,8
Operational appropriations	24,6	30,7	31,1	31,6	32,1	32,6	33,2	216,0
Total	24,8	30,9	31,4	31,9	32,4	32,9	33,5	217,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	31,379	99,96 %	37,534	99,52 %	31,884	0,00 %	36,324	0,31 %
Authorised appropriation excluding external earmarked revenue	31,379	99,96 %	37,533	99,00 %	31,884	0,16 %	36,324	0,00 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

¹ The baseline 2013 values were amended for some indicators by letter of 9.11.2015 Ares(2015)4939504

² TA = (R-B)/(T-B) results in T-T=0 therefore the formula results in TA is ∞ which is more than 100%.

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The EU-Greenland partnership has allowed for the continuation of strong relations between the partners and responds to the global challenges, allowing for the development of a proactive agenda and the pursuit of mutual interests. The partnership defines, in particular, the framework for policy dialogue on issues of common interest for either partner, providing the basis for broad cooperation and dialogue in areas such as (i) global issues concerning, inter alia, energy, climate change and environment, natural resources, including raw materials, maritime transport, research and innovation and (ii) Arctic issues.

As the EU is the only donor besides the Kingdom of Denmark, the support allocated through the partnership brings an EU perspective to the development of Greenland and will contribute to the strengthening of close and long lasting ties with that territory.

Greenlanders enjoy the citizenship of the Member State to which they are constitutionally linked (Denmark), and subsequently hold EU citizenship, making for the corresponding parts of the Treaty to apply to them. The EU support strengthens the position of Greenland as an advanced outpost of the EU, based on the common values and history which links the two partners

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2017 (EUR million)	DB 2018 (EUR million)
EU support for the sustainable development of Greenland*	6,9	7,2

*This contribution is calculated each budget year following the same methodology and based for DB2018 on the following assumptions:

- that around 58% of the overall Greenland Education Programme II Budget is spent on building equivalent to EUR 22.36 million in the budget year (2015 is reference year for DB2018),
- that the current EU programme contributes around 77% to the overall budget of the GEP,
- that the EU contribution allows the heavy investments in the buildings and housing
- that most building activity under the GEP replaces old school buildings and especially old dormitories that the new buildings are 50% more energy efficient.

2014 – 2016			2017-2018 estimates		2019-2020 programming		Total 2014-2020
2014	2015	2016	2017	2018	2019	2020	
6,0	5,9	6,8	6,9	7,2	7,3	7,3	47,4

Consolidated and updated comparable information for the annual expenditures adopted, estimated or programmed for the 2014-2020 programming period (totals by programme in EUR Million).

Gender mainstreaming

Relevant objective/output	Budget 2017 (EUR Million)	DB 2018 (EUR Million)
EU support for the human development of Greenland*	2,75	3,4

*This contribution is based on the following assumptions:

- that around 50% of the children attending elementary school are female,
- that 51% of the children completing further education are female (for 2015, female completion in high school, VET and higher education were respectively 52.1%, 49.9% and 54.9%),
- that around 42% of the overall Greenland Education Programme II Budget is spent on non-building activity equivalent to EUR 15,06 million,
- that the current EU programme contributes to around 77% of the overall budget of the GEP II.

4. Performance information

General objectives

General Objective 1: The EU/Greenland partnership aims to preserve the close and lasting links between the partners, while supporting the sustainable development of the Greenlandic society.

Indicator 1: Percentage of trade balance in GDP							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
-16.1%	-16.1%	-16.1%	-16.1%	-16.1%			-15%
	Actual results						
	-13.7%	-9.6%*					

No significant change in the trade balance for 2017 is forecasted as no new mining activities will have started up during that year. The baseline and targets 2017 and 2020 have been recalculated by Statistics Greenland due to a change of methodology on their side.

*Source: Statistics Greenland; www.stat.gl, data have been extracted from the Greenland Figures 2016 (pamphlet provided by the Statistical Bureau of Greenland on an annual basis).

Specific objectives

Specific Objective 1: To support and cooperate with Greenland in addressing its major challenges in particular the sustainable diversification of the economy, the need to increase the skills of its labour force, including scientists, and the need to improve the Greenlandic information systems in the field of Information and Communication Technologies.

Indicator 1: Completion rate at high school, VET and higher education							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
51.1%				54%			60%
	Actual results						
	48.9%	49.3%					

Indicator 2: Share of age group outside education system							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
61.6%				57%			40%
	Actual results						
	63.5%	59.0%					

Indicator 3: Percentage of fisheries in total exports							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
89.8%		91%	91%	91%	89%		83%
	Actual results						
	91%	89.4%					

No significant change in the percentage of fisheries in total exports for 2015 to 2017 is forecasted as no new mining activities will have started up during those years. It is forecasted that 2 small mines will be operating in 2018, with however only a small economic effect on exports due to their small size. In fact, recent developments showed that fisheries will maintain the leading position in the economy and their share will possibly even increase in the following years.

Source: Statistics Greenland; www.stat.gl, data have been extracted from the Greenland Figures 2016 (pamphlet provided by the Statistical Bureau of Greenland on an annual basis).

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Support to the Greenland Education Programme Phase II	21 07 01	1	32.11

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Support to the Greenland Education Programme Phase II	F	1	1	1	1	1	1	1
	P	1	1	1				

Specific Objective 2: To contribute to the capacity of the Greenlandic administration to formulating and implementing national policies in particular in new areas of mutual interest as identified in the PDSO referred to in Article 4(1).

Indicator 1: Number of administrative staff completing training (participant days)							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
1350				1500			1500
	Actual results						
	1484	1467					

Indicator 2: Percentage of civil servants that are (long-term) residents in Greenland							
Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
87.2%							No target set by the government since it depends on external factors
	Actual results						
	87.8%	88.0%*					

*Data lag one year behind and data from 2015 are the latest available.

The definitions of the 2 indicators were changed following the signature of the Programming Document for the Sustainable Development of Greenland (C(2014)6775) on 28/10/2014, leading to modification of the baselines.

Indicator 2 measures the civil servants with at least 5 years of residence in Greenland and the short term residents which were born in Greenland. Milestones and targets for indicator 2 have not been established as this indicator is not directly influenced by the EU support. Data on this indicator are monitored and provided by Statistics Greenland.

Expenditure related outputs

Activities related to this objective are financed by the Government of Greenland directly without requiring support from the EU. Therefore there no EU expenditures for this Specific Objective 2.

5. Programme contribution to the Sustainable Development Goals

The EU support to Greenland aims entirely at the Education Programme which contributes directly to the SDG4 and SDG5 as expressed in its specific objectives:

1. Reduced inequality in education by ensuring a well-functioning pre-school and elementary school system, no matter where the children live. The elementary school system shall provide elementary school graduates with the skills needed for them to pursue further education
2. Increased quality of the education system with special emphasis on pre-school and elementary school and increased share of educated personnel in the system
3. Increased efficiency in the education system through reduced drop-out between stages in the system, increased completion in the post-elementary education system and a decrease in the time spent in the education system before graduation.

The overall objective of the programme (“to contribute to a higher standard of living through improved education, skills development and knowledge”) contributes to SDG10, especially in reducing the inequality within the country.

III. Performance of the Predecessor programme

Please refer to the 2017 draft budget Programme Statements.

Financial Statement for the Macro Financial Assistance (MFA)

Lead DG: ECFIN

I. Programme Update

Implementation Status (2015/2016)

During the course of 2015 and 2016, the Commission made important progress in the implementation of a number of MFA operations. These include:

(a) three MFA operations which have been completed in 2015/2016:

- **Jordan** (EUR 180 million in loans, fully disbursed). The MFA decision for Jordan was adopted by the co-legislators in December 2013. The first tranche of EUR 100 million was disbursed in February 2015, whilst the disbursement of the second tranche of EUR 80 million took place in October 2015.
- **The Kyrgyz Republic** (EUR 30 million, including EUR 15 million in grants, fully disbursed). The MFA Decision for the Kyrgyz Republic was adopted in October 2013. The disbursement of the first grant element (EUR 10 million) was done in May 2015, and the first loan element (EUR 5 million) was disbursed in October 2015. The second tranche has been disbursed in two instalments, EUR 5 million in grants and EUR 10 million in loans, respectively in February and April 2016.
- **Ukraine I** (EUR 610 million in loans, fully disbursed). MFA decisions for Ukraine adopted in 2002 and 2010 were combined into one operation. The first two tranches under this operation (EUR 100 million and EUR 260 million) were disbursed in May and November 2014, respectively. The last tranche (EUR 250 million) was disbursed in April 2015.

(b) three MFA operations for which the Commission's legislative proposals were adopted by the co-legislators and have not been (fully) implemented yet:

- **Georgia** (EUR 46 million, including EUR 23 million in grants). The MFA decision for Georgia was adopted by the co-legislators in August 2013. The disbursement of the first grant element (EUR 13 million) was done in January 2015, and the first loan element (EUR 10 million) was disbursed in April 2015. The disbursement of the second and last tranche is foreseen in the first half of 2017, provided that Georgia completes the pending review of the IMF programme.
- **Tunisia I** (EUR 300 million in loans). The MFA Decision for Tunisia was adopted in May 2014. The first two tranches (EUR 100 million each) were disbursed respectively in May and December 2015. The disbursement of the third and last tranche (EUR 100 million) is envisaged in the third quarter of 2017.
- **Ukraine III** (EUR 1.8 billion in loans). The MFA Decision for Ukraine III was adopted in April 2015. The first tranche (EUR 600 million) was disbursed in July 2015. The second tranche was disbursed in April 2017; the third and last tranche is expected to be disbursed still during the course of 2017, provided that the necessary conditions have been met.

(c) two MFA operation for which the Commission's legislative proposal was adopted by the co-legislators in 2016:

- **Jordan II** (EUR 200 million, in loans). The MFA Decision for Jordan II was adopted in December 2016. The amount is expected to be disbursed in two equal tranches during the course of 2017.
- **Tunisia II** (EUR 500 million in loans). The MFA Decision was adopted by the co-legislators in July 2016. The first two tranches, of EUR 200 million and EUR 150 million, are expected to be disbursed in 2017.

Key achievements

Macro-Financial Assistance (MFA) is an EU financial instrument designed to address exceptional external financing needs of countries that are geographically, economically and politically close to the EU. It is conditional on the existence of an adjustment and reform programme agreed with the International Monetary Fund (IMF), and can take the form of either loans, for which the Commission borrows the necessary funds in capital markets and on-lends them to the beneficiary country, or, under certain circumstances, grants financed by the EU budget.

Following a request for assistance by the national authorities, the Commission assesses whether the necessary conditions are in place to propose MFA. Eligibility for MFA is guided by the Joint Declaration by the European Parliament and the Council adopted together with the decision providing further macro-financial assistance to Georgia of 2013¹. The criteria for deciding whether the MFA will be in loans, grants or a combination of the two have been addressed in the above mentioned Joint Declaration as well as by a note that was endorsed by the Economic and Financial Committee in January 2011² and relate mainly to the level of development of the recipient country and its debt sustainability and/or creditworthiness. Following the adoption of the proposal by the Commission, the European Parliament and Council adopt the Decision under the ordinary legislative procedure. The Commission and the beneficiary country agree on a Memorandum of Understanding (MoU) which will define the MFA programme

¹ Decision No 778/2013/EU of the European Parliament and of the Council of 12 August 2013 providing further macro-financial assistance to Georgia

² "Criteria for Determining the Use of Grants in EU Macro-Financial Assistance", note of the European Commission to the EFC, January 2011.

conditionality, after having consulted the Member States Committee under comitology rules. Disbursement under the proposed MFA programmes is conditional on good progress by the beneficiary country with the IMF programme and on the implementation of the policy measures agreed in the MoU.

MFA has gained increasing prominence in the EU's external toolbox. Since 1990, the EU has implemented a number of MFA operations in candidate, potential candidate and neighbourhood countries, for a total amount of over EUR 10 billion. Individual MFA operations have ranged from relatively small ones – the smallest being the EUR 15 million operation implemented in 1996 in Moldova – to large scale ones, such as the EUR 1.8 billion operation approved in 2015 for Ukraine. Since 2014, around EUR 2.7 billion have been already disbursed and other EUR 2 billion have been committed for and are expected to be disbursed between 2017 and 2018 (not considering the new MFA operations to be adopted soon or currently in the pipeline).

MFA volumes increased substantially following the global economic and financial crisis of 2008-2009, which profoundly affected the emerging economies of the European Union's neighbourhood. Six new MFA operations were approved between 2009 and 2010 in support of Armenia, Bosnia and Herzegovina, Georgia, Moldova, Serbia and Ukraine, accounting for a total of EUR 1.3 billion. The EU made an even greater use of MFA from 2011, partly reflecting the effects of the euro area's sovereign debt crisis and in response to regional developments. The political and economic upheavals in the Arab Mediterranean partner countries put heightened pressure on these countries' budgets and external financial positions, which led to an increased demand for MFA in 2012 and 2013, with requests for support from Egypt, Jordan and Tunisia. In 2014, the conflict in eastern Ukraine and the marked deterioration of the country's economic and financial situation triggered MFA support at an unprecedented level, all in the form of loans. Between 2014 and 2015, EUR 3.4 billion were made available to Ukraine under three MFA operations, of which EUR 2.21 billion were disbursed as of December 2016. This represents the largest financial assistance ever granted to a non-EU country in such a short period of time. In response to persisting regional instability, in 2016 decisions on further MFA operations in Tunisia and Jordan have been adopted, for a total amount of EUR 700 million.

More details on past MFA operations, including under the current MFF, can be found in the Annual Report from the Commission to the European Parliament and the Council on the implementation of Macro-Financial Assistance to third countries, and related Staff Working Document³.

As outlined in the ex-post evaluation reports published to date (see below), MFA operations have contributed to restoring macroeconomic stability and returning the external financial situation of beneficiary countries on a sustainable path, whilst underpinning economic adjustments and structural reforms in the medium term through conditionality. However, given its specificities, MFA cannot be linked directly to identifiable outputs, and its concrete achievements are therefore difficult to assess.

Evaluations/studies conducted

All MFA operations are subject to an ex post evaluation, which is normally carried out within two years from the end of the availability period defined in the legislative decision granting assistance. The objective is twofold: (i) to analyse the impact of MFA on the economy of the beneficiary country and in particular on the sustainability of its external position; (ii) to assess the added value of the EU intervention.

The evaluations carried out so far conclude that MFA operations do contribute, albeit sometimes modestly and indirectly, to the improvement of external sustainability, the macroeconomic stability and the achievement of structural reforms in the recipient country. In most cases, MFA operations had a positive effect on the balance of payments of the beneficiary country and contributed to relax their budgetary constraints. They also led to a slightly higher economic growth. A few examples of recent ex-post evaluations of MFA operations:

- On MFA Bosnia-Herzegovina: *"The main conclusion of the evaluation is that the MFA had a positive impact on BiH's economy and it also contributed to promoting structural reforms in the country. [...]"*

- On MFA Moldova: *"The evaluation concludes that the MFA had a positive net impact on the Moldovan economy, enabling a more gradual fiscal consolidation than would otherwise have been possible in the post-crisis period and hence supporting economic growth over the period 2010 to 2012. [...]"*

Currently, ex post evaluations on the MFA programme for Jordan, Ukraine I and Ukraine II are ongoing and are expected to be finalised within 2017. An ex post evaluation for the MFA programme in the Kyrgyz Republic will be launched in 2017.

All final reports of completed ex-post evaluations of MFA operations are published on http://ec.europa.eu/dgs/economy_finance/evaluation/completed/index_en.htm

Forthcoming implementation (2017/2018)

Currently, the pipeline of MFA programmes for 2017/2018 includes:

(a) implementation of ongoing MFA operations, as described above. These include:

- **Georgia** (EUR 46 million, including EUR 23 million in grants). The disbursement of the second tranche (EUR 10 million in grants and EUR 13 million in loans) is foreseen in the second quarter of 2017.

³ The Annual Reports and Related Staff Working Documents can be found at following link: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/international-economic-relations/macro-financial-assistance-mfa-non-eu-partner-countries_en

- **Tunisia** (EUR 300 million in loans). The disbursement of the third and last tranche (EUR 100 million) is foreseen in the third quarter of 2017.
- **Ukraine III** (EUR 1,8 billion in loans). The second and third tranche (EUR 600 million each) are expected to be disbursed in 2017, subject to successful implementation of the policy measures laid down in the Memorandum of Understanding (MoU) and satisfactory progress with the IMF programme for Ukraine.
- **Jordan II** (EUR 200 million in loans). The total amount is expected to be disbursed in 2017, provided that the negotiations between the Commission and the Jordanian authorities on the MoU are finalised in due time and the IMF programme remains on track.
- **Tunisia II** (EUR 500 million in loans). Following ratification of the MoU, the three tranches could be disbursed in the course of 2017-2018 provided that Tunisia implements the agreed policy measures.

(b) approval and implementation of possible new MFA operations, based on requests received to date or expected to be received imminently. These include:

- **Moldova** (EUR 100 million, including EUR 40 million in grants). As a result of the deteriorating economic and financial conditions in Moldova, a request for MFA support was received from the national authorities in August 2015. On 13 January 2017, the Commission adopted a proposal for a MFA programme of up to EUR 100 million. Once the co-legislators have adopted the decision, the new assistance will be disbursed in three tranches during 2017-2018.
- **Jordan III** (tentative). A joint statement adopted by European Parliament, the Council and the Commission in the context of the decision approving the second MFA operation, stated that in light of the fiscal challenges and extraordinary circumstances Jordan faces as a result of hosting more than 1,3 million Syrians, the Commission will in 2017, if appropriate, submit a new proposal for extending and increasing MFA to Jordan, upon the successful conclusion of the second MFA and provided that the usual preconditions for this type of assistance, including an updated assessment by the Commission of Jordan's external financing needs, are met.

In addition, the European Commission may launch other new MFA operations both in the enlargement and the neighbourhood regions in 2017, 2018 and beyond, in view of the deteriorated economic environment in several of these countries as a result of, among other things:

- conflicts in some countries, which have a negative impact on the economy, notably through refugees/internally displaced persons (IDPs);
- terrorist attacks in some countries, which have a direct impact on some sectors of the economy and overall on economic sentiment, business environment and level of investment;
- deterioration of the economy of the major economic partner(s) of some EU neighbouring countries, which has a negative economic impact through the remittances, the trade and the currency/monetary channels;
- lower oil/gas prices;
- internal shocks in some countries (e.g. banking crisis) and/or structural weaknesses translating into high fiscal deficit and/or current account deficit.

II. Programme key facts and performance framework

1. Financial programming

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	
Operational appropriations	38,3	0,5	0,4	45,8	42,1	83,8	84,0	294,8
Total	38,3	0,5	0,4	45,8	42,1	83,8	84,0	294,8

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	0,369	89,92 %	15,219	33,72 %	45,828	0,00 %	45,828	0,00 %
Authorised appropriation excluding external earmarked revenue	0,369	89,92 %	15,219	33,72 %	45,828	0,00 %	45,828	0,00 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value (*ex-ante*)

The financial assistance provided under MFA operations and the policy measures attached to them aim at supporting the EU agenda vis-à-vis the recipient countries, notably by promoting macroeconomic and political stability in the EU's neighbourhood. The policy measures associated with MFA cover selected provisions related, where applicable, to the accession-related agreements, Stabilisation and Association Agreements, Association Agreements, Partnership and Cooperation Agreements and European Neighbourhood Policy Action Plans or equivalent documents. They also cover other conditions aimed at fostering a sustainable

balance of payments and budgetary position, raising potential growth, promoting integration and regulatory convergence with the EU and strengthening public finance management.

MFA complements EU assistance under the "programmed" instruments (e.g. IPA, ENI) and maximises its effectiveness by alleviating the risks of disruption of the regular EU cooperation framework whilst at the same time laying the basis for structural change and sustainable economic and social development of the beneficiary countries. MFA is also complementary to the other EU crisis response mechanisms (e.g. the Instrument for Stability and humanitarian aid) and EIB lending.

When using loans, MFA operations increase the effectiveness of the EU budget through the leverage effect. MFA operations allow the EU as a whole to bundle financial resources and negotiate with recipient countries on modalities of the assistance and policy conditions as a unified actor.

By complementing the resources made available by the IFIs and other donors, EU MFA contributes to the overall effectiveness of the financial support agreed by the international donor community.

4. Performance information

General note: Given the specificities of MFA, a precise assessment of its impact is difficult to make, as effects on macroeconomic variables over time cannot be uniquely attributed to MFA operations. In addition, as MFA is by nature a short-term crisis related instrument spanning over 2 to 3 years maximum, it is not possible to quantify its objectives in terms of indicators/milestones beyond the horizon of the MFA operations themselves or, at most, of the beneficiary countries' programmes agreed (or to be agreed) with the IMF. Therefore, for years going beyond the MFA operation or the IMF projections, the figures reflect the latest data available.

General objectives

General Objective 1: Restoring a sustainable external finance situation for countries facing external financing difficulties

Indicator 1: Official foreign exchange reserves in months of imports of goods and services. Source of data: Central Banks, IMF							
Countries Baseline: Beneficiary countries' international reserves position in 2013	Milestones foreseen						Target 2020: Maintain adequate level of foreign reserves broadly covering 3 months of imports and short-term foreign debt by the end of the programmes.
	2014	2015	2016	2017	2018	2019	
Jordan 5.0				8.1	8.3	8.5	8.6
	Actual results						
	8.0	8.5	8.4				
Georgia 3.4				3.5	3.4	3.3	3.0
	Actual results						
	3.6	3.9	4.1				
Tunisia 3.4				4.5	4.5	4.6	4.7
	Actual results						
	4.2	4.7	3.5				
Ukraine 3.1				5.4	6.5	6.1	5.7
	Actual results						
	1.8	3.1	3.5				
Moldova				5.5	5.6	5.3	5.5
	Actual results						
	5.4	4.7	5.1				

Specific objectives

Specific Objective 1: Providing macro-financial assistance to third countries in resolving their balance of payment crises and restoring external debt sustainability

Indicator 1: Current account balance (% of GDP). Source of data: Central Banks, IMF							
Countries	Baseline 2014	* Milestones foreseen					Target 2020
		2015	2016	2017	2018	2019	
Jordan				-8.9	-7.5	-6.2	-6.2
	Actual results						
	-6.8	-9.0	-9.0				
Georgia				-12.0	-11.2	-10.4	-9.5
	Actual results						
	-10.6	-12.0	-12.5				

Tunisia				-7.0	-6.4	-5.7	-5.1
	Actual results						
	-8.9	-8.9	-9				
Ukraine				-2.1	-2.0	-2.0	-2.1
	Actual results						
	-3.5	-0.2	-3.6				
Moldova				-5.0	-5.4	-5.2	-5.2
	Actual results						
	-6.5	-5.0	-3.5				

Indicator 2: External debt (% of GDP). Source of data: Central Banks, IMF

Countries Baseline 2013	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
Jordan 30.0				36.9	37.5	37.6	37.3
	Actual results						
	31.2	35.2	39.9				
Georgia 81.8				101.9	99.1	96.4	93.2
	Actual results						
	83.7	107.8	108.0				
Tunisia 54.0				71.4	73.2	72.5	71.2
	Actual results						
	56.2	67.8	78				
Ukraine 78.6				136.3	129.8	118.4	107.5
	Actual results						
	93.9	131.4	124.8				
Moldova				101.2	100.3	95.9	90.9
	Actual results						
	84.9	98.9	100.4				

Expenditure related outputs

Outputs	Budget line	Budget 2017		Draft Budget 2018	
		Number	EUR million	Number	EUR million
MFA grant commitments to third countries	01 03 02	2	45,4	2	41,7
Operational assessments, PEFA* studies and ex post evaluations	01 03 02	3	0,4	3	0,4
Total			45,8		42,1

* Public Expenditure and Financial Accountability

5. Programme related additional information

The below tables summarize the MFA operations foreseen in 2017 and 2018.

Commitments for grants 2016-2018 (tentative) - in million EUR

Commitments for grants 2016-2018 (tentative) - in million EUR				
	2016	2017	2018	Total 2016-2018
New MFA operations		45,4	41,7	87,1
Total		45,4	41,7	87,1

Payments for grants 2016-2018 (tentative) - in million EUR

Payments for grants 2016-2018 (tentative) - in million EUR				
	2016	2017	2018	Total 2016-2018
MFA Kyrgyz Republic	5			5
MFA Georgia		10		10
New MFA operations		35,4	41,7	77,1
Total	5	45,4	41,7	92,1

MFA loan disbursements in 2016-2018 (tentative) - in million EUR				
	2016	2017	2018	Total 2016-2018
MFA III Ukraine		1200		1200
MFA Georgia		13		13
MFA Jordan II		200		200
MFA Tunisia I		100		100
MFA Kyrgyz Republic	10			10
MFA Tunisia II (new)		350	150	500
Other new MFA operations		40	1850*	1890*
Total	10	1903	2000*	3913*

* Taking into account the Commission proposal to increase the lending capacity of Macro-Financial Assistance to EUR 2 billion/year as supported by the broad political agreement on the Mid-term review.



Special Instruments

European Globalisation Adjustment Fund (EGF)

Lead DG: EMPL

I. Programme update

Implementation status (2014-2016)

During the current funding period, 38 applications have been submitted, out of which 3 have later been withdrawn. The other 35 applications met the funding criteria and therefore resulted in the mobilisation of the EGF for a targeted number of workers and NEETS of 35.095. Since the EGF's inauguration, the number of applications has been highly cyclical, responding with an evident delay to economic developments (increase of applications 2007-2010, decrease 2011-2012, increase 2013-2014, and decrease 2015-2016).

In terms of implementation, the main problem of the previous funding period was the length of the application process. As it was cut shorter and the decision making process now follows a strict timeline, a swift processing of applications is ensured. Besides procedural changes, EMPL also intensified its guidance measures to Member States which were for example invited to contact the Commission as early as possible to discuss possible applications beforehand. Those measures led to a further reduction of the applications' processing time.

The Regulation for 2014-2020 entered into effect on 1 January 2014 and immediately applied to all new submissions, while applications made under the 2007-2013 Regulation continue to be implemented and wound up under the latter.

Key achievements

Even though the mid-term evaluation of the funding period 2014-2020 is still ongoing, we did receive the final version (as approved by the ISG and the AOS) of an evaluation study conducted by an external contractor. The results of the study will feed into the SWD which will now be provided by EMPL. As key findings, the study identifies that the re-employment rate in the new funding period improved considerably from the previous funding period (49% to 56%). Wherever the necessary comparators/data were available, it could be shown that the EGF performed more effectively than other re-employment measures in place. The absorption rate of the funds granted could not necessarily be identified as a determining success factor for reaching higher re-employment rates. This shows that Member States' authorities invested the funds effectively and efficiently, (re-)evaluating measures throughout the implementation period. Thus sound financial management was ensured, and unnecessary spending could be avoided. In order to improve financial planning, EMPL modified some procedures to allow Member States to make changes to the planned budget before the EC proposal enters the Written Procedure. As most of the budgetary planning is done months before the start of the Written Procedure, Member States now have the possibility to respond to latest developments, and adjust the budget accordingly, improving the quality of the budget forecast.

As a change to the former funding period, a derogation clause allows the inclusion of measures targeted at NEETs in EGF applications. So far, three Member States (BE, IE, EL) made use of this clause, targeting 2953 NEETs in the regions concerned. However, at this stage of implementation, there is little systematically collected outcome data showing the impact of measures provided to NEETs available yet.

In terms of both operational effectiveness and efficiency, the first Estonian EGF application ever can be regarded as a best practise example: as two unrelated major cases of redundancies occurred in the same region, but in different companies and sectors, the EE authorities decided to apply for a derogation to combine these in one single application. This led to efficiency gains in terms of administrative burden, but also improved effectiveness, as this allowed offering a broader range of measures, tailor-made to the specific needs of certain groups of beneficiaries.

Annex V of the evaluation study provided by our external consultants in the framework of the ongoing mid-term evaluation offers a variety of best practise examples identified. These examples relate to the case design, the measures provided, examples of wider influence, and a best practise example of measures aimed at NEETs. The study, along with the extensive list of best practise examples, will soon be made available on the internet.

Evaluations/studies conducted

The biennial report 2013-2014 was published in July 2015 and is available online: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0355>

The report 2015-2016 is currently being drafted and will be published in July 2017.

The mid-term evaluation 2014-2020 is still ongoing; some of the preliminary findings identified in an evaluation study conducted by external consultants are set out above. The SWD is scheduled to be published by the end of June, and a report on the findings will then be transmitted to the Budgetary Authority and other stakeholders. All evaluation reports will be made available online.

The European Parliament published an own-initiative report on the EGF "Report on the activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014 (2015/2284(INI))", with a focus on the previous funding period, however. One of the report's recommendations that led to controversial discussions was the use of the EGF in the case of both trade agreements and trade disputes. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2016-0227+0+DOC+XML+V0//EN>

Forthcoming implementation (2017-2018)

Activities in 2017 will be in the light of the 10th anniversary of the EGF. The EGF Contact Persons' Meeting and the EGF Networking Seminar will take place early March 2017 in Mons, Belgium. The seminar will be dedicated to discussions on how to optimise the involvement of our most important stakeholder group, the beneficiaries, in the design and implementation of EGF cases.

Another set of Meeting/Seminar is planned for October 2017. The major two ongoing projects, the biennial report 2015-2016, as well as the mid-term evaluation of the EGF 2014-2020, are expected to be finished by mid-2017. EMPL will continue to conduct monitoring visits in the Member States, and to attend events or conferences related to the EGF.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Administrative support	0,3	0,6	0,4					1,3
Operational appropriations	120,1	159,3	165,2	168,9	172,3	175,7	179,3	1 140,9
Total	120,4	159,9	165,6	168,9	172,3	175,7	179,3	1 142,2

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	214,020	13,04 %	49,344	57,21 %	185,253	0,98 %	41,508	4,53 %
Authorised appropriation excluding external earmarked revenue	214,020	13,05 %	49,344	56,20 %	185,253	1,02 %	41,508	4,38 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The opening of economies to international competition brings new opportunities in terms of competitiveness and the creation of high-quality jobs. However, the opening of trade can also have negative consequences, including redundancies in some sectors and areas of the EU. As the EU takes external trade decisions, it is logical that it should assume some responsibility for workers who lose their jobs due to more open trade by providing support to reintegrate them into the labour market. The EU set up the European Globalisation adjustment Fund (EGF, under shared management) in 2006 to address the adverse effects of globalisation, to strengthen overall participation in the labour market and to demonstrate the EU's solidarity with the workers affected. The scope of the fund has been broadened for the 2014-2020 period to include support for workers made redundant as a consequence of a global financial and economic crisis, fixed-term and temporary agency workers, self-employed workers and also under certain circumstances NEETs. Union involvement through the EGF allows it to complement national and ESF resources available for the re-integration of workers made redundant as a consequence of trade related globalisation and a global financial and economic crisis. Experience so far with the EGF indicates that Union involvement makes it possible to provide more tailor-made support, for a longer period of time, often including measures that could not have been provided or people who could not have been reintegrated into employment without the involvement of the EGF.

Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
20 million less people should be at risk of poverty

Contribution to Europe 2020 priorities

Priority	Budget 2017 (EUR million)	DB 2018 (EUR million)
Sustainable Growth (competitiveness, climate, energy and mobility) 100% (lines 04 04 01 + 40 02 43)	168,9	172,3

Gender mainstreaming

The EGF Regulation (Art.10) provides for the Commission and the Member States to ensure that equality between men and women and the integration of the gender perspective are an integral part of and promoted during, the various stages of the implementation of the financial contribution from the EGF. To that end the Member States formally confirm the respect of this principle at the time of application, where they provide a breakdown of the workers targeted for assistance. This is however a general principle applied across the implementation of the programme and it is not relevant to produce estimate of budget contributions.

4. Performance information

Specific objectives

Specific Objective 1: To contribute to smart, inclusive and sustainable economic growth and to promote sustainable employment in the Union by enabling the Union to demonstrate solidarity towards and to support workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, or as a result of a new global financial and economic crisis

Indicator 1: Proportion of redundant workers reintegrated into employment following EGF supported measures							
Baseline 2012	Milestones foreseen						Target 2020
	2014	2015	2016	2017	2018	2019	
47 % *				49 %			> 50 %
	Actual results						
	49 %	**					

* % of workers targeted that were re-employed at final reporting time. This is an average figure based on the six annual reports available (2007 to 2012) and the biennial report 2013-2014. These results were heavily influenced by the global financial and economic crisis.

** First results of an evaluation study points to improvements in the re-employment rate for this new funding period (56% vs previous 49%). This will be confirmed in next year Programme Statement as the next biennial report on the activities of the EGF (2015-2016) will be delivered by 1 August 2017.

Expenditure related outputs

Outputs	Budget line	Draft Budget 2018	
		Number	EUR million
Active labour market policy (ALMP) measures for workers made redundant as a result of changes in world trade and for NEETs	04 04 01	NA	

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Active labour market policy (ALMP) measures for workers made redundant as a result of changes in world trade (number people)	F	NA	NA	NA	NA	NA	NA	NA
	P	13 848	13 273	5 030				
Measures supporting NEETs (number people)	F	NA	NA	NA	NA	NA	NA	NA
	P	1 893	1 051	0				

5. Programme contribution to the Sustainable Development Goals

Sustainability is one of the core values of the EGF. In their applications, Member States are invited not only to show how the measures are compatible with the shift towards a resource-efficient and sustainable economy (as required by the EGF Regulation), but also how to foster this shift. Furthermore, EGF measures should particularly stimulate disadvantaged persons to return to the labour market.

Even though the EGF contributes also indirectly to various SDGs, it directly contributes to the following:

- 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

Measures aimed at upgrading and updating skills are among the core measures offered by EGF assistance. A special derogation clause has been put in place to allow long-term educational programmes be eligible for EGF funding until the due date of the final report (thus 6 months longer period of eligibility than other measures).

- 5. Achieve gender equality and empower all women and girls:

As the SDGs are primarily aimed at developing countries, empowerment of women and girls are among the top priorities in achieving gender equality. In many EU Member States, in different areas, men and boys are the disadvantaged. This is especially true for mass redundancy cases triggered by globalisation or the financial crisis – by far the biggest share of workers made redundant are male. The EGF is helping to achieve gender equality by providing help to such dismissed workers. The EGF most commonly targets the most vulnerable among the workers made redundant – ensuring gender equality is one of the core values of the EU and the measures provided by the EGF.

- 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all: EGF measures promoting high quality employment and decent work for all are the core of the EGF. Job creation and fostering entrepreneurship are in the focus of many EGF cases. The goal to achieve higher levels of economic productivity through diversification, technological upgrading and innovation is indirectly supported by upgrading and updating skills of workers made redundant due to restructuring events, and by making them ready for future job market needs.

A special derogation clause has been introduced in order to allow including NEETs in EGF measures.

- 10. Reduce inequality within and among countries:

The EGF is only mobilised in redundancy events that have a significant impact on the regional economy. By offering upskilling measures to workers made redundant, the EGF helps such regions to offer measures to make the workers ready for future labour market needs, fostering economic growth. Many EGF cases also include measures that foster responsible mobility of displaced workers.

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget.

Special Instruments

European Union Solidarity Fund (EUSF)

Lead DG: REGIO

I. Programme update

Implementation status (2014-2016)

The Solidarity Fund (EUSF) is activated upon request of an eligible State when major or regional natural disasters eligible for EUSF aid occur, such as earthquakes, floods, droughts, forest fires, storms, etc. Eligibility is essentially determined by total direct damage which must exceed a threshold specific to each Member State/country negotiating EU accession or region at NUTS 2 level. The number and size of eligible disaster determines the amount of spending in a given year. The total annual budgetary allocation to the Fund which is laid down in the multi-annual financial framework is a ceiling rather than a spending target. The EUSF is therefore not programmable for example like the ESI Funds, as it entirely depends on the unpredictable occurrence, nature and magnitude of these disasters.

In 2014, DG REGIO received 13 applications for Solidarity Fund assistance, namely from Italy relating to the flooding on Sardinia of 2013, from France for the Cyclone Bejisa of 2014, from Greece for the earthquake at Kefalonia of 2014, from Slovenia for the ice storm of 2014, from Croatia for the flooding and ice events of 2014 (2 cases), from Bulgaria for the spring and summer flooding of 2014 (2 cases), from Serbia for the flooding of 2014, from Romania for the spring and summer flooding (2 cases) and for the extreme winter case of 2014, and one application from Italy for the autumn floods of 2014.

11 of these applications were accepted; two were assessed as not meeting the conditions of the Regulation and were therefore rejected (France/Bejisa and Romania/extreme winter). For the accepted cases aid from the Fund totalling to EUR 193,2 million was mobilised following a co-decision procedure and paid out.

In 2015, only three applications were received, namely two cases from Greece (Evros and Central Greece flooding) of 2015 and one from Bulgaria for the severe winter conditions of 2015. All three cases were accepted (whereby the Greek cases were merged into one) and payments were made in 2015.

In 2016, 6 applications for EUSF assistance were received, namely from Greece relating to the Lefkada earthquake of 2015, from the United Kingdom relating to the flooding of 2015, from Germany relating to the flooding of Lower Bavaria of 2016, from Cyprus relating to drought and fires of 2016, from Portugal relating to the fires on the Island of Madeira of 2016 and from Italy relating to the earthquakes of 2016/2017.

Since 2015, under the terms of the EU Solidarity Fund Regulation as revised in 2014, Member States, when submitting their EUSF application, now have the possibility to request an advance payment of 10% of the anticipated aid amount, limited to a maximum of EUR 30 million. Greece, Cyprus, Portugal and Italy used this possibility and the advances, in total EUR 31.287 million, were paid out shortly after their applications were made in 2016.

Two of these applications were accepted in 2016, and three were accepted in January 2017. The processing of the application from Italy could only start once the Italian authorities had updated their application to include damage caused by the current earthquakes of October 2016 and January 2017.

- Among the approved cases EUSF aid amounting to EUR 1.652 million was paid to Greece. In this case only a mobilisation decision¹ was needed.
- For the flooding in Germany (Lower Bavaria), the amending budget procedure was launched in October and EP and Council approved the budget appropriations in December 2016. However, due to lacking information on the intended use of the aid from the German authorities, the award decision could not be adopted in 2016 and the financial assistance could not be paid out before the end of the year. The corresponding budget appropriations of EUR 31.475 were carried over to 2017.

For each case, following the adoption of the mobilisation decision by the budgetary authority and prior to making the payment, the Commission adopts an implementing decision addressed to the beneficiary State, specifying the conditions for the use of the money (with indicative amounts per measure). Spending is limited to the four types of eligible emergency and recovery operations laid down in the EUSF Regulation. None of the EUSF cases from 2015 and 2016 mentioned above have been closed yet as the financial contribution from the Fund is to be used within 18 months from the date on which the Commission has disbursed the full amount of the assistance. Eligibility starts however from the first occurrence of the damage and costs (for emergency and recovery operations) taken before the Commission's decision may therefore be eligible for the intervention too. After the end of the 18 months implementation period, the beneficiary State has six months to present a report on the implementation of the financial contribution

¹ Adopted on 11 October 2016. This mobilisation was financed in full through the partial use of the EUR 50 million reserve for advances already entered into the 2016 budget, therefore, an amending budget was not required.

from the Fund with a statement justifying the expenditure incurred. It should be noted that the EUSF was not set up with the aim of meeting all the costs linked to natural disasters. The Fund is limited in principle to non-insurable damage and does not compensate for private losses. Long-term action – such as lasting reconstruction, economic redevelopment and prevention – are not eligible for EUSF aid. In most of the above cases, the beneficiary States decided to dedicate EUSF aid for the restoration of public infrastructure.

Key achievements

In 2016, 6 applications were received, of which 2 were accepted in 2016. The EUSF intervenes for emergency and recovery operations in the areas of basic infrastructures mainly for transport (road, rail) and water management (securing of flood protection constructions), energy, and cleaning up operations. In some cases, beneficiary States also used the Fund to cover the cost of temporary housing.

After assessment of the implementation reports and independent audit opinions received for earlier EUSF cases the Commission closed 4 interventions in 2016 dating from 2003 to 2013 and concerning Spain (2 cases), Austria and Croatia.

The EUSF contribution is determined by awarding 2,5% for the part of total direct damage up to the "major disaster" threshold and 6% for the part of the damage exceeding the threshold; accordingly, for regional disasters and disasters accepted under the "neighbouring country" provision, the EUSF contribution is 2,5% of total direct damage. The overall impact of the EUSF is targeted on the affected population. However as, by its nature, the EUSF cannot follow the programme approach (unlike the ESI Funds), it is usually not possible to identify the specific part of the population or areas covered by the EUSF intervention alone as most emergency and recovery operations are substantially covered by the beneficiary State's own budget.

Evaluations/studies conducted

The purpose of the foreseen ex-post evaluation is to assess the implementation and performance of the financial assistance provided by the EUSF over the period 2002-2016. The evaluation will assess also the synergies between the reformed EUSF and other EU policy instruments in contributing to strengthened measures for the prevention and management of natural disasters in beneficiary States. It is intended to enhance policy learning and ensure transparent communication on the implementation and performance of the instrument. The evaluation will be launched in June 2017 and runs for 12 months. The evaluation results will be disseminated to the general public, national and regional authorities, the Council, the European Parliament, the Court of Auditors, as well as to stakeholders interested in the activities and the performance of the EUSF.

Forthcoming implementation (2017-2018)

The occurrence of natural disasters cannot be predicted and applications are submitted if and when an eligible State decides to make an application following the ad hoc nature and impact of such natural disasters. In order to better assist beneficiary States in implementing the financial contribution from the Fund, it is planned to provide further guidance on the reporting and closure.

II. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund, amended by Regulation (EU) No 661/2014 of the European Parliament and of the Council of 15 May 2014	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	DB2018	2019	2020	Total Programme
Operational appropriations	126,7	82,8	81,5	120,4	574,0	585,0	597,0	2 167,4
Total	126,7	82,8	81,5	120,4	574,0	585,0	597,0	2 167,4

2. Implementation rates

	2016				2017			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Authorised appropriation	81,475	40,23 %	68,475	47,86 %	121,525	25,90 %	121,525	25,90 %
Authorised appropriation excluding external earmarked revenue	81,475	40,23 %	68,475	47,86 %	121,525	25,90 %	121,525	25,90 %

This table includes all authorised appropriations (in EUR million), including assigned revenue; the execution rate is calculated on 15 April 2017

3. EU added value, contribution to Europe 2020 Strategy and mainstreaming of policies

EU added value (ex-ante)

The European Union Solidarity Fund (EUSF) is one of the most concrete demonstrations of solidarity between Member States in acute times of need caused by the occurrence of a severe natural disaster. The European Union Solidarity Fund is an instrument distinct from those of Cohesion policy and was set up in 2002 to provide financial assistance to Member States and to countries negotiating their accession to the EU. From 2002 to 2013 the EUSF had a maximum annual budget allocation of EUR 1 billion (current prices). From 2014 this amount has been reduced to EUR 500 million (in 2011 prices) plus any remaining amounts not spent in the preceding year.

The EUSF can be mobilised in the event of major and regional disasters. A "major disaster" within the meaning of the Regulation means any disaster resulting, in an eligible country, in damage estimated at over EUR 3 billion in 2011 prices, or more than 0.6 % of its gross national income (GNI), whichever is the lower. The Fund may be activated for regional disasters, if total direct damage exceeds 1.5% of regional GDP at NUTS level 2 (1% of GDP for outermost regions). The EUSF is a relatively simple instrument in administrative terms. It may only intervene upon application from the national authorities of the country concerned; the Commission may not activate it upon its own initiative. Appropriations for the EUSF are raised outside the normal EU budget, the Commission therefore cannot decide on contributions from the Fund alone, it has to propose to the budgetary authority (Council and European Parliament) to mobilise the Fund. Following the mobilisation of the Fund by decision of the budget authority the financial contribution from the Fund is paid 100% upfront as a single instalment. Affected countries may however request the payment of an advance of 10% of the expected contribution (limited to a maximum of EUR 30 million per request). For the payment of the advance, the Regulation allows mobilising the Fund for up to EUR 50 million. Therefore commitment and payment appropriations of EUR 50 million are requested on the EUSF budget line for the DB2018. There is neither a co-financing nor a programming requirement. The EUSF is very efficient as a financing instrument for emergency operations following a disaster. Once the financial contribution is paid out, it can re-finance emergency measures from day one of the disaster.

4. Performance information

Specific objectives

Specific Objective 1: To grant financial assistance to Member States or countries negotiating their accession to the EU in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy for the financing of emergency operations undertaken by the public authorities in support of the affected population

Indicator 1: Number of population helped in overcoming a crisis situation where their living conditions have been affected		
Former results	Latest known result	Target 2020
<p>In 2014, 13 EUSF applications were received, of which 11 were accepted in 2014, 2 were rejected. Payments for these cases were executed in 2015. Moreover, 5 payments were made in 2014 for earlier cases, namely</p> <ol style="list-style-type: none"> 1) to Croatia for the flooding event 2012; 2) to Romania for the drought of fires disaster of 2012; and 3) to Germany, Austria and the Czech Republic for the flooding events of 2013. <p>In 2015, 3 EUSF applications were received, decided and paid in 2015. Moreover, payments for 11 cases received in 2013/2014 and 2015 were executed in 2015.</p> <p>In summary, following the adoption of awarding decisions, payments were made for the following cases:</p> <ol style="list-style-type: none"> 1) to Greece for the Evros and Central Greece flooding of 2015 (2 cases); 2) to Bulgaria for severe winter conditions of 2015; 3) to Italy for the flooding on Sardinia of 2013; 4) to Greece for the earthquake at Kefalonia of 2014; 5) to Slovenia for the ice storm of 2014; 6) to Croatia for the flooding and ice events of 2014 (2 cases); 7) to Bulgaria for the spring and summer 	<p>In 2016, 6 EUSF applications were received:</p> <ol style="list-style-type: none"> 1) from Greece for the Lefkada earthquake of 2015. The award decision was adopted and the advance and balance payment was executed in 2016; 2) from the UK for the flooding of 2015. No advance payment, the financial contribution will be paid out in 2017 after adoption of the award decision; 3) from Germany for the flooding of Lower Bavaria of 2016. No advance payment, the financial contribution will be paid out in 2017 after adoption of the award decision; 4) from Cyprus for the drought and fires of 2016. An advance payment was made in 2016; the balance payment will be executed in 2017 after adoption of the award decision; 5) from Portugal for the fires on Madeira of 2016. An advance payment was made in 2016; the balance payment will be executed in 2017 after adoption of the award decision; 6) from Italy for the earthquakes of 2016/2017. An advance payment was made in 2016. The balance payment will be executed in 2017 once the Commission has finalised the assessment and adopted the corresponding award decision; <p>for recovery measures in the areas of basic infrastructures mainly for transport (road, rail) and water management (securing of flood protection constructions), energy, and cleaning up operations.</p> <p>The combination of these measures covers 100% of the affected population.</p>	<p>100% of population affected and eligible under the EUSF Regulation upon the Member States' request</p>

flooding of 2014 (2 cases); 8) to Serbia for the flooding of 2014; 9) to Romania for the spring and summer flooding of 2014 (2 cases); 10) and to Italy for the autumn floods of 2014; for recovery measures in the areas of basic infrastructures mainly for transport (road, rail) and water management (securing of flood protection constructions), energy, and cleaning up operations. The combination of these measures covers 100% of the affected population.		
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Expenditure related outputs

Outputs	Budget line	Budget 2014		Budget 2015		Budget 2016	
		Number	EUR million	Number	EUR million	Number	EUR million
1.Number of applications received and assessed	130601	12	~	3	16,3	6	104,6
	130602	1	~	~	~	~	~
2.Number of award decisions adopted and commitments done	130601	0	0	13	149,3	1	1,7
	130602	0	0	1	60,2	~	~
3.Overall committed amount			0		209,5	~	1,7

For 11 applications received in 2014, award decisions and commitments were done in 2015. For 5 applications received in 2016, award decisions will be adopted in 2017 and commitments will be done accordingly. Since EUSF disasters are not foreseeable, it is impossible to know at this stage whether applications will be submitted in 2017, but this is very likely.

5. Programme contribution to the Sustainable Development Goals

The EUSF is a disaster relief instrument supporting beneficiary states in recovering their damage which goes beyond their own financial capacity. The reform of the EUSF regulation contains now several references where the beneficiary state is asked to report on preventive measures, disaster risk prevention and any other relevant information on prevention and mitigation measures taken related to the nature of the natural disaster (Art. 8.2.3). In this way the EUSF contributes indirectly to "Goal 13: Take urgent action to combat climate change and its impacts" disaster risk reduction.

III. Performance of the predecessor programme

Please refer to the programme Statements of the 2017 draft budget

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(*) Certain mobile telephone operators do not allow access to 00 800 numbers or these calls may be billed.

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