

Annual Activity Report 2025

annexes

SERVICE FOR FOREIGN POLICY INSTRUMENTS

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

I declare that in accordance with the Commission's communication on the internal control framework ⁽¹⁾, I have reported my advice and recommendations on the overall state of internal control in the Service for Foreign Policy Instruments (FPI) to the Head of Service.

I hereby certify that the information provided in the present annual activity report ⁽²⁾ and in its annexes is, to the best of my knowledge, accurate and complete."

Date 31 March 2026

[signed]

Marika LAUTSO-MOUSNIER

Head of Unit in charge of Risk Management and Internal Control ⁽³⁾ of FPI

⁽¹⁾ C(2017)2373 of 19.04.2017.

⁽²⁾ FPI is issuing a separate annual activity report for the European Peace Facility.

⁽³⁾ Due to the "lean" structure of FPI, this function is assigned to the Head of Unit level.

ANNEX 2: Performance tables

General objective 2: A new era for European defence and security			
Specific Objective 2.1: Reinforced EU contribution to global security through CFSP actions			
<i>Related to spending programme(s): CFSP</i>			
Result indicator 2.1.1: Percentage of contribution agreements with civilian CSDP Missions and EU Special Representatives signed within 6 weeks of the adoption of the relevant Council Decisions			
Source of data: FPI.6			
This result indicator is selected as a KPI			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
93%	93%	93%	93% ⁽⁴⁾
Main outputs in 2025:			
Other major outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Financing Decisions adopted for civilian CSDP Missions, EU Special Representatives and Non-proliferation and disarmament actions within 4 weeks of the adoption of the relevant Council Decisions	Percentage	90%	96% ⁽⁵⁾

⁽⁴⁾ Of the 15 signed contribution agreements with civilian CSDP Missions and EU Special Representatives, 14 (93%) were signed within 6 weeks of the adoption of the Council decisions. The remaining one was delayed by a late submission of supporting documents by the EU Special Representative.

⁽⁵⁾ 26 out of 27 financing decisions (96%) for civilian CSDP Missions, EU Special Representatives and Non-proliferation and disarmament actions were adopted within 4 weeks of the adoption of the Council decisions. The other one was delayed due to a numbering error in the Council decision.

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Grant or Contribution Agreements signed for Non-proliferation and disarmament actions within 6 weeks of the adoption of the relevant Council Decisions	Percentage	90%	77% ⁽⁶⁾

Specific Objective 2.2: Reinforced EU contribution to global security through European Peace Facility actions

Related to spending programme(s): European Peace Facility

Result indicator 2.2.1: European Peace Facility assistance measures being implemented within three months of adoption of the related Council decision

Source of data: FPI.7, FPI.8

This result indicator is selected as a KPI

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
85%	90%	100%	71% ⁽⁷⁾

Main outputs in 2025:

Other major outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Commission Decision on the amending budget related to European Peace Facility Assistance Measures for submission to the European Peace Facility Committee	Average number of days for adoption	40	31

⁽⁶⁾ Of the 13 signed contribution and grant agreements, 10 (77%) were signed within 6 weeks of the Council decisions. The other three were delayed by an error in the numbering of the Council decision as well as delayed submissions of supporting documents by implementing partners.

⁽⁷⁾ The adoption of Commission Financing Decisions needs to be preceded by the adoption of specific amending budgets by the EPF Committee in the Council, which is not under the direct control of FPI.

General objective 5: Protecting our democracy, upholding our values**Specific Objective 5.1: Protection and promotion of EU values, democracy and human rights, through the deployment of Electoral Observation Missions and through the 'Anti-torture' Regulation***Related to spending programme(s): NDICI – Global Europe***Result indicator 5.1.1:** Number of electoral processes and democratic cycles supported, observed, and followed**Source of data:** OPSYS and FPI.6**This result indicator is selected as a KPI**

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
22	20	20	20

Main outputs in 2025:**Other major outputs**

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Multiannual Action Plan for the EU electoral mission and complementary activities 2026 and 2027	Adoption	By end-2025	Adopted on 5 December 2025

*Related to spending programme(s): Not applicable***Main outputs in 2025:****Other major outputs**

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Commission Delegated Regulation amending Annexes II and III to the 'Anti-Torture' Regulation	Adoption	2 nd -3 rd quarter 2025	Adopted on 21 May 2025 ⁽⁸⁾

⁽⁸⁾ Commission Delegated Regulation (EU) 2025/928 of 21 May 2025 amending Regulation (EU) 2019/125 of the European Parliament and of the Council concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment, OJ L, 2025/928, 31.7.2025, ELI: http://data.europa.eu/eli/reg_del/2025/928/oj.

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Report from the Commission to the European Parliament and the Council on the review of the 'Anti-Torture' Regulation	Adoption	4 th quarter 2025	Adopted on 9 December 2025 ⁽⁹⁾

General objective 6: A global Europe: leveraging our power and partnerships

Specific Objective 6.1: Strengthened EU action for peace, stability and for response to crises and global and transregional threats

Related to spending programme(s): NDICI – Global Europe

Result indicator 6.1.1: Number of interventions that respond to existing or emerging crises

Source of data: OPSYS and FPI.2

This result indicator is selected as a KPI

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
For crisis response: 250 For peacebuilding: 60	For crisis response: 400 For peacebuilding: 100	For crisis response: 500 For peacebuilding: 130	For crisis response: 335 For peacebuilding: 91

Main outputs in 2025:

Other major outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Decision on the Multi-annual Annual Action Plan 2025-2026 for the Peace, Stability and Conflict prevention programme and response to global and transregional threats thematic programmes	Adoption date of Annual Action Plan	By July 2025	Adopted on 4 July 2025
Contracts signed under the Annual Action Plan 2024 - on the Peace, Stability and Conflict prevention and response to global and transregional threats thematic programmes	Percentage of signed contracts	100% by end-December-2025	100% by end December 2025

⁽⁹⁾ Report from the Commission to the European Parliament and the Council on the review of Regulation (EU) 2019/125 of 16 January 2019 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment, [COM\(2025\) 748 final](#).

Specific Objective 6.2: Strengthened partnership and policy engagement with third countries in areas of EU strategic interest

Related to spending programme(s): NDICI – Global Europe

Result indicator 6.2.1: Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced ⁽¹⁰⁾

Source of data: OPSYS and FPI.3

This result indicator is selected as a KPI

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
40	170	200	174

Result indicator 6.2.2: Average number of days between the adoption of the Council decision and the related Commission Financing Decision, for all European Peace Facility related decisions influenced

Source of data: FPI.7, FPI.8

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
60 calendar days	60 calendar days	60 calendar days	63 calendar days

Main outputs in 2025:

Other major outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Commitment of available funds during year N under both NDICI – Global Europe: High Income Countries' components in the geographic pillar and Foreign Policy Needs component in the rapid response Pillar	Percentage of funds committed	100%	100%
Contracting of available funds during year +1 under both NDICI – Global Europe: High Income Countries components in the geographic pillar and Foreign Policy Needs component in the rapid response Pillar	Percentage of funds contracted	100%	100%

⁽¹⁰⁾ This indicator is also reported in the [NDICI – Global Europe Programme Performance Statements](#).

Other major outputs: Information outreach			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Visits on FPI website	Growth rate	2.5% yearly increase	86.6% increase compared to 2024 ⁽¹¹⁾
Number of EU Visitors Programme visits organised	Number	230	258
Information Outreach Annual Work Programme 2026	Adoption	December 2025	Adopted

Main outputs in 2025:			
Simplification, Implementation and Enforcement			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
HR/VP implementation dialogues (together with EEAS)	Number of dialogues organised	Two	One ⁽¹²⁾
Annual Progress Report on Simplification, Implementation and Enforcement	Adoption	December 2025	Adopted on 21 October 2025

⁽¹¹⁾ The significant increase is due to a successful Google Ads campaign.

⁽¹²⁾ Considering the HR/VP's mandate, one implementation dialogue was organised in 2025.

ANNEX 3: Draft annual accounts and financial reports

The FPI draft annual accounts and financial reports are available via the following link: .The FPI draft annual accounts and financial reports are available via the following link:
https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex3/BUDG_Annex3.html.

ANNEX 4: Financial scorecard

The FPI financial scorecard is available via the following link:

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex4/BU DG_Annex4.html.

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year.

ANNEX 5: Materiality criteria

The principal criterion for defining significant weaknesses is the detection of significant deficiencies/errors during the controls, supervision and evaluation exercises. Different parameters are considered, such as the nature/typology of the deficiency and its scope, the relative importance of the system component affected by the deficiencies, their frequency and duration, their cause, the financial impact, monetary value of the identified problem/amount considered erroneous, the amount considered at risk, the possibility to undertake corrective actions and the existence of compensatory measures (mitigating controls which reduce the impact of the weakness). In addition, an examination is made as to whether the deficiencies give risk to special factors which put at risk the reputation of EU institutions (e.g. risk of widespread fraud).

From the examination carried out based on the above factors, management should conclude that the deficiencies are significant and deserve to be disclosed in the declaration of assurance where:

- the problems identified concern key control elements/components linked to the underlying expenditure and, having regard to the relevant factors, it appears they are systematic and wide-ranging in their occurrence;
- the multi-annual residual error rate (RER) for one or more activities of the Service exceeds 2% of the authorised payments of the reporting year for this activity;
- the audit coverage is insufficient and information on internal control system inadequate to conclude on the robustness of internal control;
- the existence of critical issues reported by the Court of Auditors, the Internal Audit Service or OLAF, including the impact on assurance of very important recommendations for which there is a significant delay in the implementation of the action plan;
- there are distinctive factors in relation to the qualitative aspects of the deficiencies, which give rise to a high reputational risk (both concerning the nature of the impact on reputation, the breadth of awareness of the event as well as the duration of impact on a reputation) for the EU institutions, which would lead to the conclusion that the deficiencies are significant notwithstanding the absence of one or both of the above elements.
- Identification and correction of weaknesses/errors are based on a number of sources, comprising, inter alia:
 - regular assessment of the implementation of the internal control framework;
 - specific controls, audits or investigations and their results;
 - management and monitoring reports;
 - and recommendations of internal and external audit bodies.

Since 2019 ⁽¹³⁾, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2%

⁽¹³⁾ Agreement of the Corporate Management Board of 30/4/2019.

materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. Cases where the 'de minimis' threshold applies this year are reported in Annex 9.

The implementation of this 'de minimis' threshold applies at the level of the department's annual activity report reservations, namely, not at all affecting the detailed reservations at the level of the Payment Agency(s)/Operational Programme(s).

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

FPI has defined the following relevant control systems:

- NDICI – Global Europe: Crisis Response / NDICI – Global Europe: Stability and Peace / Instrument contributing to Stability and Peace / Instrument for Stability,
- NDICI – Global Europe: Foreign Policy Needs / Partnership Instrument,
- CFSP,
- NDICI Election observation missions / Election Observation Missions in the former Multi-annual Financial Framework,
- Press & Info,
- Co-delegation,
- Administration.

Note: The Instrument contributing to Stability and Peace, the Instrument for Stability and the Partnership Instrument have been replaced by the NDICI – Global Europe under the current Multi-annual Financial Framework but some actions under these instruments are still ongoing. However, most actions managed by FPI are contracted under NDICI – Global Europe.

The above defined relevant control systems are the systems reported upon in the body text of the annual activity report.

Depending on the management mode the implementation of each control system will follow the steps detailed below.

1) Grants – direct management

Stage 1 – Programming, evaluation and selection of proposals

1.A - Preparation, adoption and publication of the Annual Work Programme, Calls for proposals and direct awards

Main internal control objectives: ensuring that the selection procedure is adequate and legally compliant for the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The annual work programme, the subsequent calls for proposals or the direct award decisions do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.	<p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs</p> <p>Adoption by the Commission</p> <p>Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>Centralised checklist-based verification for operations, finance, and legal aspects; for example, check for prior application, check for the operational and financial capacity of beneficiaries.</p> <p>Ex-post monitoring: lessons-learned survey/discussion with evaluators</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular.</p> <p>Possible impact 100% of budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100% / during ex-ante</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions identified.</p>	<p>Effectiveness: number of control failures; budget amount of the work programmes concerned. Success ratios: % of number/value proposals received over number expected / budget available. Dispersion of amount or content (indicator of homogeneity resulting from selection criteria)</p> <p>Benefits: The (average annual) total budgetary amount of the annual work programmes, calls or direct awards with significant errors detected and corrected.</p> <p>Efficiency: average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution over time. Average cost of processing direct awards.</p> <p>Economy (costs): estimation of cost of staff involved in the preparation and validation of the annual work programme, calls and direct awards. Cost of contracted services, if any.</p>

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

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The evaluation, ranking and selection of proposals is not carried out in accordance with the established	Assignment of staff (e.g. programme officers) as objective evaluators.	100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion)	Effectiveness: % of proposals (successfully) challenged under the redress procedure. No litigation cases. Number of candidate expert evaluators

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme / financing decisions and subsequent calls for proposals or direct awards.</p>	<p>Chairperson supervising the evaluation committee and ensuring the assessors are well acquainted with procedures</p>	<p>100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).</p>	<p>barred. Number of supervisory control failures. Amount of budget of grants concerned.</p> <p>Benefits: compare selected list with a random allocation of the available budget. Benefit equals to value of deserving projects otherwise not selected plus value of non-deserving projects that would have been selected (=amount redirected to better projects).</p>
	<p>Review (e.g. by a mixed panel) and hierarchical validation by the AO of ranked list of proposals. Opinion of advisory bodies; comitology; interservice consultation and adoption by the Commission; publication</p>	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators. Depth depends on risk factors: e.g. conflicts of interests, nationality bias, ex-employer bias, collusion</p>	<p>Efficiency Indicators: total (average) annual cost of expert evaluation compared with benefits (ratio). Average cost per call and/or per (selected) proposal. % cost over annual amount disbursed in grants. Time-to-publication of selection results.</p> <p>Economy (costs): estimation of cost of staff involved in the evaluation and selection of proposals. Cost of the appointment of experts and of the logistics of the evaluation</p>

Stage 2 - Contracting

This step covers the transformation of selected proposals into legally binding grant agreements.

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action. The beneficiary lacks operational and/or financial capacity to carry out the actions. The grant agreement is not in line with the principle of sound management or lacks the necessary legal elements. The beneficiary lacks operational and/or financial capacity to carry out the actions. The file is incomplete or inconsistent with the proposed action. Procedures do not comply with regulatory framework.</p>	<p>Hierarchical validation of proposed adjustments. Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Checklist with documents required before preparing the grant agreement. Review the completeness of file and description of actions with the budget. Signature of the grant agreement by the AO. In-depth verification of full set of the proposed grant agreement as per approved template(s) and taking appropriate measures for high-risk beneficiaries based on the instructions on direct awards. Reinforce financial and contractual circuits. Review encoding errors and check accuracy of calculations. Review the compliance of existing documents with the legal and internal rules.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements. Depth may be determined after considering the type or nature of the beneficiary (e.g. NGOs).</p>	<p>Effectiveness: % of selected proposals with recommendations implemented in grant agreement. Amount of proposed costs rejected Benefits: difference between the budget value of the selected proposals and that of the corresponding grant agreements Efficiency Indicators: value of grant agreements completed over budget requested in the corresponding proposals (%), Time-to-Grant Economy (costs): estimation of cost of staff involved in the contracting process.</p>

Stage 3 - Monitoring the execution

This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement.

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the description of the action and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>The grant file is incomplete or includes inadequate supporting documents or allows irregular payments.</p> <p>The budget or payment request includes inconsistent financial information or ineligible costs.</p> <p>The final payment is processed late resulting in paying interest.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>Check all amounts. Calculate, identify and rectify discrepancies in the payment request. Perform reconciliations and check accuracy of calculations</p> <p>Certify the acceptance after assessing the completeness of financial report and implementation of activities according to the narrative report.</p> <p>Report on documents received and state of play, payments made, circuits launched in ARES etc. Registering timely the request for payment in SUMMA</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>Riskier operations subject to in-depth and/or on-site controls.</p> <p>The depth depends on risk criteria.</p>	<p>Effectiveness: number of control failures; budget amount of the errors concerned. Number of projects with cost claim errors; budget amount of the cost items rejected. Number of penalties / damages; amount of the penalties / damages. Success ratios: % of value of cost claims items adjusted over cost claims value.</p> <p>Benefits: budget value of the costs claimed by the beneficiary but rejected by the project officers. Budget value of the part of the grant not paid out as prefinancing for projects that have been stopped by the Commission. Budget value of penalties and liquidated damages</p> <p>Efficiency: cost/benefit ratio Average cost per open project. % cost over annual amount disbursed, Time-to-payment</p> <p>Economy (costs): estimation of cost of staff involved in the actual management of running projects.</p>
	<p>For high-risk operations, reinforced monitoring Recommended: consider an ex-ante verification on-the-spot (OV and/or FV) – e.g. monitoring visit. Earmark projects for risk based ex-post audit</p>	<p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, anti-fraud flagging, etc.</p>	

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring grant to OLAF	Depth: depends on results of ex-ante controls.	

Stage 4 - Ex-Post controls

4.A - Reviews, audits and monitoring

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.	Ex-post control strategy: Carry out audits of a representative sample of operations to determine effectiveness of ex-ante controls. Validate audit results with beneficiary. If needed: referring the beneficiary or grant to OLAF If the established error rate exceeds the materiality threshold (2 %), a thorough analysis of errors found will be performed, and an action plan to improve ex-ante controls established.	Representative sample: annual ex-post control plan sufficiently representative to draw valid management conclusions. Selection based on comprehensive risk assessment. Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.	Effectiveness: detected error rate. Residual error rate. Number of supervisory control failures. Number of projects with errors; amount of the errors detected. Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits compared with benefits (ratio). Economy: cost of the external audit firms for the controls of beneficiaries. Average cost per audit. Benefits: value of the errors detected by the auditors.

4.B - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely. Recovery orders are not timely established.</p>	<p>Systematic registration of audit / control results to be implemented.</p> <p>Financial operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>.</p> <p>Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary.</p>	<p>Effectiveness: success ratio: % of value of the ROs over detected errors by the auditors after 1 year (not yet available).</p> <p>Number of suspected fraud cases transferred to OLAF.</p> <p>Analysis of financial control findings, internal control findings and other compliance findings per category of error. Number of occurrences per category of error detected.</p> <p>Efficiency: time-to-recovery (not yet determined).</p> <p>Economy: loss value of such ROs which are 'waived' or must be cancelled.</p> <p>Benefits: value of the errors, detected by ex-post controls, which have been corrected (offset or recovered).</p>

2) Indirect management

Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity (contribution agreements)

Main internal control objectives: ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The establishment (or prolongation) of the mandate of the entrusted entity is affected by operational and legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	<p>Ex-ante evaluation</p> <p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs</p> <p>Adoption by the Commission</p> <p>Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>Centralised checklist-based verification</p> <p>Ex-post monitoring: lessons-learned survey/suggestions for next time</p>	<p>Coverage/Frequency: 100%/once</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied with. Factors would be (i) whether it is an establishment or a prolongation, (ii) whether it involves selecting an entity and (iii) consistency with any other entities entrusted by the same DG or family. If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>	<p>Effectiveness: quality of the legal work (contribution agreements): number of control failures; number of initially negative ISC opinions Quality of selection process (if any): number of candidate entities challenging the selection procedure. No litigation cases. No OLAF inquiries. No ECA criticism. Benefits: The (average annual) total budget amount entrusted to the entity, possibly at 100% if significant (legal) errors would otherwise be detected.</p> <p>Efficiency: average cost of preparation, adoption and selection work done for the entrusted entity, compared with similar cases as benchmark. For FEI EE chosen asset management fee compared to benchmark</p> <p>Economy (costs): estimation of cost of staff involved in the preparation, adoption and selection work</p>

Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Main internal control objectives: ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 ICOs.

FPI relies mainly on existing pillar assessments managed by other DG’s (mainly INTPA). However, in case an entity new to the Commission wants to work with FPI in indirect management, FPI will instruct the entity to undergo a pillar assessment and will oversee managing this assessment.

Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control with or around the entity”)

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E’s)
<p>Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<p>Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements.</p> <p>Carry out verification missions of international organisations.</p> <p>Regular contacts with implementing partners.</p> <p>Good reporting of possible problems detected by FPI staff when they visit projects implemented by implementing partners.</p> <p>Sharing of experience amongst FPI units on quality of implementing partners and potential risks.</p>	<p>Coverage: verification missions of international organisations included in annual ex-post control plan. Selection of verification missions based on comprehensive risk assessment identical to grants.</p>	<p>Effectiveness: number of verification missions; number of internal control and other compliance findings; amount of the errors concerned.</p> <p>Efficiency Indicators: cost/benefit ratio.</p> <p>Economy: cost of the verification missions of international organisations included in the total cost of the annual ex-post control plan.</p> <p>Benefits: value of the errors detected by the verification team.</p>

Stage 4 – Commission contribution: payment or suspension/interruption

Main internal control objectives: ensuring that the Commission fully assesses the management situation at the entrusted entity, ensuring that the financial implementation and the final payment made by FPI correspond and comply with the contract and the objective of the action (legality & regularity, sound financial management, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p> <p>Risks linked to economy and sound financial management.</p> <p>Inconsistent financial information. Amount clearings are incorrectly performed or not in compliance with accounting rules</p> <p>Delays in processing the final payment, involving payment of interest.</p>	<p>Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements.</p> <p>Ex-ante operational and financial verifications: completeness of the file, compliance and eligibility checks.</p> <p>Carry out (mid-term) verification missions of international organisations under joint management.</p> <p>Certify acceptance based on the assessment of the completeness of the financial report and the implementation of the activities according to the narrative report.</p> <p>Conduct regular review of payment pipeline. Check and conduct final clearing.</p> <p>Calculate, identify and rectify discrepancies in the payment request. Perform reconciliations and check accuracy of calculations.</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments.</p>	<p>Coverage: 100% of the contribution payments (for ex-ante OV and FV. Verification missions of international organisations included in annual ex-post control plan (conducted after 1st year of operations or before signature of new contribution agreement).</p>	<p>Effectiveness: number of verification missions; number of internal control and other compliance findings; amount of the errors concerned.</p> <p>Efficiency Indicators: cost/benefit ratio.</p> <p>Economy: cost of the verification missions of international organisations included in the total cost of the annual ex- post control plan/</p> <p>Benefits: value of the errors detected by the verification team. The total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p>

Stage 5 – Audit and evaluation (indirect management only)

Main internal control objectives: ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The Commission has not sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>Ex-post control strategy: Carry out audits of projects under indirect management.</p> <p>Review of implementation of management findings</p> <p>Validate audit results with beneficiary.</p> <p>If needed: referring the beneficiary or grant to OLAF.</p> <p>If the established error rate exceeds the materiality threshold (2 %), a thorough analysis of errors found will be performed, and an action plan to improve the control system.</p>	<p>Representative sample: annual ex-post control plan may include indirect managed projects. Selection based on comprehensive risk assessment.</p> <p>Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Effectiveness: detected error rate. Residual error rate. Amount of budget of errors concerned. Number of projects with errors; amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits (if any under indirect management) compared with benefits (ratio).</p> <p>Economy: cost of the external audit firms for the controls. Average cost per audit.</p> <p>Benefits: value of the errors detected by the auditors.</p>

3) Indirect management under the CFSP budget

Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity (contribution agreements)

Main internal control objectives: ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Overall control efficiency indicator: estimated cost of control of CSFP operations divided by total amount of expenditure under these operations in the year.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p> <p>The Council takes decisions on political grounds without considering the comments from the Commission on sound financial management.</p> <p>The Commission does not play a programming role, nor does it have a final say in decisions. The Commission can, due to its expertise in project management and its budgetary role, try to influence the Council's decisions. Arguments on sound financial management risk being overruled and the Council often may make decisions on political grounds, with political objectives being considered of overriding importance.</p>	<p>Ensure participation in the decision-making process from an early stage, in line with the 2012 Commission services / EEAS working arrangements (SEC(2012)48, point 3.8).</p> <p>Ex-ante verification (checklist-based verification) of the proposed projects, beneficiaries and budgets before adoption by the Council.</p> <p>Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions).</p> <p>Hierarchical validation within the authorising department.</p> <p>Inter-service consultation, including all relevant DGs.</p> <p>Adoption by the Commission.</p>	<p>Coverage/Frequency: 100% of each proposed project.</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied with.</p> <p>Factors would be (i) whether it is an establishment or a prolongation, (ii) consistency with any other entities entrusted by the same DG or family.</p> <p>If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>	<p>Effectiveness: quality of the legal work – Council Decision.</p> <p>Number of initially negative ISC opinions.</p> <p>Number of contracts not signed with entities designated by the Council.</p> <p>Economy: estimation of cost of staff involved in the preparation, adoption and selection work.</p> <p>Benefits: non-financial qualitative benefits (clear contracts, less disputes, time saved during the implementation phase, reputational).</p> <p>Financial benefits: approved budget lower than initially proposed, improved implementation of the budget.</p>

Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Main internal control objectives: ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 ICOs.

Overall control effectiveness indicator: number of entrusted entities fully ready to start/continue implementing the delegated funds autonomously with respect of all 5 ICOs. (Target = 100%).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs	<p>Ex-ante assessment, conditional to granting budget autonomy.</p> <p>Hierarchical validation within the authorising department.</p> <p>Use of Model- or Framework- financial rules (MFR or FFR).</p> <p>Requiring justification and prior consent for any deviations from financial rules.</p> <p>Requiring ex-ante control of procurement and contract award files, approval of selection and grading of international contracted staff.</p> <p>Postponing the budget autonomy.</p>	<p>Coverage/frequency: 100% of entrusted entities/initial and follow-up assessments</p> <p>Depth may be determined after considering the <u>type or nature</u> of the entrusted entity (e.g. other international organisation with a specific EC agreement, CFSP persons, etc.) and/or the <u>value</u> of the budget, size of the entity concerned and the location (difficult environment).</p>	<p>Effectiveness: number of ex-ante assessments.</p> <p>Efficiency Indicators: number of exceptions reported by the Missions/EUSRs.</p> <p>Number of mitigating actions taken by FPI.</p> <p>Economy: estimation of cost of staff involved in the ex-ante assessment process (which may include missions). Cost of externalised assessments.</p> <p>Benefits: The (average annual) total amount entrusted to the entity, possibly at 100% if significant (legal) errors would otherwise be detected.</p> <p>Qualitative benefits: mission better organised, more efficient due to application of correct procedures.</p> <p>Less support to be provided by FPI.</p>

Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control with or around the entity”)

Main internal control objectives: ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, to possibly mitigate any potential financial and/or reputational impacts. Ensuring that the related financial operations comply with the principles of legality & regularity, sound financial management, true and fair view reporting and anti-fraud strategy.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react to notified issues by mitigating them or by making a reservation for them – which may reflect negatively upon the Commission's governance reputation and quality of accountability reporting.</p>	<p>Contribution agreement/etc. specifying the control, accounting, audit, publication, and other related requirements and the reporting.</p> <p>Monitoring or supervision of the entrusted entity (e.g. 'regular' monitoring meetings at operational level; review of reported control results and management or audit reports; scrutiny of the interim and final reports, etc.) – use the FPI template.</p> <p>Management review of the supervision results.</p> <p>Earmark projects for risk-based ex post audit</p> <p>If appropriate/needed:</p> <ul style="list-style-type: none"> - reinforced monitoring of operational and/or financial aspects of the entity - intervention, e.g. via own on-the-spot controls, specific external audits - address any potential major governance-related issues with the entrusted entities - referral to OLAF 	<p>Coverage: 100% of the entities are monitored/supervised.</p> <p>Frequency: monthly, quarterly interim reports are immediately carefully scrutinised.</p> <p>In case of operational and/or financial issues, measures are being reinforced.</p> <p>The depth: full control of the entity's internal control and management systems and actions.</p>	<p>Effectiveness: number of reports scrutinised, problems detected, number of regular monitoring actions (missions), number of Very important and Critical IAS and ECA findings.</p> <p>Efficiency Indicators: cost/benefit ratio. Cost of monitoring and support missions, provision of additional expert support.</p> <p>Economy: estimation of cost of staff involved in the actual (regular or reinforced) monitoring of the entrusted entities (which includes missions). The cost of specific external audits if required.</p> <p>Benefits: Avoiding the cost of significant (legal, management, accounting, fraud, reporting) errors if these controls would not be in place. Reputational benefit.</p>

Stage 4 – Commission contribution: payment or suspension/interruption

Main internal control objectives: ensuring that the Commission fully assesses the management situation at the entrusted entity, ensuring that the financial implementation and the final payment made by FPI correspond and comply with the contract (legality & regularity, sound financial management, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p> <p>Risks linked to economy and sound financial management.</p> <p>Inconsistent financial information.</p> <p>Amount clearings are incorrectly performed or not in compliance with accounting rules</p> <p>Delays in processing the final payment, involving payment of interest.</p>	<p>Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements.</p> <p>Ex-ante operational and financial verifications: completeness of the file, compliance and eligibility checks.</p> <p>Carry out (mid-term) monitoring missions to CSDP Missions under indirect management.</p> <p>Certify acceptance based on the assessment of the management declaration, audit report, completeness of the financial report and the implementation of the activities according to the narrative report.</p> <p>Calculate, identify and rectify discrepancies in the payment request. Perform reconciliations and check accuracy of calculations.</p> <p>Conduct regular review of payment pipeline. Check and conduct final clearing.</p> <p>If appropriate/needed: suspension or interruption of payments.</p>	<p>Coverage: 100% of the contribution payments (for ex-ante operational and financial verifications).</p> <p>Monitoring missions to CSDP Missions conducted in the middle of their mandates.</p> <p>Management declarations signed by the CSDP Missions and EUSRs.</p> <p>Final and interim audits contracted by the Missions and the EUSRs.</p>	<p>Effectiveness: number of verification missions; number of internal control and other compliance findings; amount of the errors concerned.</p> <p>Efficiency Indicators: cost/benefit ratio.</p> <p>Economy: cost of the audits contracted by the Missions / EUSRs.</p> <p>Benefits: value of the errors detected by the auditors. Total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p>

Stage 5 – Audit and evaluation, Discharge

Main internal control objectives: Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources, which may confirm or contradict the management reporting received from the entrusted entity itself. Ensuring that the recommendations of CFSP audits are properly addressed.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The Commission does not have sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p> <p>Weak internal control in CSDP Missions and EUSRs</p> <p>The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Contribution agreement/etc. specifying the control, accounting, audit, publication, etc. related requirements; reporting requirements; independent external audit of the accounts and financial statement.</p> <p>The entities are part of the population subjected to the ex-post control programme.</p> <p>Carry out audits of a representative sample of operations to determine effectiveness of ex-ante controls.</p> <p>Validate audit results with implementing partner.</p> <p>Review of implementation of management findings</p> <p>If needed:</p> <ul style="list-style-type: none"> - Supplementary ex-post audit(s) on-the-spot, by FPI.5 of the entity. - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	<p>Coverage: The final report/financial statement per mandate (annual for most CSDP missions and EUSRs) and the required external audit report to be in-depth scrutinised.</p> <p>Frequency: annually.</p> <p>Entities are selected for ex-post controls (external audits) based on a risk analysis.</p> <p>The depth depends on the mandate of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<p>Effectiveness: detected error rate, residual error rate. Number of transactions with errors; amount of the errors detected by the own supervisors.</p> <p>Efficiency: total (average) annual cost of own audits compared with benefits (ratio).</p> <p>Economy: estimation of cost of staff involved in the coordination and execution of the own ex-post controls and audits (which may include missions, if applicable). Cost of the appointment of audit firms for the outsourced audits.</p> <p>Benefits: The (average annual) total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p> <p>Value of the errors with the entity's beneficiaries detected by the own auditors and subsequently corrected.</p>

4) Procurement - direct management

Stage 1

1.A – Planning

Main internal control objectives: Design actions that contribute the most towards the achievement of the policy or programme objectives (effectiveness, efficiency and economy). Compliance (legality and regularity).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives	Publication of intended procurements / Work programme	100% of the forecast procurements (open procedures with prior notification) are justified in a note addressed to the AO(D)	Effectiveness: number of projected tenders cancelled. Number of contracts discontinued due to lack of use (poor planning). Benefits: Amount of rejection of unjustified purchases. Estimation of litigations avoided, and eventual discontinuation of the service provided.
Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process including the planning of supervision and monitoring)	Validation by AO(S)D of justification (economic, operation) for launching a procurement process. Drafting of tender specifications – selection and award criteria.	100% of the forecast procurements	Efficiency: average cost per tender. Economy (costs): estimation of cost of staff involved and the related contract values (if external expertise is used).
	Decisions discussed/taken at the weekly management meeting including FPI Head of Service and all Heads of Unit	All key procurement procedures (> amounts and/or having significant impact on the objectives of the DG) are discussed at management meeting	

1.B - Needs assessment & definition of needs

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The best offer/s are not submitted due to the poor definition of the tender specifications.</p> <p>The essential eligibility, selection and award criteria are not adequate to ensure the evaluation of offers, resulting in not achieving the FPI's objectives.</p> <p>Complaints or cancellation of the calls for tender.</p>	<p>AOSD supervision and approval of specifications.</p> <p>Hierarchical validation within the authorising department</p> <p>Check for cases when the same call for tender was successfully executed.</p> <p>Due diligence of the operational environment</p> <p>Drafting the tender specifications – selection and award criteria.</p>	<p>100% of the specifications are scrutinised.</p> <p>Depth may be determined by the amount and/or the impact on the objectives of the DG if it goes wrong</p>	<p>Effectiveness: number of 'open' or procedures where only one or no offers were received. Number of requests for clarification regarding the tender.</p> <p>Benefits: limit the risk of litigation, limit the risk of cancellation of a tender. Number of contracts for which the approval and supervisory control detected material error.</p> <p>Efficiency: estimated average cost of a procurement procedure.</p> <p>Economy (costs): estimation of cost of staff involved and the related contract values (if external expertise is used).</p>

1.C – Selection of the offer & evaluation

Main internal control objectives: the most effective and efficient projects for meeting the policy objectives are among the offers selected (effectiveness, efficiency and economy). Compliance (legality and regularity). Fraud prevention and detection.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of offers is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the work programme</p>	<p>a) Formal evaluation process:</p> <p>Opening committee and Evaluation committee</p> <p>Assignment of staff as evaluators that can perform objectively</p> <p>Opinion of advisory bodies; adoption by the Commission; publication</p> <p>Evaluation of tenders</p> <p>Review and hierarchical validation by the AO of ranked list of proposals.</p> <p>Award of the contract</p>	<p>100% of the offers analysed.</p> <p>Depth: all documents transmitted</p>	<p>Effectiveness: numbers of 'valid' complaints or litigation cases filed.</p> <p>Benefits:</p> <p>(a) Compliance with FR. Difference between the most onerous offer and the selected one.</p> <p>(b) Number of contracts for which the control prevented the risk of litigation or fraud.</p> <p>(c) Avoid contracting with excluded economic operators</p>

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>/ financing decisions and subsequent calls for tenders.</p> <p>Human errors in the evaluation process resulting in incompliances or cancellation of call.</p>	<p>b) Opening and Evaluation Committees' declaration of absence of conflict of interests</p> <p>Chairperson of the evaluation committee ensures the evaluators are well acquainted with procedures.</p>	<p>100% of the members of the opening committee and the evaluation committee</p>	<p>(d) Number of procurements successfully challenged during standstill period.</p> <p>Efficiency: cost of successful tender minus cost of the most onerous one (or average cost). Average cost of a tendering procedure.</p> <p>Economy (costs) (a-d): estimation of costs involved.</p>
	<p>c) Exclusion criteria documented</p>	<p>100% checked.</p> <p>Depth: required documents provided are consistent</p>	
	<p>d) Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision.</p>	<p>100% when conditions are fulfilled</p>	

1.D – Preparation and signature of service contract

Main internal control objectives: the actions and funds allocation is optimal allowing best value for public money (effectiveness, economy, efficiency). The service contract is compliant with legal provisions and support the fraud prevention. Completeness of contract file.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Service contracts are not in line with the principle of sound financial management</p> <p>The service contract does not include all necessary legal elements and budget commitment.</p>	<p>Identify the documents required to start preparing the service contract. Use the approved templates and checklists.</p> <p>Review the full set of proposed service contract</p> <p>Verify completeness of the file and review the compliance of existing documents with the legal and internal rules and provisions</p> <p>Review encoding errors and check accuracy of calculations</p>	<p>100% of draft contracts</p> <p>100% of selected offers and tenders are scrutinized before contract signature</p>	<p>Effectiveness: number of delayed service contracts. Number of requests for reworking the service contracts. No litigation case. No OLAF and no ECA criticism.</p> <p>Benefits: Number of service contracts for which the approval and supervisory control detected material error. Average time between awarding notice and contract signature.</p> <p>Efficiency: estimated average cost of a procurement procedure.</p> <p>Economy (costs): estimation of cost of staff involved and the related contract values (if external expertise is used).</p>

Stage 2 – Financial transactions

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The products/services foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>Delays in encoding the financial documents.</p> <p>Risks linked to economy and sound financial management.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Follow-up by project manager.</p>	<p>Coverage: 100% of the contracts are controlled.</p>	<p>Effectiveness: ex-ante verification results.</p> <p>Efficiency: ex-ante verification results.</p> <p>Economy:</p> <p>Benefits: Number of irregularities, errors and overpayments prevented by the controls.</p>

Stage 3 – Monitoring implementation

Main internal control objectives: ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected. Ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with the set of objectives and results.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment</p> <p>Inadequate supporting documents or incomplete file.</p>	<p>Supervisory desk review of procurement and financial transactions.</p> <p>Check all documents received including prefinancing guarantee.</p> <p>Ex-post publication (possible reaction from tenderer / potential tenderer such as whistle blowing).</p> <p>Conduct ex-ante verification and on-the-spot (e.g. monitoring visit). Monitoring missions during the implementation.</p> <p>Earmark projects for risk-based ex post audit.</p> <p>Ex-post control strategy: Carry out audits of procurement projects (products/services).</p>	<p>Representative sample: annual ex-post control plan may include procurement projects. Selection based on comprehensive risk assessment.</p> <p>Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p> <p>High risk operations identified by risk criteria.</p> <p>The raised red flags include delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, anti-fraud flagging, etc.</p>	<p>Effectiveness: detected error rate. Residual error rate below materiality threshold. Amount of budget of errors concerned.</p> <p>Number of projects with errors; amount of the errors detected (for all management modes combined).</p> <p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits (if any procurement contract) compared with benefits (ratio).</p> <p>Economy: cost of the external audit firms for the controls of selected beneficiaries. Average cost per audit (for all management modes combined)/</p> <p>Benefits: value of the errors detected by the auditors.</p>

Stage 4 – Ex-post controls

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

Overall control efficiency indicator: estimated cost of controls of procurement operations divided by total amount of expenditure under procurement operations in the year.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Ex-post control strategy: Carry out audits of a representative sample of operations to determine effectiveness of ex-ante controls.</p> <p>Validate audit results with beneficiary.</p> <p>If needed: referring the beneficiary or grant to OLAF.</p> <p>If the established error rate exceeds the materiality threshold (2 %), a thorough analysis of errors found will be performed, and an action plan to improve ex-ante controls established.</p>	<p>Representative sample: annual ex-post control plan sufficiently representative to draw valid management conclusions. Selection based on comprehensive risk assessment.</p> <p>Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Effectiveness: detected error rate. Residual error rate. Number of supervisory control failures. Number of projects with errors; amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits compared with benefits (ratio).</p> <p>Economy: cost of the external audit firms for the controls of selected beneficiaries. Average cost per audit/</p> <p>Benefits: value of the errors detected by the auditors.</p>
<p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.</p>	<p>Establish an ex-post supervision strategy: Carry out ex-post controls of systems and transactions in EU Delegations</p> <p>Recommended: to be able to serve multiple purposes (e.g. for assurance as well as to give guidance and advice on different systems and procedures).</p>	<p>Annual ex-post control plan of EU Delegations to visit based on comprehensive risk assessment.</p> <p>Depth: review of underlying checklists and documents relating to commitments and payments.</p>	<p>Effectiveness: number of administrative errors detected by the supervisors. Number of material findings. Value of material errors concerned. Detected error rate. Residual error rate. Average number of errors per Delegation.</p> <p>Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments verified.</p> <p>Economy: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission.</p> <p>Benefits: value of the errors detected by the supervisors.</p>

Stage 5 – Implementing results from ex-post audits/controls

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

Overall control efficiency indicator: percentage of cashed recoveries as of 31 March N+1.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p> <p>Recovery orders are not timely established.</p>	<p>Systematic registration of audit / control results to be implemented.</p> <p>Financial operational validation of recovery in accordance with financial circuits.</p> <p>Review the implementation of audit recommendations.</p> <p>Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a</i> financial impact.</p> <p>100% of recommendations older than 3 months.</p> <p>Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary.</p>	<p>Effectiveness: success ratio: % of value of the ROs over detected errors by the auditors after 1 year (not yet available).</p> <p>Number of suspected fraud cases transferred to OLAF.</p> <p>Analysis of financial control findings, internal control findings and other compliance findings per category of error. Number of occurrences per category of error detected.</p> <p>Efficiency Indicators: time-to-recovery (not yet determined).</p> <p>Economy: loss value of such ROs which are 'waived' or must be cancelled.</p> <p>Benefits: value of the errors, detected by ex-post controls, which have been corrected (offset or recovered).</p>

5) Administration

The Administration segment also includes administrative expenses for salaries and/or missions, which are reported by the service responsible for the commitment, although the payments are executed by another service, notably the PMO and/or DG HR ⁽¹⁴⁾. The executing service implements the necessary technical-level controls and submits a declaration to FPI on the compliance of these payments with the principle of sound financial management, as well as their legality and regularity. These expenses are considered to present a low level of risk and are therefore subject to a flat rate of 0.5%, as corroborated by the control results of the executing service(s). More information on the implemented controls can be found in the DG HR/PMO annual activity report(s).

⁽¹⁴⁾ Type III co-delegation for which these expenses were reported by the service executing the payments until 2024.

ANNEX 7: Specific annexes related to "financial management"

A. Free content:

It should be mentioned that FPI is issuing a separate annual activity report for the European Peace Facility. Information concerning the European Peace Facility does therefore not appear in this annex nor in part 2 of main body text.

The summary of the main sources of assurance:

Risk-type/ Activities	Grants (MEUR)	Procurement (MEUR)	Indirect management (MEUR)	TOTAL (MEUR)	Legality & Regularity (%RER)	Cost- effectiveness & efficiency	Fraud prevention & detection	Independent info from auditors (IAS, ECA) on assurance or on new / overdue critical recommendations	Reservation?
NDICI Crisis Response/NDICI Stability and Peace/IcSP/IFS	177,29	29,97	192,66	399,92	1.15	J	J	No	No
CFSP	79,27	0.00	344,86	424,12	0.16	J	J	No	No
NDICI FPN / PI	21,58	41.96	17,70	81,25	0.50	J	J	No	No
NDICI EOM	0,00	30.95	0,00	30,94	0.00	J	J	No	No
Co delegation	0,00	5.92	0,00	5,92	-	J	J	-	-
Press & Info	0,00	27.27	0,00	27,27	Estimated 0,5	J	J	No	No
Administration	0,00	15,34	0,00	15,34	Estimated 0,5	J	J	No	No
TOTAL	278,14	151,41	555,22	984,76					

Payments per Instruments

Common Foreign Security Policy

From the total budget paid, 81.31% was managed under indirect management by civilian CSDP missions, EU Special Representatives and international organisations and the remainder under direct management (18.69%) covering mainly the grant agreement with the registrar of the Kosovo Specialist Chambers. For indirect management in the field of the non-proliferation, FPI deals primarily with international organisations from the UN family.

	Payments by FPI HQ		Payments by Delegations		TOTAL	
	EUR million	%	EUR million	%	EUR million	%
Direct management						
Grants	79,27	18,69%	0,00	0,00%	79,27	18,69%
Procurement	0,00	0,00%	0,00	0,00%	0,00	0,00%
Indirect management						
Delegation agreement	344,86	81,31%	0,00	0,00%	344,86	81,31%
TOTAL	424,13	100,00%	0,00	0,00%	424,13	100,00%

NDICI Stability and Peace, NDICI Crisis response, Instrument contributing to Stability and Peace and Instrument for Stability

Whereas under NDICI and the Instrument contributing to Stability and Peace (IcSP/IfS) the financing decision and budgetary commitment are made by Headquarters, the subsequent individual contracting (legal commitment) is predominantly managed by the Delegations for the NDICI Crisis response and IcSP Article 3 actions. In contrast, NDICI Stability and Peace and IcSP Article 4 and 5 actions are mostly managed in Headquarters. FPI's approach consists of Regional Teams where staff is concentrated in several regional hubs to provide economies of scale in the management of NDICI and IcSP actions thereby achieving focus and reducing reliance on staff of other external relations DGs. The financial circuits are adapted for this purpose with the Head of Finance in the respective Regional Team acting as the AOSD on payments. Contracts are processed and managed by the Regional Teams concerned.

In 2025, EUR 230.96 million or about 57.64 % of payments for NDICI Crisis response/Stability and Peace and IcSP actions was implemented by FPI HQ with EUR 169.74 EUR million (about 42.36 %) implemented by devolved Delegations. The detailed structure of the 2025 concerned payments is presented in the table below:

	Payments by FPI HQ		Payments by Delegations		TOTAL	
	EUR million	%	EUR million	%	EUR million	%
Direct management						
Grants	78,18	19,55%	99,11	24,78%	177,29	44,33%
Procurement	28,34	7,09%	1,63	0,41%	29,97	7,49%
Indirect management						
Delegation agreement	124,44	31,12%	68,23	17,06%	192,66	48,18%
TOTAL	230,96	57,75%	168,96	42,25%	399,92	100,00%

The large proportion of implementation by international organisations (IOs) stems from the fact that FPI operations under NDICI Crisis response and IcSP are mostly crisis response actions concentrated in regions with a limited number of operating partners, where the UN acts often as a single-entry point. In addition, Art. 4 of the IcSP Regulation requires close coordination with the UN. In 2025, 42.36% of payments (EUR 193.44 million) under NDICI crisis and IcSP were made using the indirect management mode to international organisations.

Partnership Instrument/NDICI Foreign Policy Needs

The majority of actions are contracted through procurement of services.

In 2025, about EUR 32.94 million (40.54%) of the NDICI Foreign Policy Needs and PI actions was paid by FPI HQ with EUR 48.30 million (59.46%) paid by devolved Delegations. The detailed structure of the 2025 NDICI Foreign Policy Needs and PI payments is presented in the table below:

	Payments by FPI HQ		Payments by Delegations		TOTAL	
	EUR million	%	EUR million	%	EUR million	%
Direct management						
Grants	16,17	19,90%	5,42	6,67%	21,58	26,56%
Procurement	14,28	17,58%	27,67	34,06%	41,96	51,64%
Indirect management						
Delegation agreement	2,48	3,05%	15,23	18,74%	17,71	21,79%
TOTAL	32,93	40,53%	48,31	59,47%	81,25	100,00%

NDICI Election Observation Missions/Former EOM completion

The NDICI EOM programme is implemented under direct management (100%). Within the NDICI EOM programme, FPI was responsible for the implementation of EUR 30.95 million of payment

appropriations. Due to the nature of the EOMs, the operations are implemented through a framework contract, allowing for a rapid deployment of the missions.

	Payments by FPI HQ		Payments by Delegations		TOTAL	
	EUR million	%	EUR million	%	EUR million	%
Direct management						
Grants	0,00	0,00%	0,00	0,00%	0,00	0,00%
Procurement	30,95	100,00%	0,00	0,00%	30,95	100,00%
Indirect management						
Delegation agreement	0,00	0,00%	0,00	0,00%	0,00	0,00%
TOTAL	30,95	100,00%	0,00	0,00%	30,95	100,00%

Information Outreach

Budget line 14 20 04 03 covering the Annual Work Programme 2025 for information outreach on EU external relations was implemented under direct management (100%). An amount of EUR 27.82million was allocated to this budget line. Under the Service Level Agreement between FPI and the EEAS, a contribution of EUR 25.48 million was made to enable the EEAS Headquarters and the EU Delegations worldwide to support communication activities and combat misinformation. An amount of EUR 0.3million was committed for FPI's own communication activities. An amount of EUR 1.53 million was paid as FPI contribution to corporate IT costs. The Commission's contribution for the EUVP amounted to EUR 0.47 million.

Administration

In 2025, administrative expenses related to salaries and/or missions are reported by the service responsible for the commitment, although the payments were executed by another service, notably the PMO and/or DG HR (15), which, until 2024, also reported the corresponding expenditure. This new reporting arrangement was introduced in the context of data rationalisation linked to the implementation of the Commission's new IT accounting system. In 2025, these expenses represented 1.35% of the FPI's total payments.

Control strategy

a) Financial circuits model and ex-ante controls

The financial circuits of FPI follow the centralised model for payments in case of **operations managed in HQ** with the Head of the Unit for Finance, Budget and Relations with other Institutions (FPI.4) fulfilling the role of AOSD for all payments. **Centralisation of financial**

(¹⁵) Type III co-delegation.

initiation and financial verification aims to streamline the organisational structure and internal control systems to ensure further efficiency gains. Apart from processing the transactions under the financial circuits, Unit FPI.4 offers support and guidance to FPI staff in Operational Units, EU Delegations, Regional Teams and CSDP missions on issues such as preparation and implementation of projects (actions, interventions), assistance in interpretation of indirect management provisions and support on conduct of call for tenders and other procedures.

The finance and contracts section also plays an essential role in non-financial transactions. For example, the Annual Action Programmes as well as all financing decisions are subject to the ex-ante verification of FPI.4. This ex-ante review contributes to identification of potential issues at an early stage of implementation both in HQ and in Delegations and improves the ultimate quality of the documents.

For operations managed by EU Delegations: The Regional Teams which, after their creation in 2017, are now fully functional and operating efficiently, play an important role in ensuring compliant and efficient implementation of operations managed by EU Delegations.

Staff in the FPI finance and contracts section in FPI.4 take an active role in all tendering procedures managed by the Service, chairing evaluation committees for procurement procedures and calls for proposals for grants. This role provides considerable value-added aiming at increasing the quality of the tender dossiers managed by FPI and securing the legality and regularity of the tender procedures.

b) Ex-post controls

In accordance with the Financial Regulation, the authorising officers must put in place management and control structures and procedures suited to the performance of their duties, **including where appropriate ex-post controls**. These are controls, which are conducted after project (action) implementation has been completed and all the transactions processed. They are designed to obtain an additional assurance that the control system works as intended, and that the initial ex-ante controls are effective.

Ex-post controls are essential for achieving a reasonable assurance, because: first, a **substantial part of the funds under NDICI Stability and Peace/NDICI Crisis Response/IcSP and NDICI Foreign Policy Needs/PI are sub-delegated** to be managed by EU Delegations and second, the **CFSP budget is nearly entirely managed in indirect management by CSDP missions**, under the authority of Heads of Mission. Thus, FPI **ex-ante verification cannot give a complete assurance** since it covers only those transactions processed by HQ services. For CFSP, verification by the ex-ante control team at HQ covers all transactions up to and including the payment of funds to the CSDP missions but does not cover the transactions processed by the missions themselves (contracting and payments).

The consequences in terms of ex-post controls, controls assessing compliance with the requirements for indirect management (Article 154 FR) and other mitigating measures in the case of non-compliance are described below.

In accordance with the FPI ex-post methodology, at least 10% of the payments of each instrument are covered each year.

To further strengthen internal control and provide additional assurance, FPI has since 2020 performed two additional types of ex-post controls:

- Early ex-post controls, aimed at projects (actions, interventions) for which a first payment or clearing of pre-financing had taken place, were introduced as a supplement to financial monitoring.
- Targeted ex-post controls aimed at high-risk projects (actions, interventions). In addition to the direct benefit of identifying expenditure to be recovered, ex-post controls also assist FPI in the possible identification of system improvements to prevent the declaration of expenditure that is later identified as ineligible. Thus, ex-post controls contribute to ensuring the continued functioning and improvement of controls at the level of the missions and, hence, to the reduction of potentially ineligible expenditure in the future.

c) Assessment of the effectiveness of management and control systems

In the area of indirect management and direct management implemented by the EU Delegations, FPI ensures that the management and control systems are robust and reliable before entrusting implementation tasks. This is achieved through pillar assessments in indirect management and through supervision missions in direct management (see more details below in section Supervision Missions).

Assessments of CSDP Missions

Indirect management by CSDP missions remains a challenge for the internal control system and the assurance is an area of risk in the operational budget. Before entrusting funds to CSDP Missions in the indirect management mode, the Commission ensures that they comply with the “pillar” requirements (Article 154 FR), unless the Missions are exempted from the pillar-assessment requirements.

For new Missions in particular, compliance is not possible due to a particular feature of the CFSP operating environment, namely that CSDP Missions are on each occasion created on an ad-hoc basis. In order for them to be operational from day one, the Commission has to entrust them with funds necessary for their functioning, including procurement of equipment, without being able to have a prior assessment of compliance. While this situation is relevant in every case where a new body or agency is created under the EU budget, the difference is that CSDP Missions operate outside the EU and often in volatile security environments. Following the adoption of the Financial Regulation (EU, Euratom) 2024/2509 in September 2024, all civilian CSDP missions are exempted from the pillar assessment requirements in accordance with Article 157(7)(a) FR.

In 2025, FPI continued reflecting on the control system for CSDP Missions after the discontinuation of the pillar assessments for CSDP Missions under the new FR to be adopted in

2024. To provide assurance, FPI relies on ex-ante and ex-post controls and monitoring as well as on specific mitigating measures:

- **financial reporting** (delegated management reports) by the missions as fixed in the agreements concluded between the Commission and each CSDP Mission;
- obligatory **external audits** before all final payments, also specified in the agreements;
- **monitoring** missions by FPI Operational Managers; missions where financial management is identified as “at risk” may be subject to more intensive monitoring and support and FPI puts in place arrangements to allow external procurement experts to be made available on an ad hoc basis to assist and advise missions;
- obligations regarding the main elements (procurement, segregation of duties, accounts and external audits) are specified in the agreements concluded between the Commission and each CSDP mission. Progressive implementation of the Article 157 (formerly Article 60) criteria by the missions, is subject to verification by the Commission.
- Provision of **guidelines** on finance and procurement, such as the Vade-mecum on financial and accounting procedures for civilian CSDP Missions and the Procurement Guide for CFSP Operations.

Additional specific mitigating measures for not fully compliant missions:

- all procurement of more than EUR 20 000 is subject to **mandatory prior approval by FPI HQ**;
- **clearing of pre-financing for non-pillar assessed missions** is done only based on audited final report.

Supervision Missions

Supervision Missions are a management tool to assess the effectiveness and efficiency of the management and internal control systems in place in EU Delegations implementing FPI instruments. The Supervision missions are directed at the Regional Teams that deals only with IcSP/NDICI crisis response/NDICI stability and peace/IfS and NDICI Foreign Policy Needs/ PI (Partnership Instrument). With the diversity of instruments and countries where FPI is active, there is a need for a tool to control and balance in an organised way the risks related to the complexity of its operations. They are carried out by independent staff (FPI 5) not involved in the operational and financial circuits.

Based on a risk analysis, FPI selects a sample of decentralized spending units. Following a thorough assessment of each of them, as well as an on-site visit, FPI can identify the interaction between all the actors involved in the system, to highlight shortcomings and issue recommendations.

Since 2015, 25 Supervision Missions, targeted at all the Delegations hosting a FPI Regional Team and most of the antennae have taken place. Their results allow FPI to draw conclusions on lessons learned and to share good practice and information, which can be used in management decisions at all levels. The last Supervision missions to a Regional Team took

place in 2023. FPI relies on assurance provided by last mission until a new mission is conducted.

Follow-up of recommendations

The follow-up on the few outstanding recommendations and agreed upon actions stemming from previous FPI Supervision Mission are monitored and will, together with all implemented actions, be reviewed during future Supervision Missions.

Ex-post controls sampling method

The population for the annual ex-post control plan 2025 is defined by all projects implemented by FPI to which a final payment has been made during the period 01/10/2023 – 30/09/2024. All contracts in this population are assessed in accordance with the FPI ex-post control methodology against the following 8 risk factors:

1. Total amount paid
2. Type of agreement or contract
3. Type of final beneficiary/contractor
4. Occurrence of specific problems, recoveries, irregularities at the level of the beneficiary/contractor
5. Results of audits (ex-ante audit certificate)
6. Number of grants signed by the beneficiary/contractor for the instrument
7. Quality of project operational results
8. Complexity of working environment: political situation, natural disasters, etc.

Based on the weighed results for each of the risk factors, each contract receives a final risk assessment score which allocates them into 1 of 3 risk categories:

- Low risk (risk score between 0% and 16.74%)
- Medium risk (risk score between 16.75% and 35.83%)
- High risk (risk score between 35.84% and 100%).

Contracts are then sampled for each instrument and from each risk category using judgmental sampling (to ensure geographical coverage among Regional Teams and avoid multiple or similar contracts from the same beneficiary in subsequent years). For each instrument, a minimum coverage of 10% of total payments made during the period 01/10/2023 – 30/09/2024 for the instrument must be achieved.

Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission anti-fraud strategy ⁽¹⁶⁾ aimed at the prevention, detection and correction ⁽¹⁷⁾ of fraud

Indicator 1: Implementation of the actions included in FPI’s anti-fraud strategy over the whole lifetime of the strategic plan (2025-2029)

Source of data: FPI’s annual activity report, FPI’s anti-fraud strategy, OLAF reporting

Baseline (2024)	Target (2029)	Latest known results (as of 31/12/2025)
100%	100% of due actions implemented each year	100%

Main outputs in 2025:

Description	Indicator	Target	Latest known results (as of 31/12/2025)
Implementation of the Anti-Fraud Strategy as planned in 2025	% of the implementation of 2025 actions in the FPI AFS	100%	100%
Implementation of the recommendations resulting from IAS audit report on the Anti-fraud strategies of EEAS, INTPA, NEAR ⁽¹⁸⁾ , FPI, ECHO as per the Action Plan agreed with IAS	% of recommendations implemented as per the IAS audit report	100%	90% ⁽¹⁹⁾
Increased anti-fraud awareness amongst FPI headquarters’ staff (newcomers)	% of newcomers attending the training course in 2025	100%	100%
Increased anti-fraud awareness amongst the staff of CSDP Missions, EU Special Representatives and the Kosovo Specialist Chambers	% CSDP entities’ staff attending training on anti-fraud in 2025	75%	75%

⁽¹⁶⁾ Communication from the Commission ‘Commission Anti-Fraud Strategy: enhanced action to protect the EU budget’, COM(2019) 176 of 29 April 2019 – ‘the CAFS Communication’; Communication from the Commission “Commission Anti-Fraud Strategy Action plan – revision 2023” [COM\(2023\) 405](#) of 11 July 2023 – “the Communication on the 2023 revision” – and the accompanying revised action plan, [SWD\(2023\) 245](#)– “the revised Action Plan”.

⁽¹⁷⁾ Correction of fraud is an umbrella term, which refers in particular to the recovery of amounts unduly spent and to administrative sanctions.

⁽¹⁸⁾ DG NEAR became DG ENEST and DG MENA as of 1 February 2025.

⁽¹⁹⁾ See Annex 8.

B. Compulsory for all departments:

1. Reports and documentation considered for the assessment of FPI's functioning in view of the AOD's assurance:

General sources of assurance:

- Regular reporting on **budget forecasts** (commitments and payments) in line with internal (in particular DG Budget) and external requirements under the CFSP, as laid down in the Inter-Institutional Agreement or IIA ⁽²⁰⁾.
- Controls arising from **ex-ante verification** by the central financial unit (FPI.4) for all HQ operations; controls arising in EU Delegations/Regional Teams through financial circuits.
- **Pillar assessments** - indirect management: International organisations and agencies working on CFSP are pillar assessed.
- On the spot **monitoring missions** by FPI Operational Managers (NDICI-GE, IcSP/IFS, PI/ICI, CFSP) focusing on managerial aspects of implementation by the beneficiary/partner, progress towards achieving their objectives, and budget planning.
- **Supervision missions** carried out in Delegations hosting regional teams, to assess the effectiveness of the internal control systems in these Delegations.
- **Expenditure verification reports** submitted by beneficiaries in support of payment claims (especially **final payments**).
- CFSP missions/EUSRs require external financial **audit reports** at final payment using a dedicated framework contract concluded by FPI.
- Reports of **ex-post controls** by external auditors
 - **for direct management:** contracted using INTPA models for terms of reference.
 - **for indirect management:** contracted using terms of reference drafted specifically for FPI's needs in the case of CFSP and risk-based verification missions (mainly for UN agencies working under NDICI/IcSP/IFS).
- Reports of ex-post controls by FPI:
 - **early ex-post controls**, in support of financial monitoring of projects (interventions) where a first payment or clearance of pre-financing has taken place.
 - **targeted Ex-post controls on high-risk projects** (interventions).

⁽²⁰⁾ Part II, E "Financing of the common foreign and security policy" in the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management 2013/C 373/01.

- **Annual reports of sub-delegated Authorising Officers** (at HQ) and by Heads of the Regional Teams ⁽²¹⁾ managing FPI funds (NDICI, IcSP/IfS, PI, CFSP budget, EOMs) which include a declaration of assurance.
- Contributions of the Internal Control Coordinator, including results of **internal control assessment and monitoring** at FPI level; actions resulting from the **risk management** process.
- Reports on recorded exceptions, non-compliance events and any cases of ‘confirmation of instructions’ (Art 92.3 FR).
- **Observations and recommendations by auditors:** the European Court of Auditors (ECA), the Commission Internal Audit Service (IAS), and the Commission’s Accounting Officer (DG Budget) on the accounts and local systems.
- **Annual assessment of effectiveness of internal control (ICAT)** a survey that includes a representative sample of staff in Headquarters and Delegations.

These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Head of Service of FPI.

Sector- or instrument- specific sources of assurance

NDICI Peace, Stability and Conflict Prevention (PSCP), Crisis response (CR), Foreign Policy Needs (FPN) and the former Instrument contributing to Stability and Peace (IcSP) and Partnership Instrument (PI): For these instruments, the substantial part of individual contracting (legal commitments) and resulting payments are managed by the FPI regional teams. FPI’s approach consists of Regional Teams where staff is concentrated in several regional hubs to provide economies of scale in the management of NDICI/IcSP/PI actions, thereby achieving focus and ensuring autonomous financial circuits.

The regional teams report regularly to HQ on **project** (intervention) **implementation** and the **use of appropriations**. This constitutes the basis for regular review of budget implementation. The supervision and internal control effectiveness in case of operations sub-delegated to the regional teams are ensured through the **supervision missions** (described in Annex 7) by FPI HQ staff.

Common Foreign and Security Policy (CFSP) (Indirect management): Normally two pre-financing payments are made for CSDP missions, one for EUSRs. The second payment for CSDP missions follows the acceptance of an interim report and financial statement. In addition, CSDP missions and EUSRs must provide **quarterly implementation reports**.

Indirect management - international organisations: Narrative and financial reports must be provided with each payment request. If project duration is more than 12 months, this translates into at least one report every 12 months plus a final report.

⁽²¹⁾ Please refer to section 2.4 and Annex 7 for further details.

NDICI Election Observation Missions (EOM) / former EIDHR EOM: FPI procures logistical services for each EOM through a framework contract which provides for pre-financing, as it is necessary to make a range of immediate payments on behalf of the Commission; the invoice is accompanied by a financial guarantee for the whole amount and for the duration of operation. An expenditure verification report by external auditors is required before releasing the final payment.

European Peace Facility (EPF): most of the EPF funds are implemented as off-budget, except for human resources expenditure related to statutory staff of the Commission in Headquarters, which is centrally managed by the Commission service in charge of the payroll. As a rule, the EPF Administrator for Assistance measures applies the corporate internal control framework. As an off-budget instrument, EPF Assistance Measures are subject to separate reporting.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Head of Service of FPI.

2. Financial Regulation: Additional reporting requirements resulting from the 2018 and 2024 revisions.

In line with the requirements of the Financial Regulation, FPI reports for the year 2025:

1. No cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3)
2. No cases of "confirmation of instructions" (FR art 92.3)
3. No cases of financing not linked to costs (FR art 125.3)
4. No Financial Framework Partnerships >4 years (FR art 131.4)
5. No cases of flat rates >7% for funding indirect costs (FR art 184.6)
6. No derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation.
7. No cases of financial support to third parties >EUR 60 000 (FR art 207)
8. No cases of non-financial donations provided in the form of services, supplies or works (FR art 244.3)

3. Table Y on the estimated “cost of controls” at Commission level

Overview of FPI’s estimated cost of controls at Commission (EC) level:

- Overview of FPI's estimated cost of controls at Commission (EC) level

EXPENDITURE

The absolute values are presented in EUR

FPI	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Segment of expenditure (as in Table X) / Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
NDICI Crisis response/ NDICI Stability and Peace/ICSP/IFS	2.620.382,88 €	399.919.099,23 €	0,66%	472.585,70 €	65.602.202,95 €	0,72%	3.092.968,59 €	0,77%
NDICI Foreign Policy Needs/PI	1.239.092,75 €	81.246.639,95 €	1,53%	379.566,65 €	22.302.428,81 €	1,70%	1.618.659,40 €	1,99%
CFSP	1.150.491,88 €	424.125.028,58 €	0,27%	360.393,17 €	72.937.467,77 €	0,49%	1.510.885,05 €	0,36%
NDICI EOM/ EOMs	305.377,61 €	30.945.895,55 €	0,99%	331.162,29 €	7.928.158,04 €	4,18%	636.539,90 €	2,06%
Press & Info	- €	27.274.038,71 €	0,00%	- €	- €	0,00%	- €	0,00%
Co-delegation	- €	5.915.030,05 €	0,00%	- €	- €	0,00%	- €	0,00%
Administration	- €	2.080.297,80 €	0,00%	- €	- €	0,00%	- €	0,00%
OVERALL total estimated cost of control at EC level for expenditure	5.315.345,12 €	971.506.029,87 €	0,55%	1.543.707,82 €	168.770.257,58 €	0,91%	6.859.052,94 €	0,71%

Details of the estimated cost of the control activities related to payments for salaries and/or missions executed by DG HR/PMO are reported in their respective annual activity report(s).

There is a -EUR13.256.048,25 difference with the total payments declared in Table X (Annex 9). The difference is the total payments related to salaries and missions executed by DGHR/PMO, which are not reported in Table Y.

ANNEX 8: Reporting on the internal and external audits and assessing the effectiveness of internal control systems

This annex outlines the process and sources by which FPI management assessed the effectiveness of the internal control system and its results, in line with the methodology established in the [Implementation guide of the Internal Control Framework of the Commission](#).

1. Audit conclusions, findings and recommendations

IAS

There were no audits completed, nor recommendations issued by the IAS during this period (AAR 2025).

The section only reports on recommendations issued by IAS and categorized as 'very important' or 'critical'.

a) IAS audit recommendations for which an action plan is still being implemented

Audit on allocation of human resources in EU Delegations (2024)

Recommendation No 3 (Very important) - design and implementation of the WLAD (Original target date: 30 April 2025 – Updated target date: 30 June 2026):

DG INTPA, DG NEAR ⁽²²⁾, FPI and the EEAS, in view of WLAD or similar exercise, should:

- agree on a methodology that allows for comparisons of EU Delegations at global level;
- select the subset of key indicators that will contribute to the workload assessment, to improve the efficiency of the data collection process.

FPI accepted this recommendation.

⁽²²⁾ DG NEAR became DG ENEST and DG MENA as of 1 February 2025.

FPI Action plan:

At global level a reflection is ongoing which should aim at facilitating comparisons between EUDs and integrating a subset of key indicators that will contribute to refining the collection of data. In this context, FPI will consider additional metrics provided that they do not obscure the approach commented upon under 3 b).

Current status:

FPI is addressing this recommendation for which DG INTPA is in the lead. INTPA has taken steps to define workforce intelligence (methodology, indicators, including workload) which reflects the specificities of international cooperation sections in delegations (including cooperation & finance, contracts & audit), allowing for a more detailed analysis of differences in EUDs workloads. This must take in consideration the roll-out of the modernisation of the delegation network, to be implemented the last quarter of 2026.

Audit on controls over the financial management of the civilian Common Security and Defence Policy Missions implemented by the Service for Foreign Policy Instruments (2024)

Recommendation No 5 (Very important): audits on final reports and ex post audits (Original target date: 1 December 2025 – Updated target date: 30 September 2026):

FPI should:

- Request from the auditors performing mandate audits to provide an audit opinion covering the functioning of the control systems and the assertions in the management declaration.
- Require from the external auditors to justify in the audit report the percentages of transactions that they decided to test and introduce a process of reliance on previous audit results for the ex-post audits (see also observations on the transparency in terms of the transactions tested in Finding No 1 and the related Recommendation No 1.4).
- Take measures to address the delays encountered in the delivering of the mandate and ex post audit reports (e.g. closer monitoring of deadlines).
- Present in a transparent manner the calculation and input figures used for the detected and residual error rate regarding the CFSP budget taking into account the treatment of the reported financial findings and the actual amounts to be recovered.
- Establish in the control strategy for the CSDP Mission a validation and approval mechanism for the cases when FPI does not implement (fully) financial audit findings and ensure that all such decisions are properly documented.

FPI accepted this recommendation.

Actions taken and current status:

The first four out the five above-mentioned sub-recommendations were already implemented and have been documented in the IAS audit tool (TeamCentral). FPI has:

- Updated the Note to the Heads of civilian CSDP Missions and EUSRs on an update of the template for audit requests and has issued a note to the file on the updates to the Terms of Reference – Guidance and Clarifications to Audit Contractors FWC CFSP/2023/47;
- Performed an assessment on the timelines of the delivery of the audit reports in May 2025;
- Ensured that updated information concerning the treatment of the reported financial findings and the actual amounts to be recovered were used in the calculation of detected and residual error rates reported in the current AAR (FPI 2025 AAR) and “Table – Multiannual Residual Error Rate (MRER)”.

The last one of the above-mentioned sub-recommendations, is under implementation following the ongoing review of FPI’s integrated control strategy.

b) IAS audit recommendations for which actions have been put as ‘ready for review’ by management

Audit on intervention-level evaluations (2023)

Recommendation No 12 (Very important): Implementation of the evaluation process (Original target date: 31 December 2024 – Actual date of implementation: 13 October 2025):

FPI should ensure that the weaknesses in the execution of evaluations identified in the present finding are addressed in ongoing and future evaluations to ascertain that evaluations are of a good quality and that their results may be used for accountability purposes and/or to improve the management of ongoing and future interventions. In particular, the Service should ensure that:

- evaluations are only performed if needed and considered to be useful, and launched timely in view of using their results for the intended purpose (e.g. improving the ongoing intervention and/or designing a new intervention/the next phase of the evaluated intervention);
- the evaluation manager and the Reference Group ensure adequate quality (check) of the key evaluation documents and deliverables;
- evaluation results are disseminated in line with the terms for reference for the evaluation;
- the ‘Response of the services’ clearly specifies for each recommendation: the acceptance, actions to be taken, the deadline for implementation, and the entity in charge;
- the implementation of recommendations is tracked to completion, and a stock-taking is performed one year after the approval of the final evaluation report.

FPI accepted this recommendation.

FPI Action plan:

- This recommendation will be tackled in the future common policy and/or revised guidance framework. The issues pertaining to the sub recommendations will be addressed in the aforementioned framework at a more granular level.
- FPI will inform relevant actors of this recommendation and its consequences in terms of planning and execution of evaluations, as well as in terms of dissemination of results and follow up actions during the compulsory trainings.
- The process of the 2024 FPI Operational Evaluation Plan (OEP) preparation has already taken on board the initial IAS findings. The instructions for the 2024 OEP were updated in view of focusing on evaluations that can provide added value and support decision making.
- In the future and following establishment of common set of rules, the new policy and guidance framework covering the entire process of intervention-level evaluations and lead by DG INTPA (in association with DG NEAR (23) and FPI) will be guided by the principles of quality and usefulness of evaluations.
- In parallel, FPI will continue engaging with the roll out of Eval – OPSYS and the following measures are expected to be implemented in Eval- OPSYS and to improve the following: use of adequate templates, respect of deadlines and steps, use of adequate Framework Contract (ex PSF2019 will now be supported by newly deployed OPSYS-Eval).
- FPI will avail of expertise under the MELDEA contract such as “Evaluation Helpdesk”, to improve the evaluation processes.
- Meanwhile, DG FPI will periodically check the fulfilment of the issues raised by the IAS under this recommendation through a sampling of evaluations (planned and launched through the EVAL OPSYS) and on that basis, it will act as appropriate e.g. through ad hoc web awareness and training sessions and/or instruction notes to all concerned services.

Current status:

The above-mentioned actions were implemented, and this recommendation has been put as ‘ready for review’ by management

Recommendation No 16 (Very important): monitoring, overview, and reporting on the implementation of the evaluation process (Original target date: 30 June 2025 – Actual date of implementation: 13 October 2025):

FPI should:

- put in place mechanism to monitor the implementation of the evaluation process to ensure that the guidance is correctly applied and that the IT tool is used as intended across the Service.
- ensure that the outcome of the evaluation activities is properly reported.

(23) DG NEAR became DG ENEST and DG MENA as of 1 February 2025.

- put in place and oversee the implementation of a system ensuring that the evaluation objectives of learning lessons and accountability are systematically monitored and achieved. To this end, it should ensure that:
 - lessons learnt are analysed and disseminated, and that evaluation results are used for programming;
 - as a general rule and unless an exception is duly justified, evaluation results are systematically published to ensure accountability and transparency.

FPI accepted this recommendation.

FPI Action plan:

- FPI aligns with the actions proposed by DG INTPA and DG NEAR ⁽²⁴⁾ aiming at: a new common policy and new methodological guidance framework covering the entire evaluation process that will largely improve the monitoring and the implementation of evaluations. In particular, the new policy / guidance will include:
 - a robust monitoring of the evaluation processes in line with roles and responsibilities stipulated in the revision of the guidance;
 - a strengthened collaboration with the M&E focal points network;
 - regular checks to ensure compliance with the guidance provided;
 - diffusion of lessons learnt and recommendations from evaluations for different purposes.
- In parallel, FPI will put in place a light oversight system to track the execution of evaluations from the Annual Evaluation Plan. This oversight system (in Teams) will be proportionate to the volume of the evaluations completed annually. Evaluations will be only planned/performed if, and when they are needed and add value.
- In addition to the actions being part of common policy, FPI will ensure results of all evaluations/ studies are updated in the Interinstitutional Database of EU Studies (ISDB), as per SG requirements under Better Regulation. It aims to streamline planning of the evaluations across all EC DGs and other EU institutions.

Current status:

The above-mentioned actions were implemented, and this recommendation has been put as 'ready for review' by management.

⁽²⁴⁾ DG NEAR became DG ENEST and DG MENA as of 1 February 2025.

c) IAS audit recommendations for which actions have been followed up and closed by the IAS

Audit on controls over the financial management of the civilian Common Security and Defence Policy Missions implemented by the Service for Foreign Policy Instruments (2024)

Recommendation No 3 (Very important) - FPI checks on the progress and final reports (Original target date: 31 December 2025 – Actual date of implementation: 2 December 2025):

FPI should:

- Develop internal instructions to support its review of the progress and final reports by the Missions to define:
 - the main operational and financial checks that should be done as regards cost eligibility at the stages of the progress and final reports;
 - the checks to be done on the procured equipment/ and material and the capital expenditure to ensure that the information provided on the cost incurred matches the amount in the inventory;
 - the checks on the completeness of the submitted reports and their annexes (for instance by using the checklist on payment of balance included in INTPA Companion); and
 - where to document the checks done on cost eligibility and reports completeness to ensure proper traceability.
- Revise the reporting requirements for the CSDP Missions and request them:
 - to clearly indicate the advance payments made and report the related amount separately from the costs incurred;
 - to report on the amount of the legal commitments; and
 - to provide information on their VAT arrangements and the amount of VAT included in the reported costs (recoverable or non-recoverable).
- Clarify the reporting requirements and conditions for the items to be included in the statement of inventory in the progress and final reports, the reporting of donated equipment and purchased with previous Mandates' funds.
- Instruct the Missions to produce for the final report the required annexes on the fixed assets and transferred equipment and to request the external auditors to certify them.
- Request from the external auditors to describe and present the specific results of the performed physical inventory checks in the audit reports accompanying the final reports of the CSDP Missions.

FPI accepted this recommendation.

Actions taken and current status:

The above-mentioned recommendations were implemented and have been followed up and closed by the IAS. FPI has:

- Issued an instruction Note for the review of progress and final reports and for clearing for civilian CSDP Missions and EUSRs;
- Updated the templates for Contribution Agreements and reports; and
- Issued a Note to the Heads of civilian CSDP Missions and EUSRs on an update of the template for audit requests.

d) Outstanding IAS recommendations impact on the effectiveness of the internal control system

There are only two 'very important' recommendations stemming from IAS audits which remain open, one of them was assessed as having an impact on the assurance for 2025 (see section 2.2). This recommendation stemming from the IAS audit on 'Allocation of human resources in EU Delegations' refers to the 'Design and implementation of the WLAD' and it is related to Internal control principle 10 (The Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels). The deficiencies identified are being addressed, with some actions already implemented, and do not have a significant impact on the implementation and functioning of ICP 10 nor will lead to a reservation.

The other 'very important' recommendation that remains open is related to 'Audits on final reports and ex post audits', stems from the audit on 'Controls over the financial management of the civilian Common Security and Defence Policy Missions implemented by the Service for Foreign Policy Instruments' and is composed of five sub-recommendations. FPI considers that for four out of the five sub-recommendations, the respective action plan was implemented (as detailed above in this Annex). The action plan related to the only remaining open sub-recommendation is under implementation and refers to the inclusion in the integrated control strategy (which includes the CSDP Missions) of a validation and approval mechanism for the cases when FPI does not implement (fully) financial audit findings (ensuring that all such decisions are properly documented). FPI does not consider that the deficiencies stemming from the remaining open sub-recommendation have an impact on the assurance for 2025.

European Court of Auditors (ECA)

a) Statement of Assurance for financial year 2024

In its annual report for 2024, the ECA designated the expenditure under chapter 9 'Neighbourhood and the world' as a highly complex expenditure area, estimated an error rate of 4.9% and issued three recommendations.

Of the three recommendations two were accepted by the Commission and one was not accepted.

Recommendation No 1: Ensure beneficiaries comply with contractual limits on costs of indirect nature (Target date: 31 December 2026):

FPI and the other services/DGs have not accepted this recommendation.

The Commission has always maintained the position that, in indirect management with pillar assessed entities, indirect costs claimed by grant beneficiaries are to be counted as direct costs of the pillar assessed organisation/partner. The Contribution Agreement Manual of the Commission stipulates that 'indirect costs claimed by beneficiaries of grants awarded by the organisation and/or its partners are to be covered by the direct eligible costs of the action and not by the remuneration'. This interpretation applies to all Commission services.

Recommendation No 2: Ensure clear and consistent definitions of 'provision' in contract conditions and guidelines (Target date: 31 December 2026):

FPI and the other services/DGs have accepted this recommendation.

While "provisions for future losses or debts" are expressly defined as an ineligible cost for grants under direct management, the term "provision" could be further clarified in indirect management. Therefore, the Commission will provide further explanation on the term "provision" through relevant guidance.

FPI and the other services/DGs consider this recommendation as implemented since the Contribution Agreements and Contribution Agreements for Financial Instruments (CAFI) Manuals serve to provide one-stop guidance on the interpretation of the contractual provisions of respectively the Contribution Agreement template and the Contribution Agreements for Financial Instruments template. The terminology 'provisions' used in Articles 16.5 and 17.3 of the respective General Conditions is clarified. The Manuals are accessible to all Commission services on the RELEX Internal Wiki page as annexes to the INTPA Companion.

Recommendation No 3: Simplify and standardise currency conversion rules in grant agreements (Target date: 31 December 2026):

FPI and the other services/DGs have accepted this recommendation.

The Commission considers that simplification and standardisation of currency conversion rules in grant agreements (direct management) would help reducing the risk of errors by beneficiaries. The Commission has started to address this through a provision included in the corporate Model Grant Agreement, which will be used also for projects in external relations. This new provision is consistent with the provision in the grant agreement templates which are used in other funding programmes.

b) Audit Reliability of Accounts

The ECA audit on the reliability of accounts for the financial year 2024 concluded that the Commission's accounts were not affected by material misstatements.

c) Statement of Assurance for financial year 2025

For 2025 Statement of Assurance, fourteen transactions (related to batches #1, 2, 3 and 4) were sampled.

Currently FPI has received the ECA results only for six transactions included in batches #1 and 2. For the six transactions audited, there was only one with one finding, accepted by FPI, resulting in an error rate of 5%. For the remaining five transactions no errors were identified.

d) Conclusion on ECA Audit results

FPI does not consider that the above listed outstanding recommendations would have a material impact on the effectiveness of the internal control system and achievement of the internal control objectives and, therefore, will not lead to a reservation.

Residual Error Rate

The Residual Error Rate, as presented in Section 2.1.2, which is a major indicator of the effectiveness of the internal control system, has been steadily below the materiality level of 2% since the entry into force of the current MFF.

2. Self-assessment processes

a) FPI Internal Control Survey

FPI performed a comprehensive assessment of the effectiveness of the Internal Control Principles (ICP), using an Internal Control Assessment Tool (ICAT) survey re-designed in 2023. This facilitated addressing questions to both management and staff in a common survey more directed to participants and easier/faster to complete. Consequently, in 2025 the survey had 39 questions. Overall, 79 staff members and managers from Headquarters and Regional Teams were invited to complete the survey (compared to 64 last year); 51 persons replied (65%), compared to 42 last year (66%). Results indicate an overall effectiveness rate of 84%, which is slightly below the one of last year (87%).

The weighted effectiveness of Internal Control Principles (for 2020-2025) using the Internal Control Assessment Tool (ICAT) survey is presented in the table below:

Principle	2025	2024	2023	2022	2021	2020
ICP 1	87%	90%	87%	84%	85%	93%
ICP 2	91%	91%	90%	94%	93%	94%
ICP 3	83%	87%	87%	83%	80%	91%
ICP 4	82%	83%	81%	82%	77%	86%
ICP 5	80%	83%	80%	70%	67%	83%
ICP 6	86%	85%	88%	84%	86%	91%

Principle	2025	2024	2023	2022	2021	2020
ICP 7	75%	84%	87%	73%	77%	88%
ICP 8	86%	88%	91%	84%	90%	97%
ICP 9	78%	89%	84%	84%	87%	93%
ICP 10	85%	88%	88%	87%	84%	91%
ICP 11	86%	90%	89%	89%	89%	92%
ICP 12	75%	77%	77%	76%	71%	85%
ICP 13	77%	81%	80%	84%	81%	86%
ICP 14	89%	90%	88%	85%	83%	89%
ICP 15	87%	89%	86%	83%	86%	88%
ICP 16	97%	94%	98%	93%	92%	97%
ICP 17	85%	84%	82%	88%	79%	94%
Average	84%	87%	86%	84%	83%	90%

The 2025 ICAT survey results show that participants take a rather positive stance towards FPI's Internal Control Framework. Nevertheless, areas for improvement have emerged under ICP 7 (The Commission identifies risks to the achievement of its objectives across the organisation and analyses risks as a basis for determining how the risks should be managed), 9 (The Commission identifies and assesses changes that could significantly impact the internal control system), 12 (The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action) and 13 (The Commission obtains or generates and uses relevant quality information to support the functioning of internal control). These principles had the lowest positive rate among the participants (between 75% and 78%). FPI does not consider that the detected areas for improvement have a material impact at principle level, at component level, nor on the overall effectiveness of the control system. The improvements and/or remedial measures implemented or envisaged include targeted awareness raising sessions and training activities.

b) Risk assessment

FPI regularly updates its key risks under the Risk Register. The last substantial update was performed in the last trimester of 2025, where identified risks and the corresponding mitigating measures were discussed with and approved by the Director-Head of Service. All the risks identified were uploaded in CENTRICS on 16 January 2026.

All risks identified were closely monitored, and no significant issues have materialised, also due to the implementation of the defined mitigating actions. The risk assessment identified one critical risk related to "Physical security" of staff involved in Common Foreign and Security Policy (CFSP) operations, such as in Ukraine, Palestine, ⁽²⁵⁾ and the Sahel. The main mitigating measures related to this risk include: (i) working closely with EEAS' relevant departments and, where appropriate, with other Commissions services; (ii) in case of emergency high prioritisation of tasks related to dossiers identified as risky and availability of required resources when

⁽²⁵⁾ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

needed; (iii) close and continued communication/coordination with EUAM Ukraine, EUPOL COPPS and EUBAM Rafah in order to provide swift and adequate advice and support in any situation stemming from the volatile security and safety environments.

c) AOSD Reports

The 2025 AOSD reports of all 8 FPI Units and 5 Regional Teams managing FPI funds were analysed. No issues with potential impact on assurance were identified.

3. Ongoing monitoring of the implementation of control and anti-fraud strategy

During 2025, as part of the methodology adopted by OLAF for the Commission (“Methodology and guidance for services’ anti-fraud strategies/June 2021”, page 19), FPI evaluated the implementation of its previous Anti-Fraud Strategy (AFS) dating from 2022.

All the contributions from each Unit/Regional Team considered that the current AFS 2022 was sufficient to prevent/detect and tackle fraud within the respective entities/activities. There was an emphasis on training to complete the existing offer, a need to revisit possible mitigation measures/fraud risks and to propose a few evolutions in the light of the experience gained during the last three years.

This analysis was linked with an EU survey exercise launched in parallel for all FPI staff that ended in May 2025. It received more than 190 replies, which corresponds to almost 70% response rate. In terms of knowledge, the average score was 7.94 out of 10 points. This was also very good, especially considering that some of the questions had possible multiple answers which automatically lower the score in EU surveys. While many members of FPI staff have not been directly exposed to OLAF activities in their professional life, they were aware of their obligations to report and of what may be potential fraud cases. In terms of training, only 15 % of respondents had not followed any training, which was normal at this period of the year. 46.88 % followed one training in FPI, 32.81 % followed several trainings in FPI, 5.21 % followed a training outside FPI. 60% of the respondents considered themselves sufficiently informed about Anti-Fraud activities necessary for their job. 17.71 % wanted more and 21.35 % could not assess. The overall picture was quite good and reflected the efforts of FPI in terms of training and awareness. The open part “Suggestions and training needs” received a number of comments/suggestions/proposals. The emphasis was on organising more (practical) trainings.

Additionally, in 2025 FPI updated its fraud risk assessment, which covered all units and all instruments of FPI. For this exercise, FPI used the OLAF’s Methodology as well as its internal guidance on ‘Risk Management in FPI’.

The results were reflected in the 2025 AFS and the corresponding Action Plan.

4.Exceptions and non-compliance events recorded during the year

During 2025, two non-compliance events and eight exceptions were reported. FPI thoroughly assessed all reported deviations, also considering the exceptional circumstances that made them indispensable and concluded that none of those affected the effectiveness of its internal control system.

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

A. Annex related to "Control results" – Table X: Estimated risk at payment and at closure

Table X: Estimated risk at payment and at closure

Table X : Estimated risk at payment and at closure (amounts in EUR mios)

DG FPI	Payments made (2025)MEUR	minus new prefinancing (plus retentions made) (in 2025)MEUR	plus cleared prefinancing (minus retentions released and deductions of expenditure made by MS) (in 2025)MEUR	Relevant expenditure (for 2025)MEUR	Detected error rate or equivalent estimates	Estimated risk at payment (2025)MEUR	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2025)MEUR	Estimated risk at Closure (2025)MEUR
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
NDICI Crisis response/ NDICI Stability and Peace/CSP/IFS	399,92	- 341,20	312,29	371,01	1,15% - 1,15%	4,27 - 4,27	0,10% - 0,10%	0,36 - 0,36	3,90 - 3,90
NDICI Foreign Policy Needs/PI	81,25	- 42,33	38,74	77,66	0,50% - 0,50%	0,39 - 0,39	0,10% - 0,10%	0,08 - 0,08	0,31 - 0,31
CFSP	424,13	- 424,01	388,08	388,20	0,16% - 0,16%	0,62 - 0,62	0,10% - 0,10%	0,38 - 0,38	0,24 - 0,24
NDICI EOM/ EOMs	30,95	- 19,87	18,18	29,26	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Press & Info	27,27	- 0,56	0,51	27,23	0,50% - 0,50%	0,14 - 0,14	0,10% - 0,10%	0,03 - 0,03	0,11 - 0,11
Co-delegation	5,92	0,00	0,00	5,92	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Administration	15,34	- 0,28	0,25	15,31	0,50% - 0,50%	0,08 - 0,08	0,10% - 0,10%	0,01 - 0,01	0,06 - 0,06
DG total	984,76	- 828,24	758,06	914,59		5,49 - 5,49	0,09% - 0,09%	0,86 - 0,86	4,63 - 4,63
					Overall risk at payment in %	0,60% - 0,60%		Overall risk at closure in %	0,51% - 0,51%
						(7) / (5)			(10) / (5)

Notes to the table X

(1) Relevant control systems [if possible] differentiated per relevant portfolio segments and at a level which is lower than the total.

(2) Payments made after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. For Cross-Sub Delegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-Sub Delegations. Retentions: in Cohesion, the 10% retention applied during the year.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption'). Retentions: in Cohesion, the retentions released during the year by the Commission.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [& adds the retentions made], and adds the pre-financing actually cleared [& subtracts the retentions released; and any deductions of *expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates. [*Equivalents might be e.g. the "adjusted error rates", AGRI, or the "residual total error rates", REGIO, EMPL, MARE, HOME. In other cases, e.g. INTPA, ENEST and MENA ⁽²⁶⁾, they are derived by a backwards calculation based on results from the residual error rate studies, i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure.*]

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, operating contributions to agencies*), the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.

Similarly, the subsidies given by partner DGs to decentralised agencies as part of their establishment and core tasks are considered error-free types of expenditure and the rate which should be used is 0%.

(7) RCS Administration covers/includes administrative expenses related to salaries and/or missions previously reported by the PMO and/or DG HR. More information can be found in Annexes 6 and 7.

(8) The adjusted average recovery and corrections percentage is] based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls.

⁽²⁶⁾ DG NEAR became DG ENEST and DG MENA as of 1 February 2025.

The average amount of the implemented corrections over the past 3 years (2023-2025) is 3.75 (million) euros (0,14% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 2.81 (million) euros (0.1% of the average amount of relevant expenditure of that period). The deviation of 0.04% between the two averages is considered marginal.

ANNEX 10: Reporting – Human resources, digital transformation and data management, and sound environmental management

Human Resource management

Objective: FPI employs a skilled, diverse and motivated workforce to deliver on the Commission's priorities		
Indicator 1: Percentage of female middle managers		
Source of data: SYSPER		
Baseline (2024)	Target (2029)	Latest known results (situation on 31/12/2025)
62.5% female middle managers	At least 50%	71%
Indicator 2: Staff engagement index		
Source of data: Commission staff survey		
Baseline (2023)	Target ⁽²⁷⁾ (2029)	Latest known results (situation on 31/12/2025) ⁽²⁸⁾
72%	Increase the score and be in line with or above the Commission average	New staff engagement index (2025): 80% (Commission: 79%) Old staff engagement index (2023): +3 percentage points (Commission: 0 p.p.)

⁽²⁷⁾ The Commission baseline score for the Staff Engagement Index is 73% (based on the 2023 staff survey results). The 2025 result shows an increase by three percentage points compared to the previous staff survey.

⁽²⁸⁾ The new Staff Engagement Index provides a more comprehensive view of staff engagement covering purpose, pride and motivation, autonomy and growth and collaboration and trust. The old Staff Engagement Index, which focused more on job content and relations with immediate colleagues and manager, will be used exclusively for comparisons with past data.

Main outputs in 2025:

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Regular events (e.g. FPI days, Lunch events) to present units' work (thematic, instrument, etc.) to increase knowledge and understanding of FPI priorities, goals and outcomes and to provide learning material for FPI specific 'learning package'	Number of events organised	FPI days organised in 2025; at least five brown-bag lunches	FPI days organised; 4 brown-bag lunch events
	Staff survey indicators: Organisational objective and purpose; Learning and Development	Increase staff survey scores compared to 2023	Organisational objective and purpose: Two percentage point increase. Learning and Development: Ten percentage point increase.
Live debriefings by Head of Service to ensure staff are well informed about latest developments in the service	Number of debriefings	At least four;	Eight
Regular Head of Service sessions with newcomers	% of newcomers invited to welcome meeting with Head of Service	100%	100%
Regular drop-in sessions with Head of Service to allow free exchange of views with staff	Number of drop-in sessions	At least four	Four
Regular meetings with Regional Teams to enhance exchange of views between Headquarters and regional team staff	Staff survey indicators: senior management	Increased staff survey score compared to 2023	Three percentage point increase
Organise regular FPI-wide events aimed at addressing wellbeing and work-life balance. Highlight corporate well-being events and initiatives.	Number of all-staff events organised	At least one	FPI Days held from 10 to 12 March
	Number of awareness-raising initiatives for corporate events	At least five	>30 ⁽²⁹⁾
	Staff survey indicator: well-being and work-life balance	Increase in staff survey score compared to 2023	Five percentage point increase
	Number of managers/management teams coached	At least one	One

⁽²⁹⁾ These were awareness-raising messages to staff through 'HRC News' and Intranet posts.

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Enable coaching for managers/management teams to allow for leadership development and organisational growth	Staff survey indicators: middle management	Increased staff survey score compared to 2023	Two percentage point increase
Awareness-raising of the Management Talent Development Programme as well as corporate coaching opportunities for staff with team management experience to ensure high participation of FPI staff of both genders and female participation, in particular, in order to increase the chances of FPI staff becoming future middle managers	Number of F/M applicants to the Management Talent Development Programme	Filling available FPI quota (min. one female participant);	Two female participants selected (quota: 2)
		At least one female middle management appointment (across institutions) having participated in Female Talent Development Programme / Management Talent Development Programme participants	1 FPI Female Talent Development Programme participant advanced to Middle Management (acting) responsibility in 2025
	Number of female/male participants in corporate team leader coaching programme	One coached staff member advancing to higher level of responsibility (e.g. Deputy Head of Unit or Head of Unit) by end 2026	Not applicable (no management position filled in 2025)
Definition of FPI learning package	Number of job profiles with FPI specific learning package	Definition of FPI learning package	One learning package for newcomers, including two mini packages for Secretaries/assistants and for Finance / Contracts profiles.

Digital transformation and data management

Objective: FPI is using innovative, trusted digital solutions for better policymaking, data management and administrative processes to build a digitally transformed, user-focused and data-driven Commission			
Indicator 1: Digital Culture: % of statutory staff that has completed at least one IT training course			
Source of data: Digital Commission Dashboard (data measured at DG-level)			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
45%	3% increase compared to baseline	5% increase compared to baseline	36%
Indicator 2: Seamless digital environment: cloud adoption – % of IT systems utilising cloud infrastructure services compared to the total number of IT systems			
Source of data: Digital Commission Dashboard (data measured at DG-level)			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
50%	3% increase compared to baseline	5% increase compared to baseline	33%
Indicator 3: Maturity level in implementing corporate data policies across four key areas: data management, ownership and responsibilities, data quality, and data skills (basic, developing, established, advanced, or trendsetting).			
Source of data: FPI			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
Basic	Established	Advanced	Developing

Indicator 4: Compliance indicator ⁽³⁰⁾: percentage of staff trained on data protection compliance combined with the percentage of public records of processing operations reviewed within the last two years.

Source of data: FPI

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
100%	100%	100%	95% compliance indicator: <ul style="list-style-type: none"> • 100% staff trained • 91% records reviewed

Main outputs in 2025:

Digital transformation

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Regular use of MS Teams for meetings	Proportion of FPI units organising regularly recurring meetings on MS Teams	100%	100%
Update of IT security plans (at least every two years)	% of updated IT security plans registered in GovIS	100%	100%
Compliance with IT priority controls	Number of implemented controls	100%	100%
Cybersecurity awareness training	Number of cybersecurity awareness training sessions	1 for management team	1 for management team
		1 for FPI Headquarters staff	1 for FPI Headquarters staff
	% of statutory personnel that has followed the digital-ready policy making course on EU Learn	30%	35%
Staff Awareness on work with generative Artificial Intelligence	Number of actions related to awareness raising	2 awareness-raising events for staff	2 awareness-raising events for staff

⁽³⁰⁾ The compliance indicator is calculated with a 50% weight attributed to the following two values: first, the number of public records with a publication date within the last 2 years / public records of the department. Second, the percentage of staff in the department who have attended data protection awareness-raising activities”

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Regular use of MS Teams for meetings	Proportion of FPI units organising regularly recurring meetings on MS Teams	100%	100%
Update of IT security plans (at least every two years)	% of updated IT security plans registered in GovIS	100%	100%
Compliance with IT priority controls	Number of implemented controls	100%	100%
Cybersecurity awareness training	Number of cybersecurity awareness training sessions	1 for management team	1 for management team
		1 for FPI Headquarters staff	1 for FPI Headquarters staff
	% of statutory personnel that has followed the digital-ready policy making course on EU Learn	30%	35%
		New dedicated section on FPI's intranet	New dedicated section on FPI's intranet

Data management

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Implementation and documentation of data management practices	% FPI assets incorporating the elements of ownership and responsibilities in FPI	80%	80%
Data governance awareness training	% of staff informed	2 training actions for FPI staff to raise awareness to reach at least 20 % of staff and 100 % of data stewards	2 general training actions reaching 20 % of staff and 1 ad hoc training addressed to 100 % of data stewards

Data protection

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Compliance with the European Union Data Protection Regulation	Number of actions related to awareness raising	4	5

Sound environmental management

Objective: Reaching climate neutrality by 2030 and a reduced environmental footprint for the Commission.			
Indicator: % reduction in emissions from staff professional travel (t CO ₂ eq).			
Source of data: FPI emissions report from Mips+			
Baseline (2019)	Target (2030)	Latest known results (situation on 31/12/2025)	
596.12 t CO ₂ equivalents	35% reduction ⁽³¹⁾	27% reduction (434.67 t CO ₂ equivalents)	
Main outputs in 2025:			
Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Actions to reduce staff emissions	Reduction of CO ₂ emission from FPI staff for professional travel	10% reduction compared to 2019	27% reduction compared to 2019
Staff awareness actions	Number of staff awareness actions in line with EMAS/greening corporate campaigns	Feature greening content on a monthly basis in newsletters and Intranet to maintain high awareness levels	13 events were featured via the intranet and/or the HRC Newsletter
Reduction of paper use by service	Percentage reduction of volume	1% reduction per year	4% reduction compared to 2024
Reduction of HQ missions to monitor actions and interventions devolved to Regional Teams	Percentage reduction of FPI's overall mission budget	1% reduction per year	1.2% reduction compared to 2024

⁽³¹⁾ This reflects the operational nature of FPI's work, including the need to respond rapidly to unforeseen global developments, as well as the significant increase in staff since the 2019 baseline.

ANNEX 11: Implementation through non-EU entrusted entities ⁽³²⁾ and/or through EU Trust Funds

The most important reasons for selecting a specific implementing partner are:

1. Expertise in the concerned areas
2. Experience or presence / capacity to mobilise in the field
3. Entity identified in the basic act (Council Decision)

The cost of administration (management fee) related to indirect management (entrusted entities) is estimated at 6% of the contribution. To be noted that only a portion of that fee covers the costs of controls of the entrusted entity. These control costs are not included in the total cost of control activities performed at Headquarters that are presented in the table under cost-effectiveness and efficiency (point 2.1.1 Control Results).

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
4500028891	INTERNATIONAL SCIENCE AND TECHNOLOGY CENTER	NDICI_21_27	3.000.000	01/12/2023	30/11/2028	1826	Selected by the Commission's services using the following criteria: (1) the long-standing experience of these organisations in	EXPERTISE	Strengthening CBRN medical emergency preparedness and response in Southeast Asia	MD 15/02/2026

⁽³²⁾ Implementing partners other than EU institutions or Union bodies.

Key	Business Partner Name	Programs	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							dealing with CBRN or export control issues (2) anchorage with local authorities and existing expert networks (3) experience in procurement of services and equipment specific to the security domain.			
4500030087	INTERNATIONAL SCIENCE AND TECHNOLOGY CENTER	NDICI_21_27	1.888.733	14/09/2023	14/01/2029	1949	Selected by the Commission's services using the following criteria: (1) the long-standing experience of these organisations in dealing with CBRN or export control issues (2) anchorage with local authorities	EXPERTISE	Funding of the ISTC activities and supplemental budgets 2023-2025	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							and existing expert networks (3) experience in procurement of services and equipment specific to the security domain.			
4500034366	CONSEIL DE L'EUROPE	NDICI_21_27	7.000.000	01/08/2023	15/12/2028	1963	Selected by the Commission's services using the following criteria: global operational capacity, policy-relevant expertise with an emphasis on the Budapest Convention, a mandate for capacity building in third countries, and a proven track record in delivering EU funding in the sectors of	EXPERTISE	Global Action Against Cybercrime Enhanced (GLACY-e)	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							organised crime and terrorism.			
4500037543	SCIENCE AND TECHNOLOGY CENTER IN UKRAINE	NDICI_21_27	400.000	05/04/2023	04/01/2029	2101	Selected by the Commission's services using the following criteria: (1) the long-standing experience of these organisations in dealing with CBRN or export control issues (2) anchorage with local authorities and existing expert networks (3) experience in procurement of services and equipment specific to the security domain.	EXPERTISE	Funding of the STCU activities and supplemental budgets 2023-2025	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
4500041931	UNITED NATIONS ORGANISATION	NDICI_21_27	3.000.000	10/12/2021	09/06/2027	2007	This action is implemented in indirect management with the United Nations Office of Counter-Terrorism (UNOCT), part of the UN Secretariat as established in the General Assembly resolution 71/291	EXPERTISE	EU-UN Global Terrorism Threats Facility	MD 15/02/2026
4500095269	UNITED NATIONS ORGANISATION	CFSP_21_27	1.474.754	29/04/2025	28/04/2028	1095	Council Decision	Council Decision	Contribution to United Nations Office for Disarmament Affairs including the Biological and Toxin Weapons Convention (BTWC).	MD 15/02/2026
4500099458	UNITED NATIONS INSTITUTE FOR DISARMAMENT RESEARCH	NDICI_21_27	1.998.697	21/05/2025	30/04/2028	1075	Selected using the following criteria: the action specifically addresses specific areas in the field of space security	EXPERTISE	EU-UNIDIR cooperation on space security - Partnering for Responsible Behaviours in Outer Space	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							and defence, on a global scale and based on a multilateral approach therefore requiring an UN agency having technical competences, high degree of specialisation and administrative power.			
4500102427	UNITED NATIONS INSTITUTE FOR DISARMAMENT RESEARCH	CFSP_21_27	1.671.615	01/05/2025	30/04/2028	1095	Council Decision	Council Decision	CFSP/2025/19 UNIDIR New Tech II	MD 15/02/2026
4500107359	UNITED NATIONS ORGANISATION	CFSP_21_27	961.970	25/06/2025	25/12/2026	548	Council Decision	Council Decision	CFSP/2025/10 UNODA NPT Commitment level 2 - Contribution Agreement	MD 15/02/2026
4500108356	INTERNATIONAL MARITIME ORGANIZATION	NDICI_21_27	4.000.000	16/06/2025	15/12/2026	547	Selected by the Commission's services using the	EXPERTISE	Crisis Response Project for the Red Sea and	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							following criteria: operational capacity, experience with strengthening maritime security capacities in the Western Indian Ocean, and value added. The implementation by IMO entails providing support to improve capacities of the Djibouti Code of Conduct/Jeddah Amendment and selected partner countries in the field of maritime security.		the Western Indian Ocean (CRP-RedWIO)	
4500120485	ORGANIZATION OF AMERICAN STATES	CFSP_21_27	3.899.958	01/08/2025	31/07/2028	1095	Council Decision	Council Decision	CFSP/2025/09 OAS SALW III - Commitment level 2 - Grant contract	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
4500120487	UNITED NATIONS ORGANISATION	CFSP_21_27	2.200.000	01/10/2025	30/09/2026	364	Council Decision	Council Decision	CFSP/2025/43/UNVIM - Contribution agreement	MD 15/02/2026
4500136688	UNITED NATIONS ORGANISATION	NDICI_21_27	6.000.000	28/11/2025	27/11/2028	1095	This implementation is justified due to the pre-existing position of the CCP, which is jointly managed by UNODC and WCO.	EXPERTISE	EU Action on container control in Latin America, the Caribbean and West Africa	MD 15/02/2026
4500145336	UNITED NATIONS ORGANISATION	CFSP_21_27	1.299.897	12/12/2025	12/12/2028	1096	Council Decision	Council Decision	CFSP/2025/12/CCW II	MD 15/02/2026
4500146385	ORGANISATION FOR THE PROHIBITION OF CHEMICAL WEAPONS	CFSP_21_27	4.447.748	01/01/2026	30/12/2027	728	Council Decision	Council Decision	Contribution Agreement CFSP/2025/47/OPCW Syria and Ukraine	MD 15/02/2026
4500149836	UNITED NATIONS ORGANISATION	CFSP_21_27	4.399.031	17/12/2025	16/12/2028	1095	Council Decision	Council Decision	CFSP/2025/49/UNPoA SALW II	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
45000699 98	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	1.000.000	27/12/2022	26/12/2026	1460	Selected by the Commission's services using the following criteria: capacity to manage a multi-donor fund, policy coordination capacity; consolidated experience in building partnerships with governmental and non-governmental stakeholders; and technical capacity to operate and develop international data quality standards.	EXISTPROG	Contribution to the United Nation Multi-Donors Complex Risk Analytics (CRAF'd) Fund	MD 15/02/2026
45001050 78	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	900.000	28/05/2025	14/09/2026	474	Selected using the following criteria: operational capacity, experience from working with the	EXPERIENCE	EU Support to Clearance Action for Safety and Security in Explosive Ordnance-Affected Communities in Armenia	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							relevant national actors and experience from implementing EU-funded mine action in the region.			
4500111328	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	2.300.000	10/03/2025	09/09/2026	548	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	EXPERIENCE	Resilient Democracy through Anti-Corruption (REDACT)	MD 15/02/2026
4500112451	INTERNATIONAL INSTITUTE FOR DEMOCRACY AND ELECTORAL ASSISTANCE	NDICI_21_27	1.500.000	01/04/2025	30/09/2026	547	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	EXPERTISE	Shielding Moldova's Democracy and Electoral Integrity	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
4500133950	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	3.000.000	01/09/2025	31/08/2028	1095	Selection criteria: (1) experience working in and good knowledge of the country of implementation, (2) expertise in conflict prevention and peacebuilding; (3) experience working with and strengthening capacities of local civil society organisations, (4) institutional and financial capacity to manage EU funds.	EXISTPROG	EU Support to the Joint UNDP-DPPA Programme on Building National Capacities for Conflict Prevention	MD 15/02/2026
4500143807	ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE	NDICI_21_27	1.000.000	01/09/2025	31/12/2026	486	Selected by the Commission's services using the following criteria: relevant experience, ability to rapidly procure specialised	EXPERTISE	Support to Environmental Rehabilitation with focus on building national humanitarian mine action capacities in Ukraine	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							demining equipment, ability to cooperate closely with Ukrainian authorities, ability to begin activities rapidly.			
4500144733	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	6.000.000	15/12/2025	14/01/2027	395	Multi Partner Trust Fund Office (MPFTO) on behalf of the UN Peacebuilding Fund. This implementation entails enhancing the UN capacity to better fulfil its mandate on peace and security and increase EU leverage therein. Selected using the following criteria: international mandate and expertise.	EXISTPROG	Underpinning multilateral solutions to sustain and build peace through the United Nations Peacebuilding Fund (UNPBF)	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
4500145542	UNITED NATIONS ORGANISATION	NDICI_21_27	3.000.000	01/01/2026	31/12/2028	1095	Selected by the Commission's services using the following criteria: global operational capacity, policy-relevant expertise, a mandate for capacity building in third countries, and a proven track record in delivering EU funding in the relevant sectors, in particular deployment of Peace and Development Advisors.	EXISTPROG	Strengthening International Mediation Capacities - Support to the United Nations Standby Team of Senior Mediation 2026-2028	MD 15/02/2026
4500140303	UNITED NATIONS ORGANISATION	NDICI_21_27	1.000.000	01/12/2025	31/05/2027	546	Selected by the Commission's services using the following criteria: mandate to monitor and document	Expertise	Strengthening Human Rights Documentation to Support Accountability for Violations and Crimes in Sudan
	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							violations, and protection issues, proven technical expertise and capacity to promote coordination on human rights issues with national and international counterparts, capacity in evidence-based advocacy and to rapidly implement activities, established relationships with civil society and relevant authorities.			
4500143925	INTERNATIONAL CRIMINAL COURT	NDICI_21_27	5.000.000	10/12/2025	09/06/2027	546	Selected using the following criteria: the ICC's mandate under the Rome Statute to fight	Expertise	Accelerating investigations of the International Criminal Court (ICC) through	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							impunity for crimes under international law.		enhanced analytical capacities	
4500150591	UNITED NATIONS ORGANISATION	NDICI_21_27	3.000.000	01/01/2026	30/06/2027	545	Selected by the Commission's services using the following criteria: relevant experience, ability to rapidly procure specialised demining equipment, ability to cooperate closely with Sudanese authorities, ability to begin activities rapidly.	Expertise	Rebuilding Sudan: Mine Action for Recovery	MD 15/02/2026
4500009386	UNITED NATIONS CHILDREN'S FUND	NDICI_21_27	1.080.000	15/01/2024	14/01/2026	730	The action has specific characteristics requiring a specific type of implementer with proven technical	Expertise	Support to vulnerable children and caregivers, individuals, medically evacuated population from Gaza to Egypt and nexus investments to strengthen the health	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							competence and specialisation.		system capacity and resilience	
4500101571	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	8.000.000	01/02/2025	31/07/2026	545	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	Expertise	Mitigating the impact of conflict escalation in Lebanon through conflict prevention, security service provision, and peacebuilding	MD 15/02/2026
4500105025	INTERNATIONAL ORGANIZATION FOR MIGRATION	NDICI_21_27	2.000.000	28/05/2025	24/11/2026	545	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	Expertise	Promoting individual and communal mental health, psychosocial well-being and social cohesion in displaced communities of Lebanon	MD 15/02/2026
4500106326	UNITED NATIONS ORGANISATION	NDICI_21_27	15.000.000	01/02/2025	31/07/2026	545	The action has specific characteristics requiring a specific type of implementer with	Expertise	Humanitarian mine action to reduce explosive ordnance risk faced by civilians in the Occupied Palestinian Territory	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							proven technical competence and specialisation.			
4500108937	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	12.500.000	24/06/2025	23/12/2026	547	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	Expertise	Strengthening capacities of the Lebanese Armed Forces enabling stability and early recovery of affected communities and livelihoods	MD 15/02/2026
4500114070	INTERNATIONAL INSTITUTE FOR DEMOCRACY AND ELECTORAL ASSISTANCE	NDICI_21_27	1.500.000	09/07/2025	31/12/2026	540	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	Expertise	Yemen's peace process: Technical support and political dialogue	MD 15/02/2026
4500128658	INTERNATIONAL LABOUR ORGANIZATION	NDICI_21_27	1.500.000	01/10/2025	30/09/2027	729	The action has specific characteristics requiring a specific type of	Expertise	STREAM EU- Extending Social Protection to Migrant Workers and their Families in the Arab Gulf Countries	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
							implementer with proven technical competence and specialisation.			
4500145590	UNITED NATIONS ORGANISATION	NDICI_21_27	10.000.000	01/01/2026	30/06/2027	545	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	Expertise	Supporting the establishment of a Syrian mine action authority and enhancing national and international mine action capacities to reduce the risk from explosive ordnance	MD 15/02/2026
4500148651	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	8.000.000	01/01/2026	30/06/2027	545	The action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation.	Expertise	Rebuilding Social and Economic Connections between Northeast Syria Returnees and Communities in Iraq (RECONNECT)	MD 15/02/2026
4500096586	INTERNATIONAL ORGANIZATION	NDICI_21_27	5.150.000	18/04/2025	14/10/2026	544	Implementer with proven technical expertise, specialisation and	Expertise and Experience	The Conflict Prevention Crisis Response and	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
	FOR MIGRATION						the capacity (both operational and financial) to carry out the Action.		Resilience (CPCRR) Programme	
4500122174	UNITED NATIONS ORGANISATION	NDICI_21_27	1.500.000	26/08/2025	25/02/2027	548	Implementer with proven technical expertise, specialisation and the capacity (both operational and financial) to carry out the Action.	Expertise and Experience	Strengthening Resilience-Building through Targeted Human Rights Interventions in Burkina Faso	MD 15/02/2026
4500107587	UNITED NATIONS ORGANISATION	NDICI_21_27	3.000.000	01/07/2025	30/06/2028	1095	Commission Implementing Decision	Expertise	Empowering stakeholders for traceability and legality of supply chains in the palm oil and timber sectors in Indonesia	MD 15/02/2026
4500107630	FEDERATION INTERNATIONALE DES SOCIETES DE LA CROIX-ROUGE ET DU	NDICI_21_27	2.000.000	18/06/2025	11/12/2026	541	Commission Implementing Decision	REDCROSS	Pathways to Healing: A Survivor Centred Approach to Address Violence and Human Rights Violations in Bangladesh	MD 15/02/2026

Key	Business Partner Name	Program	Amount	Start	End	Days	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	Management Declaration (MD) / Audit Opinion (AO) / Audit Conclusion (AC)
	CROISSANT ROUGE									
4500134164	UNITED NATIONS ORGANISATION	NDICI_21_27	2.500.000	31/10/2025	30/10/2028	1095	Commission Implementing Decision	Expertise	WasteNet: EU-Southeast Asia Partnership in Waste Shipment Management	MD 15/02/2026
4500133235	UNITED NATIONS DEVELOPMENT PROGRAMME	NDICI_21_27	1.077.000	28/10/2025	27/04/2027	546	Extensive & solid network of local partners that will support the Action implementation.	Experience	Supporting democratic stability through election-related conflict prevention in Peru	MD 15/02/2026

ANNEX 12: EAMR of the Union Delegations

Not applicable.

ANNEX 13: Decentralised agencies and other Union bodies

Not applicable.