

## ANNEXES

### ANNEX 1: Statement of the Internal Control Co-ordinator

*I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission<sup>34</sup>, I have reported my advice and recommendations to the Head of Service on the overall state of internal control in the Service.*

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

*Date 31/03/2017*

*(signed)*

Christian MEUNIER  
Head of Unit FPI.1  
and  
Internal Control Coordinator<sup>35</sup> FPI

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<sup>34</sup> Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

<sup>35</sup> Due to the "lean" structure of FPI, the Internal Control Coordinator function is assigned to the Head of Unit level.

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

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

### Human Resources

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

**Indicator 1:** Percentage of female representation in middle management

**Source of data:** DG HR Collaborate Workspace

Baseline (2015)	Target	Latest known results (31/12/2016)
20%	40% by 2019	0%

#### Main outputs in 2016:

Description	Indicator	Target	Latest known results
Selection and appointment of new middle managers with preference to the under-represented gender in case of equal merit	Increased percentage of women in middle management	End 2019	No new female middle managers appointed

**Indicator 2:** Percentage of staff who feel that the Commission cares about their well being

**Source of data:** Commission staff survey

Baseline (2014)	Target	Latest known results (31/12/2016)
39%	Increase on baseline by 2020	39%

#### Main outputs in 2016:

Description	Indicator	Target	Latest known results
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Sound allocation of human resources ensuring effective and efficient operation of the DG	Delivery of the DG in the context of the 5% reduction	Sound allocation of human resources ensuring effective and efficient operation of the DG	39%
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<b>Indicator 3: Staff Engagement Index</b>			
<b>Source of data:</b> Commission staff survey			
Baseline (2014)	Target	Latest known results (31/12/2016)	
59%	Increase on baseline by 2020	60%	
<b>Main outputs in 2016:</b>			
Description	Indicator	Target	Latest known results
Employee Engagement Index	Percentage of staff who respond positively to Staff Survey	Increase on 2014 (59); Commission average: 65	60%

## Financial management

<b>Objective:</b>			
Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions			
Main outputs in 2016: Ex ante verification files, ex post controls			
<b>Indicator 1: Percentage of suspended files</b>			
<b>Source of data:</b> Internal			
Baseline (2015)	Target	Latest known results (31/12/2016)	
7.3%	Less than n-1	n/a <sup>36</sup>	
<b>Main outputs in 2016:</b>			
Description	Indicator	Target	Latest known results
Ex-ante verification work	Percentage of suspended files	Less than n-1	n/a <sup>36</sup>

<sup>36</sup> Due to reorganisation of FPI, which took place on 16/06/2016, this indicator is no longer produced as financial circuits have been centralised in one unit.

<b>Indicator 2:</b> Number of EPCs			
<b>Source of data:</b> Internal			
Baseline (2015)	Target		Latest known results (31/12/2016)
25	As per EPC plan		25
<b>Main outputs in 2016:</b>			
Description	Indicator	Target	Latest known results
Ex-post controls	Number of EPCs	As per EPC plan	25

<b>Objective:</b> Effective and reliable internal control system in line with sound financial management. DGs are requested to reach a conclusion on cost effectiveness of controls. Main outputs in 2016: Conclusion on cost effectiveness of controls (AAR 2016)			
<b>Indicator 1:</b> Conclusion on cost effectiveness of controls			
<b>Source of data:</b> Internal			
Baseline (2015)	Target		Latest known results (31/12/2016)
Positive conclusion	Yes (positive conclusion)		Positive conclusion
<b>Main outputs in 2016:</b>			
Description	Indicator	Target	Latest known results
Conclusion based on calculation of costs of controls	Cost-effectiveness of controls	Yes (positive conclusion)	Positive conclusion

## Information Management

<b>Objective:</b> Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable			
<b>Indicator 1:</b> Percentage of registered documents that are not filed <sup>37</sup> (ratio)			
<b>Source of data:</b> Hermes-Ares-Nomcom (HAN) <sup>38</sup> statistics			
Baseline (2014)	Target		Latest known results (31/12/2016)
15.02%	0% by 2020		14.57%
<b>Main outputs in 2016:</b>			

<sup>37</sup> Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

<sup>38</sup> Suite of tools designed to implement the [e-Domec policy rules](#).

Description	Indicator	Target	Latest known results
Important documents are registered	% of documents not filed	Improve on baseline	14.57%

**Indicator 2:** Number of HAN files readable/accessible by all units in the DG  
**Source of data:** HAN statistics

Baseline (2014)	Target	Latest known results (31/12/2016)
92.10%	95% by 2020	92.80 %

**Main outputs in 2016:**

Description	Indicator	Target	Latest known results
Access to files by all Units	Number of readable HAN files	Improve on baseline	92.80%

**Indicator 3:** Number of HAN files shared with other DGs

**Source of data:** HAN statistics

Baseline (2014)	Target	Latest known results (31/12/2016)
23.77%	40% by 2020	17.55%

**Main outputs in 2016:**

Description	Indicator	Target	Latest known results
Files shared with other DGS	Number of HAN files shared with other DGs	Improve on baseline	17.55%

## External Communication

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

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

**Source of data:** Standard Eurobarometer (DG COMM budget)

Baseline (2015) November	Target	Latest known results (31/12/2016)
Total "Positive": 37% Neutral: 38 % Total "Negative": 23%	Positive image of the EU $\geq$ 50%	35%  Positive 35% Neutral 38% Negative 25%

FPI external communication focused on how the EU budget contributes to the achievement of Juncker's Commission political priorities Nr.9, 'a stronger global actor'. FPI ensured its website was up to date including new public interest stories on all operations.

Most of the communication spending was administered by the EEAS, both in Headquarters and in Delegations, in line with the Service Level Agreement (SLA) concluded between FPI and EEAS in 2013 and the spending related to the annual press and information budgets for some 135 EU Delegations throughout the world. Another large part of spending financed a television transmission on the Euronews channel in the Farsi language while continued support was also given to management and updating of the FPI website. See also Part I 'Information outreach on the Union's external relations'.

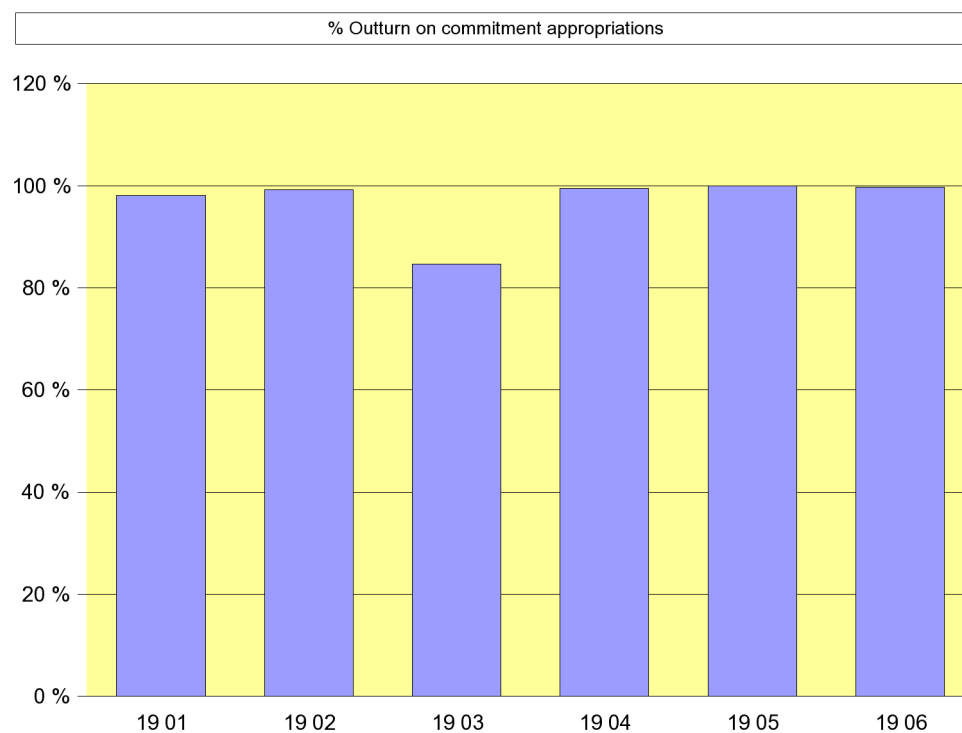
<b>Annual communication spending</b> (based on estimated commitments):			
Baseline (Year n-1):	Target (Year n):	Total amount spent	Total of FTEs working on external communication
EUR 12,500,000	EUR 12,000,000	EUR 12,472,672	0

**Annex 3 Financial Reports - DG FPI - Financial Year 2016****Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures (excluding Building Contracts)****Table 12 : Summary of Procedures (excluding Building Contracts)****Table 13 : Building Contracts****Table 14 : Contracts declared Secret**

**Additional comments**

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2016 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	8,97	8,8	98,05 %
	19 02	Instrument contributing to Stability and Peace - Crisis response, conflict prevention, peace-building and crisis preparedness	273,64	271,52	99,23 %
	19 03	Common foreign and security policy (CFSP)	265,35	224,65	84,66 %
	19 04	Election observation missions (EU EOMs)	30,65	30,48	99,47 %
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	104,32	104,3	99,98 %
	19 06	Information outreach on the Union's external relations	12,51	12,47	99,71 %
<b>Total Title 19</b>			<b>695,44</b>	<b>652,23</b>	<b>93,79%</b>
<b>Total DG FPI</b>			<b>695,44</b>	<b>652,23</b>	<b>93,79 %</b>

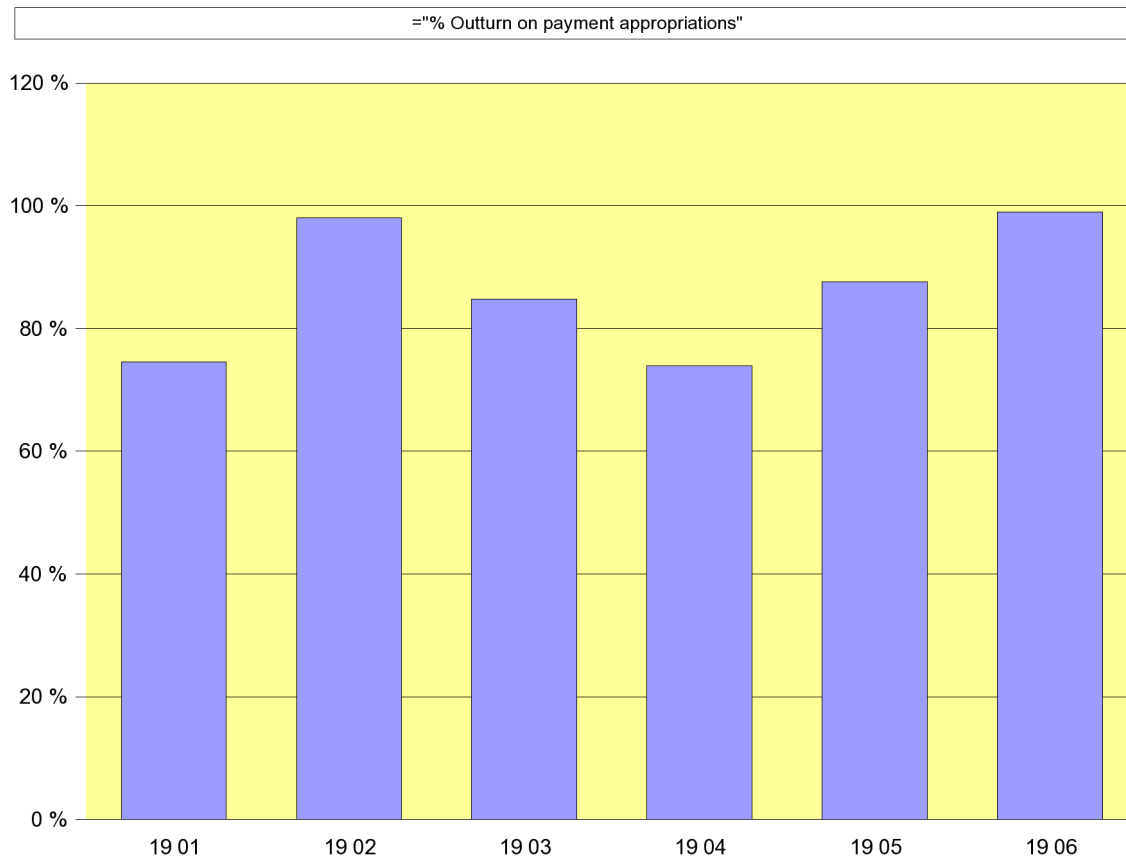
\* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).



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

Chapter		Payment appropriations authorised *	Payments made	%	
		1	2	3=2/1	
<b>Title 19 Foreign policy instruments</b>					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	11,2	8,35	74,53 %
	19 02	Instrument contributing to Stability and Peace - Crisis response, conflict prevention, peace-building and crisis preparedness	269,29	264,01	98,04 %
	19 03	Common foreign and security policy (CFSP)	274,92	233,01	84,75 %
	19 04	Election observation missions (EU EOMs)	27,98	20,68	73,93 %
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	44,63	39,12	87,64 %
	19 06	Information outreach on the Union's external relations	13,79	13,65	98,99 %
<b>Total Title 19</b>			<b>641,81</b>	<b>578,81</b>	<b>90,18 %</b>
<b>Total DG FPI</b>			<b>641,81</b>	<b>578,81</b>	<b>90,18 %</b>

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

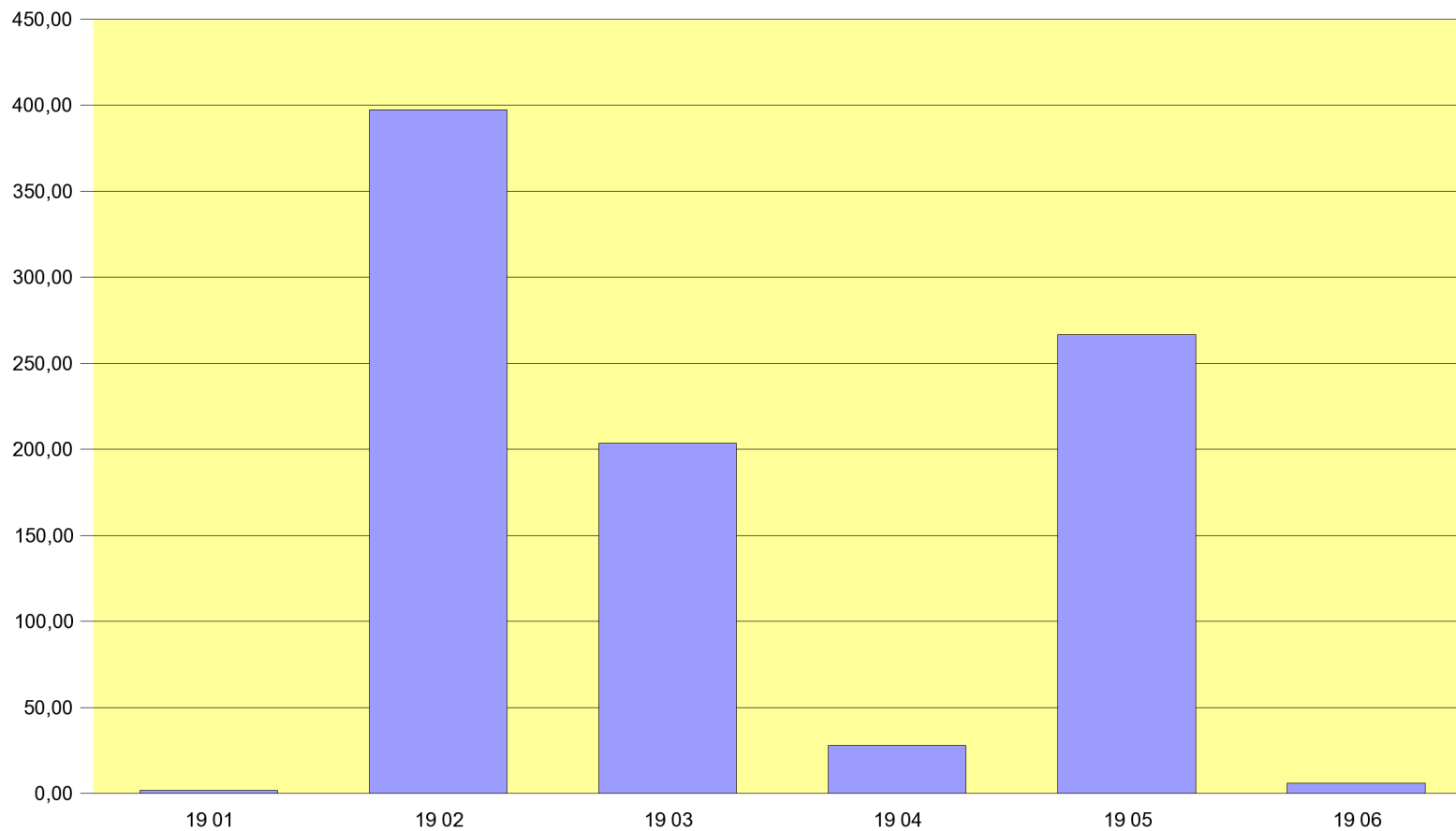


**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2016 (in Mio €)**

Chapter			2016 Commitments to be settled				Commitments to be settled from financial years previous to 2016	Total of commitments to be settled at end of financial year 2016 (incl corrections)	Total of commitments to be settled at end of financial year 2015 (incl. corrections)
			Commitments 2016	Payments 2016	RAL 2016	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
<b>Title 19 : Foreign policy instruments</b>									
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	8,33	6,63	1,69	20,35 %	0,00	1,69	2,23
	19 02	Instrument contributing to Stability and Peace - Crisis response, conflict prevention, peace-building and crisis preparedness	271,52	85,12	186,41	68,65 %	210,86	397,27	405,58
	19 03	Common foreign and security policy (CFSP)	224,65	140,15	84,5	37,62 %	119,00	203,50	236,56
	19 04	Election observation missions (EU EOMs)	30,48	13,78	16,71	54,81 %	11,10	27,80	21,16
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	104,3	0,03	104,27	99,97 %	162,29	266,56	203,46
	19 06	Information outreach on the Union's external relations	12,47	8,92	3,55	28,49 %	2,25	5,80	7,11
<b>Total Title 19</b>			651,76	254,63	397,14	60,93%	505,5	902,63	876,1
<b>Total DG FPI</b>			651,76	254,63	397,14	60,93 %	505,5	902,63	876,1

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

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



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

**TABLE 4 : BALANCE SHEET FPI**

<b>BALANCE SHEET</b>	<b>2016</b>	<b>2015</b>
<b>A.II. CURRENT ASSETS</b>	<b>228.034.854,67</b>	<b>199.792.986,83</b>
A.II.2. Current Pre-Financing	233.282.934,64	203.414.719,36
A.II.3. Curr Exch Receiv & Non-Ex Recoveral	-5.975.491,82	-4.438.940,85
A.II.4. Inventories	727.411,85	817.208,32
<b>ASSETS</b>	<b>228.034.854,67</b>	<b>199.792.986,83</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-79.862.488,35</b>	<b>-66.847.838,66</b>
P.II.4. Current Payables	-5.338.516,25	-10.098.903,36
P.II.5. Current Accrued Charges & Defrd Incc	-74.523.972,10	-56.748.935,30
<b>LIABILITIES</b>	<b>-79.862.488,35</b>	<b>-66.847.838,66</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>148.172.366,32</b>	<b>132.945.148,17</b>
P.III.2. Accumulated Surplus / Deficit	1.494.852.214,18	1.038.996.845,14
Non-allocated central (surplus)/deficit*	-1.643.024.580,5	-1.171.941.993,31
<b>TOTAL</b>	<b>0,00</b>	<b>0,00</b>

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

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

**TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE FPI**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2016</b>	<b>2015</b>
<b>II.1 REVENUES</b>	<b>-1.886.619,07</b>	<b>928.256,77</b>
II.1.1. NON-EXCHANGE REVENUES	-1.156.820,08	-816.934,85
II.1.1.5. RECOVERY OF EXPENSES	-432.456,84	-387.297,11
II.1.1.6. OTHER NON-EXCHANGE REVEN	-724.363,24	-429.637,74
II.1.2. EXCHANGE REVENUES	-729.798,99	1.745.191,62
II.1.2.1. FINANCIAL INCOME	-445.855,99	-364.902,34
II.1.2.2. OTHER EXCHANGE REVENUE	-283.943,00	2.110.093,96
<b>II.2. EXPENSES</b>	<b>516.243.578,55</b>	<b>454.927.112,27</b>
II.2. EXPENSES	516.243.578,55	454.927.112,27
II.2.10. OTHER EXPENSES	11.638.839,47	11.367.680,30
II.2.2. EXP IMPL BY COMMISS&EX.AC	218.782.955,32	127.333.426,65
II.2.3. EXP IMPL BY OTH EU AGENC&BO	743.193,69	60.381,77
II.2.4. EXP IMPL BY 3RD CNTR & INT OR	84.389.539,50	72.579.380,95
II.2.5. EXP IMPL BY OTHER ENTITIES	200.635.384,07	243.155.769,23
II.2.6. STAFF AND PENSION COSTS		0,00
II.2.8. FINANCE COSTS	53.666,50	430.473,37
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>514.356.959,48</b>	<b>455.855.369,04</b>

*Explanatory Notes (facultative):*

*Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.*

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**TABLE 5bis : OFF BALANCE SHEET FPI**

<b>OFF BALANCE</b>	<b>2016</b>	<b>2015</b>
OB.1. Contingent Assets	37.332.843,13	34.345.864,06
GR for performance	499.050,00	499.050,00
GR for pre-financing	36.833.793,13	33.846.814,06
OB.3. Other Significant Disclosures	-815.331.814,68	-802.432.298,5
OB.3.2. Comm against app. not yet con	-815.331.814,68	-802.432.298,50
OB.4. Balancing Accounts	777.998.971,55	768.086.434,44
OB.4. Balancing Accounts	777.998.971,55	768.086.434,44
<b>OFF BALANCE</b>	<b>0,00</b>	<b>0,00</b>

*Explanatory Notes (facultative):*

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**TABLE 6: AVERAGE PAYMENT TIMES FOR 2016 - DG FPI**

<b>Legal Times</b>							
<b>Maximum Payment Time (Days)</b>	<b>Total Number of Payments</b>	<b>Nbr of Payments within Time Limit</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Nbr of Late Payments</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>
10	1				1	100,00 %	11
30	308	266	86,36 %	15,25	42	13,64 %	55,4
45	34	24	70,59 %	26,73	10	29,41 %	62,17
60	321	289	90,03 %	26,56	32	9,97 %	92,65
90	88	83	94,32 %	42,15	5	5,68 %	115,22

<b>Total Number of Payments</b>	<b>752</b>	<b>662</b>	<b>88,03 %</b>		<b>90</b>	<b>11,97 %</b>	
<b>Average Net Payment Time</b>	<b>29,75</b>			<b>23,98</b>			<b>72,23</b>
<b>Average Gross Payment Time</b>	<b>43,7</b>			<b>35,82</b>			<b>101,69</b>

<b>Target Times</b>							
<b>Target Payment Time (Days)</b>	<b>Total Number of Payments</b>	<b>Nbr of Payments within Target Time</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Nbr of Late Payments</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>
20	103	79	76,70 %	12,31	24	23,30 %	35,37
30	69	38	55,07 %	17,31	31	44,93 %	51,79
60	2	2	100,00 %	23			
75	1	1	100,00 %	31			

<b>Total Number of Payments</b>	<b>175</b>	<b>120</b>	<b>68,57 %</b>		<b>55</b>	<b>31,43 %</b>	
<b>Average Net Payment Time</b>	<b>23,78</b>			<b>14,23</b>			<b>44,62</b>
<b>Average Gross Payment Time</b>	<b>36,33</b>			<b>20,4</b>			<b>71,1</b>

<b>Suspensions</b>							
<b>Average Report Approval Suspension Days</b>	<b>Average Payment Suspension Days</b>	<b>Number of Suspended Payments</b>	<b>% of Total Number</b>	<b>Total Number of Payments</b>	<b>Amount of Suspended Payments</b>	<b>% of Total Amount</b>	<b>Total Paid Amount</b>
5	42	155	20,61 %	752	58.299.173,21	10,58 %	551.234.534,57

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

<b>Late Interest paid in 2016</b>			
<b>DG</b>	<b>GL Account</b>	<b>Description</b>	<b>Amount (Eur)</b>
FPI	65010000	Interest expense on late payment of charges	26 910,49
FPI	65010100	Interest on late payment of charges New FR	26 756,01
			<b>53 666,50</b>

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**TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2016**

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
40	MISCELLANEOUS TAXES AND DEDUCTIONS	726.453,51	0	726.453,51	726.453,51	0	726.453,51	0
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	357.243,6	17.061,03	374.304,63	356.726,87	11.154	367.880,87	6.423,76
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	697.920,74	272.745,94	970.666,68	697.920,74	0	697.920,74	272.745,94
66	OTHER CONTRIBUTIONS AND REFUNDS	34.968.619,56	2.341.086,6	37.309.706,16	33.687.570,74	1.461.252,01	35.148.822,75	2.160.883,41
90	MISCELLANEOUS REVENUE	70.313,38	0	70.313,38	70.313,38	0	70.313,38	0
<b>Total DG FPI</b>		<b>36.820.550,79</b>	<b>2.630.893,57</b>	<b>39.451.444,36</b>	<b>35.538.985,24</b>	<b>1.472.406,01</b>	<b>37.011.391,25</b>	<b>2.440.053,11</b>

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

Annex 3 Financial Reports - DG FPI  
Report printed on 17/03/2017

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2016  Year of Origin (commitment)	Error		Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2008			1	42.589	1	42.589	2	80.299,05	50,00%	53,04%
2009							1	292.678,4		
2010	2	123.998	5	599.122,93	7	723.120,93	8	776.643,52	87,50%	93,11%
2011	1	115.773,26	5	375.136,56	6	490.909,82	8	1.144.977,53	75,00%	42,88%
2012	1	32.116	2	76.150,1	3	108.266,1	14	12.148.461,76	21,43%	0,89%
2013	1	173,03	4	217.431,06	5	217.604,09	17	7.339.774,08	29,41%	2,96%
2014							20	11.499.175,52		
2015							31	944.404,55		
No Link			2	231.139	2	231.139	13	1.462.408,17	15,38%	15,81%
Sub-Total	5	272.060,29	19	1.541.568,65	24	1.813.628,94	114	35.688.822,58	21,05%	5,08%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	8	40.343,01	24	352.849,92			32	393.192,93	39	995.492,17	82,05%	39,50%
CREDIT NOTES	14	1.505.545,26	1	23.355,46			15	1.528.900,72	22	1.551.800,85	68,18%	98,52%
Sub-Total	22	1.545.888,27	25	376.205,38			47	1.922.093,65	61	2.547.293,02	77,05%	75,46%

<b>GRAND TOTAL</b>	<b>27</b>	<b>1.817.948,56</b>	<b>44</b>	<b>1.917.774,03</b>			<b>71</b>	<b>3.735.722,59</b>	<b>175</b>	<b>38.236.115,6</b>	<b>40,57%</b>	<b>5,02%</b>
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2017.

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

	Number at 1/01/2016	Number at 31/12/2016	Evolution	Open Amount (Eur) at 1/01/2016	Open Amount (Eur) at 31/12/2016	Evolution
2005	1	1	0,00 %	695,39	695,39	0,00 %
2008	1	1	0,00 %	272.745,94	272.745,94	0,00 %
2010	1	1	0,00 %	91.498,37	91.498,37	0,00 %
2011	1	1	0,00 %	21.663,95	21.663,95	0,00 %
2012	1	1	0,00 %	235.053,60	235.053,60	0,00 %
2014	2	1	-50,00 %	33.959,54	20.497,08	-39,64 %
2015	13	4	-69,23 %	1.997.636,12	538.692,57	-73,03 %
2016		10			1.328.222,70	
	20	20	0,00 %	2.653.252,91	2.509.069,60	-5,43 %

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

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

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

<b>Total DG</b>	
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<b>Number of RO waivers</b>	
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*Justifications:*

*Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use "ctrl+enter" to go to the next line and "enter" to validate your typing.*

**TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG FPI - 2016****External Actions > EUR 20,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Art. 266.1(a)	1	999.900,00
Art. 266.1(b)	1	2.271.000,00
Art. 266.1(c)	1	2.814.200,00
Art. 266.1(f)	1	170.000,00
<b>Total</b>	<b>4</b>	<b>6.255.100,00</b>

**Procurement > EUR 60,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Art. 134.1(b)	1	67.215,50
Art. 134.1(c)	1	3.500.000,00
<b>Total</b>	<b>2</b>	<b>3.567.215,50</b>

**TABLE 12 : SUMMARY OF PROCEDURES OF DG FPI EXCLUDING BUILDING CONTRACTS**

<b>External Procedures &gt; € 20,000</b>			
	<b>Procedure Type</b>	<b>Count</b>	<b>Amount (€)</b>
on Proced ures >	(Ext. act) Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	2	3.270.900,00
	(Ext. act) Service - Competitive Negot.Proc. with at least three candidates without pub.(Art. 265.1(b) & 3 RAP)	1	299.985,00
	(Ext. act) Service - Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	2	2.984.200,00
	(Ext. act) Service - International Restricted Procedure with prior publication (Art. 265.1(a)(i) & 2 RAP)	25	296.928.781,47
	<b>TOTAL</b>	<b>30</b>	<b>303.483.866,47</b>

<b>Internal Procedures &gt; € 60,000</b>			
	<b>Procedure Type</b>	<b>Count</b>	<b>Amount (€)</b>
Proced ures >	Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	2	3.567.215,50
	Open Procedure (Art. 104(1) (a) FR)	1	35.000.000,00
	<b>TOTAL</b>	<b>3</b>	<b>38 567 215 50</b>

**Additional comments**

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**TABLE 13 : BUILDING CONTRACTS**

<b>Total number of contracts :</b>	
<b>Total amount :</b>	

<b>Legal base</b>	<b>Contract Number</b>	<b>Contractor Name</b>	<b>Description</b>	<b>Amount (€)</b>

**No data to be reported**

**TABLE 14 : CONTRACTS DECLARED SECRET**

<b>Total Number of Contracts :</b>	
<b>Total amount :</b>	

<b>Legal base</b>	<b>Contract Number</b>	<b>Contractor Name</b>	<b>Type of contract</b>	<b>Description</b>	<b>Amount (€)</b>

**No data to be reported**

## **ANNEX 4:      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 on the basis of 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 IAS 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.

## ANNEX 5: Internal Control Templates for budget implementation (ICTs)

### ICT 1: *Instrument Contributing to Stability and Peace (Grants – direct management)* *Partnership Instrument, Instrument for Cooperation with Industrialised Countries (Grants – direct management)*

#### Stage 4 - Ex-Post controls

##### **A - Reviews, audits and monitoring**

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

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

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
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.  If error rate over tolerable threshold, control a risk-	Representative sample: annual ex-post control plan sufficiently representative to draw valid management conclusions. Selection based on comprehensive risk assessment.  Risk-based sample: special	<b>Costs:</b> cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit.  <b>Benefits:</b> value of the errors detected by the auditors.	<b>Effectiveness:</b> detected error rate. Residual error rate. Number of supervisory control failures. Number of projects with errors; amount of the errors detected.

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	based sample to lower the residual error rate below the tolerable threshold. Validate audit results with beneficiary. If needed: referring the beneficiary or grant to OLAF	purpose audits aimed at projects where problems are anticipated or have already been identified.		<b>Efficiency:</b> total (average) annual cost of audits in EPC plan + special purpose audits compared with benefits (ratio).
	Supervision missions to Delegations by independent staff (FPI.1) not involved in the operational and financial circuits.	Size and composition of the sample are determined in accordance with the portfolios managed by the visited Delegations.	<b>Costs:</b> mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission. <b>Benefits:</b> non-quantifiable.	<b>Efficiency Indicators:</b> total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments managed.
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.	Establish an ex-post supervision strategy: Carry out ex-post controls of systems and transactions in EU Delegations implementing IfS/IcSP and ICI/PI projects Recommended: to be able to serve multiple purposes (e.g. for assurance as well as to give guidance and advice on IfS/IcSP and ICI/PI systems and procedures)	Annual ex-post control plan of EU Delegations to visit based on comprehensive risk assessment. Desk review in case of high risk Delegations (e.g. Afghanistan) Depth: review of underlying checklists and documents relating to IfS commitments and payments.	<b>Costs:</b> mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission. <b>Benefits:</b> value of the errors detected by the supervisors.	<b>Effectiveness:</b> 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. <b>Efficiency Indicators:</b> total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
				million EUR of payments verified.

**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).

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

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.	<b>Coverage:</b> 100% of final audit results <i>with a financial impact</i> . <b>Depth:</b> consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary	<b>Benefits:</b> value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered). <b>Loss:</b> value of such ROs which are 'waived' or have to be cancelled.	<b>Effectiveness:</b> Success ratio: % of value of the ROs over detected errors by the auditors after 1 year (not yet available). Number of suspected fraud cases transferred to OLAF. Analysis of financial control findings, internal control findings and other compliance findings per

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
				category of error. Number of occurrences per category of error detected. <b>Efficiency Indicators:</b> Time-to-recovery (not yet determined).

**ICT 2: Instrument contributing to Stability and Peace**  
**Indirect management (including 'similarly' managed budget 'entrusted' to other entities)**

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

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

DEVCO is in charge of launching 4-pillar compliance assessments (International Organisations) and 6-pillar compliance assessments (indirect management).

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

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

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
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	Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements. Carry out verification missions of international organisations.	<b>Coverage:</b> verification missions of international organisations included in annual ex-post control plan. Selection of verification missions based on comprehensive risk assessment identical to grants.	<b>Costs:</b> cost of the verification missions of international organisations included in the total cost of the annual ex post control plan. <b>Benefits:</b> value of the errors detected by the verification team.	<b>Effectiveness:</b> Number of verification missions; number of internal control and other compliance findings; amount of the errors concerned. <b>Efficiency Indicators:</b> Cost/benefit ratio.

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
governance reputation and quality of accountability reporting.				

#### **Stage 4 – Commission contribution: payment or suspension/interruption.**

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

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
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>Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements.</p> <p>Ex-ante OV and FV.</p> <p>Carry out (mid-term) verification missions of international organisations under joint management.</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p><b>Coverage:</b> 100% of the contribution payments (for ex-ante OV and FV.</p> <p>Verification missions of international organisations included in annual ex-post control plan (conducted after 1<sup>st</sup> year of operations or before signature of new contribution agreement).</p>	<p><b>Costs:</b> cost of the verification missions of international organisations included in the total cost of the annual ex post control plan.</p> <p><b>Benefits:</b> 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</p>	<p><b>Effectiveness:</b> Number of verification missions; number of internal control and other compliance findings; amount of the errors concerned.</p> <p><b>Efficiency Indicators:</b> Cost/benefit ratio.</p>

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
			detected.	

**Stage 5 – Audit and evaluation (indirect management only)**

**Main 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).

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<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</p>	<p>Ex-post control strategy: Carry out audits of projects under indirect management. If error rate over tolerable threshold, control a risk-based sample to lower the residual error rate below the tolerable threshold. Validate audit results with beneficiary. If needed: referring the</p>	<p>Representative sample: annual ex-post control plan may include indirect managed projects. Selection based on comprehensive risk assessment. Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p><b>Costs:</b> cost of the external audit firms for the controls of IfS beneficiaries. Average cost per audit (for all management modes combined). <b>Benefits:</b> value of the errors detected by the auditors.</p>	<p><b>Effectiveness:</b> detected error rate. Residual error rate. Amount of budget of errors concerned. Number of projects with errors; amount of the errors detected. <b>Efficiency:</b> total (average) annual cost of audits in EPC plan + special purpose</p>

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
governance reputation and quality of accountability reporting.	beneficiary or grant to OLAF			audits (if any under indirect management) compared with benefits (ratio).

**ICT 3: Common Foreign and Security Policy**  
**Indirect management (including 'similarly' managed budget 'entrusted' to other entities)**

**Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement” / etc).**

**Main 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.

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<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).                      The Council takes decisions on political grounds without taking into account the comments from the Commission on sound financial management.</p>	<p>Ensure participation in the decision making process from an early stage.                      Ex-ante verification (checklist based verification) of the proposed projects, beneficiaries and budgets before adoption by the Council.                      Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions).</p>	<p><b>Coverage/Frequency:</b> 100% of each proposed project.  <b>Depth:</b> Checklist includes a list of the requirements of the regulatory provisions to be complied with.  <b>Factors</b> would be (i) whether it is an establishment or a prolongation, (ii) consistency with any other entities entrusted by the same DG or family.                      If risk materialises, all</p>	<p><b>Costs:</b> estimation of cost of staff involved in the preparation, adoption and selection work.  <b>Benefits:</b> non-financial qualitative benefits (clear contracts, less disputes, time saved during the implementation phase, reputational).                      Financial benefits: approved budget lower than initially proposed, improved implementation of the budget.</p>	<p><b>Effectiveness:</b>                      Quality of the legal work – Council Decision.                      Number of initially negative ISC opinions.                      Number of contracts not signed.</p>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<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 to be of overriding importance.</p>	<p>Hierarchical validation within the authorising department. Inter-service consultation, including all relevant DGs. Adoption by the Commission.</p>	<p>funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>		

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

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

**Overall control efficiency indicator:** number of entrusted entities pillar-assessed (target = 100%).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs</p>	<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><b>Coverage/frequency:</b> 100% of entrusted entities/initial and follow-up assessments</p> <p><b>Depth</b> 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><b>Costs:</b> estimation of cost of staff involved in the ex-ante assessment process (which may include missions, if applicable). Cost of externalised assessments.</p> <p><b>Benefits:</b> 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>	<p><b>Effectiveness:</b> Number of art. 60 assessments</p> <p><b>Efficiency Indicators:</b> Number of exceptions reported by the missions/EUSRs. Number of interventions by FPI.</p>

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

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

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>Due to weak "modalities of cooperation, supervision &amp; 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>Delegation Act/ 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; <u>review of reported control results and any underlying management/audit reports</u>; scrutiny of the interim and final reports, etc).</p> <p>Reporting template provided by FPI. Obligatory use of audit framework contracts for the final financial report audit.</p> <p>Management review of the supervision results.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> <li>- reinforced monitoring of operational and/or financial aspects of the entity</li> <li>- intervention, e.g. via own</li> </ul>	<p><b>Coverage:</b> 100% of the entities are monitored/supervised.</p> <p><b>Frequency:</b> monthly, quarterly interim reports are immediately carefully scrutinised. At least one monitoring mission per year/entity is carried out.</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The <b>depth:</b> full control of the entity's internal control and management systems and actions.</p>	<p><b>Costs:</b> 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><b>Benefits:</b> Avoiding the cost of significant (legal, management, accounting, fraud, reporting) errors if these controls would not be in place. Reputational benefit.</p>	<p><b>Effectiveness:</b> number of reports scrutinised, problems detected, number of regular monitoring actions (missions), number of serious IAS and ECA findings.</p> <p><b>Efficiency Indicators:</b> Cost/benefit ratio. Cost of monitoring and support missions, provision of additional expert support.</p>

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	on-the-spot controls, specific external audits - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF			

**Stage 4 – Commission contribution: payment or suspension/interruption.**

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

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
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.	Delegation Act/ Contribution agreement/etc specifying the control, accounting, audit, publication, etc related requirements and the reports to be submitted for the contribution. - <i>incl.</i> <i>reporting back</i> Management review of the	<b>Coverage:</b> 100% of the contribution payments. <b>Frequency:</b> with each pre-financing payment and in-depth if need be.	<b>Costs:</b> estimation of cost of staff involved in the OV and FV of the contribution payments to the entrusted entities. Costs of the additional mitigating controls (on-the spot missions, monitoring). <b>Benefits:</b> The total amount entrusted to the	<b>Effectiveness:</b> (amount of any unused operating budget recovered). Number of additional mitigating controls taken as a result of financial management issues.

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	<p>supervision results.</p> <p>In-depth ex-ante OV and FV before making next contribution if need be.</p> <p>Hierarchical validation of contribution payment and suspending payment of contribution (fully or partial) until entrusted entity has taken corrective additional measures.</p>		<p>entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p> <p><b>Benefits:</b> reputational and preventive.</p>	

### Stage 5 – Audit and evaluation, Discharge

**Main 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).

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>The Commission has not sufficient information from independent sources on the entrusted entity’s management achievements, which prevents drawing conclusions on the</p>	<p>Delegation Act/Contribution agreement/etc specifying the control, accounting, audit, publication, etc related requirements; reporting requirements; independent external audit of the accounts and</p>	<p><b>Coverage:</b> 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><b>Frequency:</b> once a year</p>	<p><b>Costs:</b> 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</p>	<p><b>Effectiveness:</b> detected error rate, residual error rate.</p> <p>Number of transactions with errors; amount of the errors detected by the own supervisors.</p> <p><b>Efficiency:</b> total (average)</p>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>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>financial statement.</p> <p>The entities are part of the population subjected to the ex-post control programme.</p> <p><u>If needed:</u></p> <ul style="list-style-type: none"> <li>- supplementary ex-post audit(s) on-the-spot, by FPI.3 of the entity.</li> <li>- potential escalation of any major governance-related issues with entrusted entities</li> <li>- referral to OLAF</li> </ul>	<p>(as a rule).</p> <p>Entities are selected for ex-post controls (external audits) on the basis of a risk analysis.</p> <p>The <b>depth</b> depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity’s internal control information.</p>	<p>for the outsourced audits.</p> <p><b>Benefits:</b> 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><b>Benefits:</b> value of the errors with the entity’s beneficiaries detected by the own auditors, and subsequently corrected.</p>	<p>annual cost of own audits compared with benefits (ratio).</p>

**ICT 4: Partnership Instrument, Instrument for Cooperation with Industrialised Countries (Procurement - direct management)**  
**Election Observation Mission (Procurement - direct management)**

**Stage 2 – Financial transactions**

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

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

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<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>Operational and financial checks in accordance with the financial circuits. Follow-up by project manager.</p>	<p><b>Coverage:</b> 100% of the contracts are controlled</p>	<p><b>Benefits:</b> Amount of irregularities, errors and overpayments prevented by the controls</p>	<p><b>Effectiveness:</b> Ex ante verification results</p> <p><b>Efficiency:</b> Ex ante verification results</p>

### Stage 3 – Monitoring implementation

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

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth*</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<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>Supervisory desk review of procurement and financial transactions</p> <p>Ex-post publication (possible reaction from tenderer / potential tenderer such as whistle blowing)</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><b>Costs:</b> cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit (for all management modes combined).</p> <p><b>Benefits:</b> value of the errors detected by the auditors.</p>	<p><b>Effectiveness:</b> detected error rate. Residual error rate below tolerable threshold.</p> <p>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><b>Efficiency:</b> total (average) annual cost of audits in EPC plan + special purpose audits (if any procurement contract) compared with benefits (ratio).</p>

### Stage 4 – Ex-post controls

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

of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

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

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
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. If error rate over tolerable threshold, control a risk-based sample to lower the residual error rate below the tolerable threshold. Validate audit results with beneficiary. If needed: referring the beneficiary or grant to OLAF	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.	<b>Costs:</b> cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit. <b>Benefits:</b> value of the errors detected by the auditors.	<b>Effectiveness:</b> detected error rate. Residual error rate. Number of supervisory control failures. Number of projects with errors; amount of the errors detected. <b>Efficiency:</b> total (average) annual cost of audits in EPC plan + special purpose audits compared with benefits (ratio).
	Verification missions to Delegations by independent staff (FPI.1) not involved in the operational and financial circuits.	Size and composition of the sample are determined in accordance with the portfolios managed by the visited Delegations.	<b>Costs:</b> mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission. <b>Benefits:</b> non-quantifiable.	<b>Efficiency Indicators:</b> total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments managed.
The ex-post controls focus on the detection of external	Establish an ex-post supervision strategy:	Annual ex-post control plan of EU Delegations to visit	<b>Costs:</b> mission cost of the controls of EU Delegations	<b>Effectiveness:</b> Number of administrative

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.	Carry out ex-post controls of systems and transactions in EU Delegations implementing IfS/IcSP and ICI/PI projects  Recommended: to be able to serve multiple purposes (e.g. for assurance as well as to give guidance and advice on IfS/IcSP and ICI/PI systems and procedures)	based on comprehensive risk assessment. Desk review in case of high risk Delegations (e.g. Afghanistan)  Depth: review of underlying checklists and documents relating to IfS commitments and payments.	conducted by FPI staff (cost of staff not included). Average cost per mission.  <b>Benefits:</b> value of the errors detected by the supervisors.	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.  <b>Efficiency Indicators:</b> total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments verified.

### **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).

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

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of audit / control results to be implemented.  Financial operational	<b>Coverage:</b> 100% of final audit results <i>with a financial impact</i> .  <b>Depth:</b> consider 'extending'	<b>Benefits:</b> value of the errors, detected by ex-post controls, which have actually been	<b>Effectiveness:</b> Success ratio: % of value of the ROs over detected errors by the auditors after 1 year (not yet available).

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	validation of recovery in accordance with financial circuits. Authorisation by AO	the findings of systemic errors into corrections of non-audited projects by the same beneficiary	corrected (offset or recovered). <b>Loss:</b> value of such ROs which are 'waived' or have to be cancelled.	Number of suspected fraud cases transferred to OLAF. Analysis of financial control findings, internal control findings and other compliance findings per category of error. Number of occurrences per category of error detected. <b>Efficiency Indicators:</b> Time-to-recovery (not yet determined).

## **ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission**

This annex, which *applies only to indirect management*, includes information about implementing tasks entrusted to national or international public sector bodies and bodies governed by private law with a public sector mission. In practice, this includes "national agencies" and bodies governed by private law with a public sector mission including PPPs (but not executive agencies, regulatory agencies, EIB and EIF).

In 2016, 23 delegation agreements under indirect management were signed for a total amount of EUR 91,7 million.

The majority of the delegation agreements was signed with UN agencies (17 delegation agreements for a total amount of EUR 57,1 million). 2 delegation agreements were signed with International Organisation for Migration (EUR 24,2 million), 1 with Organisation for Organisation for Security and Cooperation in Europe (EUR 1 million) and remaining 3 (EUR 9,4 million) with other international organisations.

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

1. Presence / capacity to mobilise in the field
2. Speed of deployment in the field
3. Expertise in the concerned areas
4. Track record of similar activities in the past

## ANNEX 7: AOSD Reports of the Union Delegations

The assurance is based, *inter alia*, on **annual reports of sub-delegated authorising officers** (at HQ) and by heads of EU delegation managing FPI funds (IcSP/IfS and PI/ICI) which include a declaration of assurance.

For 2016 45 AOSD reports by the Heads of Delegations were received and analysed at HQ and 5 AOSD reports by Heads of Units in FPI HQ.

**ANNEX 8: Decentralised Agencies (not applicable)**

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

No used in Annex 3 MP2016	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type <sup>3</sup>	Associated DGs	Costs (EUR)	Comments <sup>4</sup>	Reference <sup>5</sup>
<b>I. Evaluations finalised or cancelled in 2016</b>								
<b>a. Evaluations finalised in 2016</b>								
5	Evaluation externe et finale du programme d'Appui à la réintégration des militaires démobilisés des forces armées nationales du Tchad	FR	I/S Regulation	E	None	59.826,00		
6	Évaluation à mi-parcours du projet d'appui à la réduction des risques d'insécurité et d'instabilité dans les régions du Nord-Ouest et du Sud-Est du Niger	FR	I/S Regulation	E	None	80.351,00		
II.1	Evaluation externe et finale du programme d'appui au Désarmement, Démobilisation et Réinsertion (DDR) en Côte d'Ivoire	FR	I/S Regulation	E	None	63.438,00		
II.2	Final evaluation I/S Crisis response component (2007-2013)	L	I/S Regulation	E	None	234.941,00		<a href="http://ec.europa.eu/dgs/fpi/key-documents/index_en.htm">http://ec.europa.eu/dgs/fpi/key-documents/index_en.htm</a>
II.3	Final evaluation of the EU's support to UNRWA's Job Creation Programme in Gaza (2012 – 2015)	FR	I/S Regulation	E	None	39.976,00		
II.9	Final evaluation EU's "Support to election observation and related confidence-building measures in Ukraine"	FR	IcSP Regulation	E	None	38.100,00		
II.11	democratisation processes in Sudan through capacity-building of National Elections Commission and contribution to an inclusive political participation - Phase II"	FR	IcSP Regulation	E	None	41.991,00		
	Final evaluation of STLV Sea Water Desalination Plant for Southern Governorates of the Gaza Strip (UNICEF)	FR	I/S Regulation	E	None	34.048,00		
	Final Evaluation of Support to the Office of the National Security Adviser - Nigeria	FR	I/S Regulation	E	None	50.097,46		
<b>b. Evaluations cancelled in 2016</b>								
II.7	Final evaluation "Ensuring Electoral Integrity in the Electoral Process through Independent Election Observation and Remedial Action" in Sri Lanka	FR	IcSP Regulation	E	None		No resources in EU DEL	
II.10	Final evaluation EU's "Support of a Peaceful and Inclusive Electoral Process in Zanzibar"	FR	IcSP Regulation	E	None		No resources in EU DEL	
II.13	Evaluation finale de soutien de la UE aux services de justice et de sécurité intérieure – Mali	FR	IcSP Regulation	E	None		No resources in EU DEL	
<b>II. Other studies finalised or cancelled in 2016</b>								
<b>a. Other studies finalised in 2016</b>								
III.2	Results and Impacts Indicators for the Instrument contributing to Stability and Peace (IcSP) Projects	O	IcSP Regulation	O	None	37.159,43		
<b>b. Other studies cancelled in 2016</b>								

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

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

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

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

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

## **ANNEX 10: Specific annexes related to financial management**

### **Overall objective of the action plan:**

The overall objective is to take additional control measures to improve the financial management of FPI projects (NPD and ICI beneficiaries).

This action plan provides a detailed breakdown of measures to be taken during **2016** and **2017** to address the weaknesses in the financial management of FPI projects (NPD and ICI) as highlighted in the 2015 AAR. They will be taken as the basis for **reporting** in the 2016 Annual Activity Report as well for accountability and reporting purposes to HRVP (Cabinet), BUDG and ECA, respectively. The status of implementation for all measures will be **reviewed quarterly** – 3 months - and the plan will be updated accordingly. Some of these measures (e.g. with Delegations) may also be applied, as necessary (based on the results of ex-post controls) to funds managed under the Instrument contributing to Stability and Peace.

Action to be taken	Target date	Responsible unit	Status	Comments (if any)
<p><i>Action plan n°1: Awareness-raising on the most common types of errors and the ways to avoid them.</i></p> <ul style="list-style-type: none"> <li>For ICI: HQ should provide support to the Delegations to help them with training materials and possible participation in info sessions on the spot. Financial information sessions for ICI beneficiaries in at least <b>three</b> high risk geographical zones, via contractor/DEL/HQ <ul style="list-style-type: none"> <li>○ <b>Japan</b></li> <li>○ <b>Korea</b></li> <li>○ <b>Australia/New Zealand</b></li> </ul> </li> <li>For CFSP/NPD: Organise info-sessions (kick-off meetings) with new beneficiaries to raise awareness on applicable contractual provisions and regulations and to insist on the negative impact at the end of the project if financial management is taken lightly.</li> </ul> <p><b>Projects in the pipeline (not yet committed):</b></p> <ol style="list-style-type: none"> <li>CFSP/2016/xx/Outer Space Grant - United Nations Office for Disarmament Affairs (UNODA),</li> <li>CFSP/2016/XX/OSCE Ukraine – Organization for Security and Cooperation in Europe (OSCE),</li> <li>CFSP/2016/XX/Fuel Bank – International Atomic Energy Agency (IAEA),</li> <li>CFSP/2017/XX/1540 - UNODA,</li> <li>CFSP/2016/xx/CTBT - The preparatory commission for the comprehensive nuclear-test-ban treaty organization (CTBTO),</li> <li>CFSP/2016/XX/IAEA VII - IAEA,</li> <li>CFSP/2016/XX/OPCW Libya – Organization for the Prohibition of Chemical Weapons (OPCW),</li> </ol> <p>The exact timing of the kick-off meetings for projects 1, 2, 3, 5 &amp; 7 will depend upon the duration and timing of decision-making by EEAS and the Council.</p>	<p>Q4 2016 Q3 2017 Q2 2017</p> <p>1. no longer foreseen 2. in the course of 2017. 3. committed 4. in the course of 2017 5. in the course of 2017 6. under negotiation 7. no longer foreseen.</p>	<p>FPI.4, FPI.3, FPI.1</p>	<p>Ongoing</p>	<p>Financial information sessions organised by DEL JAP with ICI Beneficiaries. Financial Monitoring of Waseda University during Supervision Mission (Sept 2016). A financial information session in Korea will be organised in 2017. A dedicated finance and contracts session will be organised within the PI Training week in 19-23 June 2017.</p> <p>To date, only the following contracts have been signed: CFSP/2016/24/Fuel Bank – IAEA and CFSP/2016/22 South Eastern and Eastern Europe Clearinghouse for the Control of the Small Arms and Light Weapons (SEESAC) IV.</p> <p>The info session for SEESAC IV was held on 27 January 2017 with the participations of UNDP staff (the beneficiary), the Project manager from FPI.1, and a large representation of FPI (finances) unit.</p> <p>The one for IAEA is planned for February 2017.</p> <p>Info sessions will be hold for any other NPD action signed in 2017.</p> <p>In addition, it should be noted that as plans and needs are constantly being updated the actual contracts signed may differ from the list of contracts previously identified.</p>

<p><i>Action plan n°2: Reinforce the financial/control skills at HQ and in Delegations. Strengthen FPI financial circuits in Delegations (through the setting up of Regional Teams).</i></p> <ul style="list-style-type: none"> <li>• For ICI and for CFSP/NPD: Reorganization of financial circuits at HQ through centralization of the functions into one central unit (FPI.1 Unit).</li> <li>• For ICI: One specific training for the <b>5 financial officials</b> managing ICI projects (1 in HQ and 4 in Delegations) in the second half of 2016.</li> </ul>	<p>31/12/2016</p> <p>Q3/Q4 2016</p>	<p>FPI.4, FPI.1</p>	<p>Completed</p> <p>Completed</p>	<p>One central financial unit has been created and financial circuits re-organized. As part of the specific training provided to financial verifiers in Nov 2015 and the PI seminar held in June 2016, financial officials, including the 5 financial officials managing ICI as well as PI files have been reached. The information sessions allowed sensitising participants on core finance and contracts rules, covering also ICI. A specific finance and contracts session will be organised during the PI seminar in 2017 (19-23 June).</p>
<p><i>Action plan n°3: Reinforce the accountability of all Delegations managing ICI files as to the monitoring of performance and the follow-up and corrective measures to errors identified by audits.</i></p> <ul style="list-style-type: none"> <li>• FPI.4 to engage with all Delegations every quarter to discuss project performance, follow-up on individual audit findings and to mutually identify any additional corrective measures.</li> <li>• FPI.4 to keep FPI.1 informed of any issues of concern</li> </ul>	<p>31/12/2016</p>	<p>FPI.4/FPI.1</p>	<p>Ongoing</p>	<p>As part of its support functions to Delegations, FPI.4 is in continuous dialogue with Delegations managing ICI files to identify and monitor possible corrective measures to be taken at the Delegation level. Video-conferences (VCs) in March 2016, Bilateral meetings in June 2016. A VC was organised in October 2016 with all PI delegations to discuss finance and contracts issues, and reply to delegations concerns and questions. A new VC on finance and contracts issues will be organised during the first half of 2017.</p>

<p><u>Action plan n°4: Increase monitoring missions (especially to NGOs beneficiaries) with a real focus on financial aspects:</u></p> <ul style="list-style-type: none"> <li>• For CFSP/NPD: The following NPD projects were monitored in 2016 by staff with financial background: <ol style="list-style-type: none"> <li>1. CFSP/2014/01/Bundesamt fuer Wirtschaft und Ausfuhrkontrolle– ATT IV</li> <li>2. CFSP/2014/36/ Fondation pour la Recherche Stratégique (FRS) - HCoC III</li> </ol> </li> </ul>	<p>Q2 2016</p> <p>Q3 2016</p>	<p>FPI.3</p>	<p>Totally implemented.</p>	<p>Three monitoring missions were undertaken:</p> <ol style="list-style-type: none"> <li>1. CFSP/2014/01/Bundesamt für Wirtschaft und Ausfuhrkontrolle– ATT IV – 27-28 June 2016. Recommendations in the course of implementation by the beneficiary.</li> <li>2. CFSP/2014/06/Think Tank Network II – Fondation pour la Recherche Stratégique (FRS) – 15-16/02/2016 - the same beneficiary (FRS) implements the project CFSP/2014/36/ Fondation pour la Recherche Stratégique (FRS) - HCoC III. Observations are relevant for both projects. FPI.1 is constantly monitoring the contracts, and one additional monitoring mission will take place in 2017.</li> <li>3. CFSP/2015/31 I-Trace II implemented by CAR (Conflict Armament Research) 24-25 November 2016. Recommendations are being implemented by the beneficiary.</li> </ol> <p>These three contractors represent (together with the consortium of think tanks led by FRS) the only non-pillar beneficiaries of NPD actions.</p>
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<p><i>Action plan n°5: Increase ex-ante audits (special purpose audits) to ensure that the expenditure presented on the final financial statement by the beneficiary is free of irregularities before the final payment is issued.</i></p> <p>Contract special purpose audits for projects identified as "high risk" to ensure that the expenditure presented on the interim and/or final financial statement by the beneficiary is free of irregularities <u>before</u> the <b>interim</b> and/or <b>final payment</b> is issued.</p> <ul style="list-style-type: none"> <li>For CFSP/NPD: Ex-ante audits will be carried out either before interim or final payment for the following payments: <ol style="list-style-type: none"> <li>CFSP/2014/36/ Fondation pour la Recherche Stratégique (FRS) - HCoC III (Interim payment in July 2016 ; Final payment in July 2017)</li> <li>CFSP/2015/48/ Bundesamt fuer Wirtschaft undAusfuhrkontrolle – Coarm Outreach (Interim payment in January 2017 ; Final payment in April 2018)</li> <li>CFSP/2014/06/Think Tank II (Interim payment in July 2016 ; Final payment in July 2017)</li> </ol> </li> </ul>	<p>Q3 2017</p> <p>Q1 2017</p> <p>done</p>	<p>FPI.1</p>	<p>Ongoing</p>	<ol style="list-style-type: none"> <li>CFSP/2014/36 HCOC III: The beneficiary FRS (as part of the consortium) was audited for another NPD action (Think Tank II) in the Q4 of 2016 (see 3 below). Since the auditors did not raise any significant finding, the FPI decided, based on the low risk, to cancel the ex-ante audit for the pre-financing of CFSP/2014/36.</li> <li>CFSP/2015/48 Coarm outreach: The ex-ante audit shall be launched upon request of the next pre-financing scheduled for Q1 2017.</li> <li>CFSP/2014/06/Think Tank II: An ex-ante audit was launched and approved before approving the interim payment.</li> </ol>
<p><i>Action plan n°6: Further improvements on the quality of mandatory expenditure verifications. The Commission has the possibility to reject and ask to change to another auditor.</i></p> <ul style="list-style-type: none"> <li>For CFSP/NPD: At the contracting stage with the beneficiaries, check the professional capacity of local auditors proposed to perform expenditure verifications. If necessary, request to change to another auditor with proven experience in grant/project management audit.</li> </ul>		<p>FPI.3</p>	<p>Ongoing</p>	<p>This check applies only to grant agreements. In 2016 the FPI did not conclude any grant agreement in the field of the NPD. Should any grant be approved in 2017, the FPI shall implement this measure.</p>
<p><i>Action plan n°7: Develop a brief user guide focused on financial matters for the attention of beneficiaries of NPD grant agreements.</i></p>	<p>31/12/2016</p>	<p>FPI.1/FPI.3</p>	<p>Ongoing</p>	<p>There were no grants approved in 2016. In 2017, the FPI will distribute the existing grant user guide (Chapter 19 of the DEVCO Companion) as well as the grant Tool Kit to beneficiaries of NPD grant agreements.</p>

<p><u>Action Plan n°8: Request beneficiaries to provide (a sample of) supporting documents when they submit a financial report.</u></p> <ul style="list-style-type: none"> <li>For ICI: Request beneficiaries grants to provide (a sample of) supporting documents when they submit a financial report for <b>interim</b> and <b>final</b> payments. The action will take place for <b>all payments</b> (those managed by HQ and those managed in Delegations). The number of payments scheduled during 2016 is <b>45 in total</b> (HQ 16; Canada 0; Korea 2; Japan 9; Washington 18)</li> <li>For CFSP/NPD: Request beneficiaries to provide (a sample of) supporting documents when they submit a financial report for <b>interim</b> and <b>final</b> payments (there are currently <b>28 ongoing actions</b>).</li> </ul>	31/12/2016	FPI.3, FPI.1 FPI.4	<p>Ongoing</p> <p>Support documents to include <i>inter alia</i></p> <ul style="list-style-type: none"> <li>- time-sheets</li> <li>- employment contracts</li> <li>- salary/payroll slips</li> <li>- travel tickets/hotel costs</li> <li>- sub-contracting and/or</li> <li>- procurement files</li> <li>- any purchase invoice</li> </ul>	<p>A system of sampling of ICI supporting documents has been put in place and is being implemented at HQ level. Delegations have been requested to implement a similar system for ICI payments handled at their level. As for ICI, the sampling has been carried out for three payments since the introduction of this action. As a result of the sampling, the total ineligible amount found was 828.10 EUR (representing 0.52% of the total invoiced amount).</p> <p>For CFSP/NPD, this check applies to non-pillar assessed entities. There are currently 7 open actions signed with 4 different beneficiaries. Since the approval of this note, the FPI has only approved payments to the contract CFSP/2014/06 Think tank and CFSP/2015/31I-trace II. In the first case, the Commission requested a full ex-ante audit. In the second case FPI requested a sample of supporting documents before approving the pre-financings.</p>
<p><u>Action plan n°9: Identify synergies between supervision missions and potential monitoring missions to beneficiaries with a focus on financial aspects (i.e. combine the two where feasible).</u></p> <ul style="list-style-type: none"> <li>For ICI: The supervision missions for the Delegations in <b>US and Japan</b> will include this ICI monitoring action.</li> </ul>	Q4 2016	FPI.4/FPI.1	Implemented	<p>The FPI 1 supervision mission to Japan has been conducted (September 2016) including a financial monitoring of ICI projects while the mission to the US took place in October 2016.</p>
<p><u>Action plan n°10: Increase financial professional capacity of beneficiaries with small structures by requiring them to hire professional financial staff as part of their project budget to ensure proper financial management and reporting.</u></p> <ul style="list-style-type: none"> <li>For CFSP/NPD: Ensure that the grant agreement budget includes a provision under the staff cost heading of a professional finance officer</li> </ul>		FPI.3	<p>Ongoing</p> <p>This is a requirement to be imposed upon all new beneficiaries as part of their contract</p>	<p>This check applies only to grant agreements. In 2016 the FPI did not conclude any grant agreement in the field of the NPD. Should any grant be approved in 2017, the FPI shall implement this measure..</p>

<i>Action plan n°11: For non-proliferation and disarmament projects, inform the Member States of the mitigating measures taken in order to address financial weaknesses encountered with certain implementing partners.</i>		FPI.3	Done	Done
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## ANNEX 12: Performance tables

<b>General Objective 9: A Stronger Global Actor</b>			
<b>Impact indicator 1:</b> EU collective Net Official Development Assistance (ODA) as a percentage of EU GNI: a) in total, b) to LDCs (Least Developed Countries)			
<b>Source of data:</b> OECD Development Assistance Committee (DAC)			
<b>Baseline</b> 2014	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
	2020	2030	2016
In total: 0.43% To LDCs: 0.11%  Based on analysis of final 2014 ODA spending by EU Member States and non-imputed spending by the EU institutions as reported by OECD DAC. Final data for 2 EU Member States was not available so earlier data was extrapolated.	In total: n/a To LDCs: 0.15%	Council Conclusions of 26 May 2015, in the framework of the 2030 Agenda for Sustainable Development.  In total: 0.70% To LDCs: 0.20%	pm

### 19.02 –Instrument contributing to Stability and Peace - Crisis response, conflict prevention, peace-building and crisis preparedness

<b>Specific objective 1.1:</b> In a situation of crisis or emerging crisis, to swiftly contribute to stability by providing an effective response designed to help preserve, establish or re-establish the conditions essential to the proper implementation of the Union's external policies and actions in accordance with Article 21 TEU.		Related to spending programme Instrument contributing to Stability and Peace (IcSP)	
<b>Result indicator:</b> Percentage of projects adopted within 3 months of a crisis context (period from date of presentation to PSC).			
Measure swift mobilization of resources to implement projects for short-term crisis response and conflict prevention where other financial instruments are not available and/or where the IcSP needs to contribute to a comprehensive response.			
<b>Source of data:</b> FPI 2			
<b>Baseline</b> 2012	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
	2017	2020	2016
2011-2013: 69% <sup>39</sup>	65 %	75%	61%

<sup>39</sup> The indicator measures swift mobilization of resources to implement projects for short-term crisis response and conflict prevention where other financial instruments are not available and/or where the IcSP needs to contribute to a comprehensive response.

Total number of IfS actions adopted in 2011 was 47 of which 26 were adopted (COM Decision) within 3 months of a crisis context (presentation to PSC), which constitutes a percentage rate of 57%. (This 2011 figure is the baseline given in the Strategic Plan). Total number of IfS actions adopted in 2012 was 37 of which 29 were adopted (COM Decision) within 3 months of a crisis context (presentation to PSC), which constitutes a

Main outputs in 2016:			
Policy-related outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
<p>Swift adoption of short-term crisis response measures where other financial instruments are not available and/or where action is required to contribute to a comprehensive response</p> <p>Whilst it is not possible to predict the number and the regions where the actions will be launched, the High Representative and the Commission will attempt to ensure a geographical balance between regions.</p>	Percentage of projects/Financing Decisions adopted within 3 months of a crisis context (date of presentation to PSC).	65% on 31/12/2016	61%
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
<p>The IcSP component "crisis response" is not programmable and no fixed number of outputs can be determined. However, based on previous experience, some 32 response actions are launched per year.</p>	Number of estimated response measures in situations of crisis or emerging crisis in a given budgetary year.	32 on 31/12/2016	39
<p><b>Completed evaluations:</b> Final evaluation of the Instrument for Stability Crisis Response Component 2007-13 /2016/Instrument for Stability (IFS)  <a href="http://ec.europa.eu/dgs/fpi/documents/key-documents/ifs_crc_eval_ex_summary_en.pdf">http://ec.europa.eu/dgs/fpi/documents/key-documents/ifs_crc_eval_ex_summary_en.pdf</a></p>			

<p>Specific objective 1.2: To contribute to the prevention of conflicts and to ensure capacity and preparedness to address pre- and post-crisis situations and build peace.</p>	<p>Related to spending programme Instrument contributing to Stability and Peace (IcSP)</p>
<p><b>Result indicator:</b> Number of processes and entities with strengthened capacity of EU and beneficiaries attributable to IcSP funding to prevent conflicts, address pre and post conflict situations and to build peace</p> <p>The indicator measures the strengthened capacity of EU and beneficiaries of EU assistance to prevent conflicts, address pre-and post-conflict situations and to build peace</p>	

percentage rate of 78%. In 2013, the percentage rate was 72%. Therefore, the average percentage rate for the last three years amounts to 69 %. The objective is to reach a percentage rate of 75 % by 2020. Of the 39 projects adopted in 2013, 32 may be categorised as responding to situations of crisis or emerging crisis with the remaining 7 responding to post-crisis situations, as they were adopted via Comitology as Interim Response Programmes in line with Article 7 (6) of the IcSP Regulation

<b>Source of data:</b> FPI2			
<b>Baseline</b> 2012	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
	2017	2020	2016
1183 <sup>40</sup> (number of processes and entities)	1200	1500	1464 Processes 996 Entities 468
<b>Completed evaluations:</b> Final evaluation of Article 4.3 of the Instrument for Stability/2014/Instrument for Stability (IfS) <a href="http://ec.europa.eu/dgs/fpi/documents/pbp_evaluation_2014_summary_en.pdf">http://ec.europa.eu/dgs/fpi/documents/pbp_evaluation_2014_summary_en.pdf</a>			

<b>Main outputs in 2016:</b>			
<b>Policy-related outputs</b>			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
Launch of the implementation of the 2016 Annual Action Programme under Article 4 of IcSP Regulation	Adoption of the Annual Action Programme (AAP), in cooperation with the EEAS	May 2016	Adopted in May 2016
<b>Main expenditure outputs</b>			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
With the funding programmed under the IcSP Regulation, 9 % of the envelope is foreseen to finance an estimated number of 5 actions per year.	Number of estimated actions launched under the Annual Action Programme.	5 on 31/12/2016	7

<sup>40</sup> The indicator measures the strengthened capacity of EU and beneficiaries of EU assistance to prevent conflicts, address pre and post conflict situations and to build peace. It refers to the number of processes (mediation processes, internal political dialogues) and entities benefiting from strengthened capacity, attributable to IcSP funding in conflict prevention, crisis preparedness and peace-building through the so-called "Peace Building Partnership". In 2011 – the baseline given in the Strategic Plan – the figure was 952. In 2012, following a revised compilation methodology, the figure was 1183 processes and entities (734 processes and 449 entities) with strengthened capacity attributable to IcSP funding with a budget of EUR 24 Million.

### 19.03 - Common Foreign and Security Policy

<b>Specific objective 1.3:</b> Support to preservation of stability through substantial CSDP missions and EUSRs mandates		Related to spending programme(s) Common foreign and security policy (CFSP)	
<b>Result indicator 1.3.1:</b> Planned vs. actual capacity deployment rate (international staff) of the main CSDP missions			
<p>It measures the actual implementation of the deployment (versus the operational plan) of the CSDP civilian missions under the respective responsibilities of:</p> <ul style="list-style-type: none"> <li>- EEAS in terms of human resources mobilization (international staff, i.e. staff seconded from the Member States and contracted staff), IT, procurement, logistics, etc.</li> <li>- FPI in terms of expenditure management (budget, contracting, support to missions in financial issues, etc.)</li> </ul> <p>The indicator monitors the effectiveness of the on-going civilian CSDP missions' deployment but also the level of cooperation between the HRVP's services (EEAS and FPI). The fulfilment of the objectives of the mission's mandate depends on the transfer of know-how, which is linked to the rapid generation of civilian capabilities. Reaching the full operational capacity of CSDP missions depends on effective mobilization of human resources and logistics.</p>			
<b>Source of data:</b> CPCC quarterly update on staff			
<b>Baseline</b> 2012	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
	2017	2020	2016
84%	86%	90%	82.3%

<b>Main outputs in 2016:</b>			
<b>Policy-related outputs</b>			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
Financing Decisions related to the Council Decisions in the area of CSDP	Timely adoption	2016	Average less than 12 days between the Council Decisions and the signature of Financing Decisions
Financing Decisions related to the Council Decisions in the area of EUSRs	Timely adoption	2016	Average less than 10 days between the Council Decisions and the signature of Financing Decisions
Financing Decisions for preparatory measures	Timely adoption	2016	Framework Financing Decision adopted less than 1 month after start of year.
Preparation of the renewal of the Warehouse 2.0 concept	Completion	2016	Preparation of the Concept completed.
Implementation of the Mission Support Platform	Completion	2017	All actions completed so that the MSP would be under full implementation from the start of 2017

Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
1. CSDP Mission: EU Monitoring Mission in Georgia	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	Contribution to long-term stability in Georgia and the surrounding region. Human rights are respected, including freedom of movement and rights of internally displaced people and refugees.	Mission fulfilling a key stabilising role, particularly along administrative boundary lines with regions of Abkhazia and South Ossetia.  Human rights progress.
2. CSDP Mission: EU Rule of Law Mission in Kosovo (EULEX Kosovo)	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	Kosovo has an independent and multi-ethnic justice system and a multi-ethnic police and customs service.	Continued progress. Law on civil service requires min. 10% of posts in rule of law institutions be reserved for members of minorities who meet specific employment conditions. Current situation: 10.7% of civilian positions in Kosovo Police and 16.98% of officers (overall 16.21% of total; 16.52% in Kosovo Customs.
3. CSDP Mission: EUPOL (EU Police Mission) Afghanistan	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	Sustainable and effective policing arrangements are established under Afghan ownership, which will ensure appropriate interaction with the wider criminal justice system.	General Directorate of Monitoring and Evaluation established; SOP on Police-Prosecutor co-operation signed in May by Minister of interior and Attorney General.
4. CSDP Mission: EUCAP Sahel Mali	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	The operational efficacy of the army internal security forces is improved and the hierarchical chains re-established. The role of the judicial and administrative authorities with regard to the management and supervision of their missions authorities is reinforced	Command, control and hierarchies of the ISF continue to improve. Training provided is valued. Role of Directorates and Inspectorates within the ISF further strengthened, esp. re. oversight and control. Operational footprint of ISF improved.

		The redeployment to the Northern part of the country is facilitated.	
5. CSDP Mission: EUCAP Sahel Niger	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	Nigerian security forces are able to interoperate. Criminal investigation capacities are developed in line with the criminal justice system. Sustainability of human resources and logistics of Nigerian security force is achieved.	Progress towards strategic framework for interoperability of ISF. Nigerien authorities taken over ownership of joint command post (designated as Regional Operational Centres). Training provided to develop criminal investigative capacities. Awareness raised re. 2015 law on illicit migration. Measures effected to promote sustainability of training the trainers initiatives. Training and equipment improve logistical and mobile capabilities of ISF.
6. CSDP Mission: EU Police Mission for the Palestine Territories (EUPOL COPPS)	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	Sustainable and effective policing arrangements are established under Palestinian ownership. A sustainable criminal justice sector compliant with international standards is set up under Palestinian ownership.	Workshop on digital media. Police workshop. Training of trainers. In-service training. Road safety conference. Training on interviewing, money laundering, cyber-crime, Community policing model strengthened.  Draft disciplinary manuals. Draft legislation and training on gender based violence. Provision of protective equipment organised.
7. CSDP Mission: EUCAP Nestor (since renamed EUCAP Somalia)	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	Maritime capacities, including maritime security agencies, are efficiently organised, and have achieved self- sustainability in	Operational support, advice and mentoring provided to Somali Police Force Maritime Unit in Mogadishu, Somaliland Coast

		<p>training. Somalian coastal police capabilities are developed. National legislation and the rule of law are strengthened in relation with the international maritime law.</p>	<p>Guard and Bosasso Port Police in Puntland. Building towards self-sustainability, a draft unified curriculum for training of new recruits was supported. Training on Search and Rescue and basic manoeuvres when multiple vessels approach (aiding vessel searches etc.). Agreement on a national security policy, which includes maritime security co-ordination mechanisms. Agreement on a new model for policing. Improvement of Somali maritime security legal framework commenced. Support provided for improved co-operation between civilian maritime law enforcement and prosecutors.</p>
8. CSDP Mission: EUBAM Ukraine	Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action	<p>Create a conceptual framework for planning and implementing reforms that result in sustainable security services delivering the rule of law, in a manner that contributes to enhancing their legitimacy and to increased public confidence and trust, in full respect for human rights and consistent with the constitutional reform process; Reorganise and restructure the security services in a way which permits recovering control and accountability over them.</p>	<p>Law on national security drafted with mission's support. National Security and Defence Council launched a process for the development of action plans for all relevant Ukrainian Agencies. Draft concept on SSU reform elaborated.</p>

<p>9. Other CSDP Missions EUBAM Rafah and EUBAM Libya are two missions that have been put on hold pending resolution of political deadlock (EUBAM Rafah) and security issues (EUBAM Libya)</p>	<p>Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action</p>	<p>Full achievement of the objectives as defined in the respective Council Decision / Joint Action</p>	<p>EUBAM Rafah: - Managerial and administrative capacity to redeploy maintained; - Continued capacity development of the Palestinian General Authority for Borders and Crossings; - Continued preparation for implementation of strategies and action plans; Progress towards finalisation of operational manuals procedures for border controls and on the exchange of information.</p> <p>EUBAM Libya: - EU Planning on possible civilian capacity building and assistance informed.</p>
<p>10. EU Special Representatives At the beginning of 2016, there are nine EUSRs: Afghanistan, Bosnia, Central Asia, Horn of Africa, Human Rights, Kosovo, MEPP, Sahel, South Caucasus &amp; the Crisis in Georgia.</p>	<p>Degree of achievement of the objectives as defined in the respective Council Decision / Joint Action</p>	<p>Full achievement of the objectives as defined in the respective Council Decision / Joint Action</p>	<p>Continued sound progress towards full achievement of objectives by all EUSRs.</p>

<p>Specific objective 1.4: Support the implementation and promotion of: 1) strategy on non-proliferation of weapons of mass destruction in order to increase security in this area (WMD); 2) strategy on combating illicit accumulation and trafficking of Small Arms and Light Weapons (SALW) as well as measures against illicit spread and trafficking of other conventional weapons; 3) EU's policies in the field of conventional arms exports, in particular on the basis of Common Position CFSP/944/2008.</p>	<p>Related to spending programme(s) Common foreign and security policy (CFSP)</p>
<p><b>Result indicator 1.4.1:</b> Number of countries having ratified the treaties mentioned in the baseline</p> <p><b>Source of data:</b> CTBTO website: <a href="http://www.ctbto.org/the-treaty/status-of-signature-and-ratification/">http://www.ctbto.org/the-treaty/status-of-signature-and-ratification/</a> UN Resolution 1540 website: <a href="http://www.un.org/en/sc/1540/">http://www.un.org/en/sc/1540/</a> IAEA website: <a href="https://www.iaea.org/Publications/index.html">https://www.iaea.org/Publications/index.html</a> Arms Trade Treaty website: <a href="http://www.un.org/disarmament/ATT/">http://www.un.org/disarmament/ATT/</a></p>	

Baseline 2012	Interim Milestone <sup>41</sup>	Target	Latest known results
	2017	2020	2016
1) Comprehensive Nuclear-Test-Ban Treaty Organization, CTBTO: number of countries having ratified 159	165	166	166 countries
1. 2) UN Resolution 1540: number of countries having submitted the National Implementation Plan	175	192	26 countries
3) Nuclear security assistance provided by IAEA: 82 countries	Assistance provided to up to 120 countries.	120 countries (focusing on countries for EU interest)	120 countries
4) Arms Trade Treaty: number of ratifications Signed by 110 States in April 2013  NB: entered into force on 24/12/2014	Ratified by 100 States as Parties	130 States	88 States

Main outputs in 2016:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
Financing Decisions related to the Council Decisions in the area NPD	Timely adoption	2016	Average 10 days between the Council Decisions and the signature of Financing Decisions.
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
Comprehensive Nuclear-Test-Ban Treaty Organization	Number of countries having ratified the Treaty	1 additional country in 2016	2 additional countries in 2016.
UN Resolution 1540	Number of countries having submitted the National Implementation Plan	Increase the number of countries having submitted the National Implementation Plan	5 more countries submitted National Implementation Action Plans.
Nuclear security assistance provided by	Number of countries assisted	Increase the assistance to	Nuclear security assistance provided

<sup>41</sup> The column should be deleted if only short-and medium term (less than 3 years) targets are set.

IAEA		neighbourhood countries that have not ratified the Amended CPPNM	by IAEA to 8 of countries in the neighbourhood that had not ratified the Amended CPPNM.
Arms Trade Treaty adopted in April 2013	Number of countries having ratified the Treaty	Increase the number of ratifications	Treaty ratified by a further 12 countries in 2016.

#### 19.04 – Election Observation Missions

Specific objective 1.5 : Support and consolidate democratic reforms in third countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, and improving the reliability of electoral processes, in particular by means of election observation missions.

Related to spending European Instrument for Democracy and Human Rights (EIDHR).

**Result indicator:** Number of electoral processes and democratic cycles supported, observed, and followed by means of Election Observation Missions, Election Assessment Teams and Election Experts Missions and Election Follow-up Missions proposing recommendations to the host country.

**Source of data:** FPI5

Baseline	Interim Milestone	Target	Latest known results
average 2010-2013	2017	2020	2016
17	23	25	19

**Completed evaluations:** Election Observation and Democratic Support/2016/ EIDHR – Election Observation Missions

#### Main outputs in 2016:

##### Policy-related outputs

Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
Launch of the implementation of the 2017 Annual Action Programme for EOM under EIDHR Regulation, ensuring uninterrupted continuity for EOMs.	Adoption of the AAP for 2017 for EOM in cooperation with the EEAS	November	13/12/2016

##### Main expenditure outputs

Description	Indicator	Target	Latest known results (situation on 31/12/2016)
1) EU Election Observation Missions and EU Election Assessment Team Missions deployed.	EU capacity to support and assess democratic and electoral processes expressed in number of	31/12/2016	7 EOM deployed

	missions deployed.		
2) EU Election Expert Missions and Pre-Election Missions.	Number of electoral processes and democratic cycles supported, observed, and followed proposing recommendations to the host country.	31/12/2016	9 EEM deployed
3) Follow-up Missions	Number of Election Follow-up Missions deployed in countries after an Election Observation Mission to assess the implementation of recommendations.	31/12/2016	3 Follow-up Missions deployed
4) Experts and observers trained	Number of experts trained	31/12/2016	110 experts trained of which 52 % were women

## Activity 19.05 – Partnership Instrument

Specific objective 1.6: EU and partner countries have developed joint approaches and responses to challenges of global concern.

Related to spending programme: Partnership Instrument (PI)

**Result indicator:** Progress made by key partner countries in the fight against climate change or in promoting the environmental standards of the Union as measured by the following 3 sub-indicators.

**Sub indicator 1.6.1:** Operating Emissions Trading Schemes for greenhouse gas mitigation (ETS) outside the EU/EEA (at city, regional, country or multi-country level)

**Source of data:** Data source: <https://icapcarbonaction.com> – International Carbon Action Partnership (ICAP), Status Report –annual report

Data for 2016 – <https://icapcarbonaction.com> – interactive map

Baseline	Interim Milestone	Target	Latest known results
2014 <sup>42</sup>	2016	2020	2016
15	20	26	16

**Sub indicator 1.6.2:** Share of renewables in total energy production in the 9 strategic partners

**Source of data:** <http://energyatlas.iea.org/?subject=-1076250891>

Baseline	Interim Milestone	Target	Latest known results
2014 <sup>43</sup>	2017	2020	2016
Brazil: 44% Canada: 11% China: 13% India: 39% Japan: 80% Republic of Korea: 8% Mexico: 8% Russian Federation: 1% USA: 8%	Increase in % share	Increase in % share by at least 10% in each strategic partner country	Data not yet available
Data for baseline (2014) extracted on 27 January 2017. Last data available 2014	Data not yet available	Data not yet available	Data not yet available

<sup>42</sup> The baseline is different from that given in the Strategic Plan of 06/02/2015 as the reference year was 2014 yielding a result of 15 instead of 17.

<sup>43</sup> This is an update on the baseline figures given in the Strategic Plan in order to align with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation.

<b>Sub indicator 1.6.3: CO2 emissions from fuel combustion in the 9 strategic partners</b>			
<b>Source of data:</b> <a href="http://energyatlas.iea.org/?subject=1378539487">http://energyatlas.iea.org/?subject=1378539487</a>			
Baseline	Interim Milestone	Target	Latest known results
2014 <sup>44</sup>	2016	2020	2016
20979,55 Mt CO2	Reduction by 3%	Reduction by 6%	Data not yet available
Data for baseline (2014) extracted on 27 January 2017. Last data available 2014	Data not yet available	Data not yet available	Data not yet available

<b>Sub indicator 1.6.4 : Number of local and regional authorities signing the Covenant of Mayors</b>			
<b>Source of data:</b> <a href="http://www.covenantofmayors.eu/index_en.html">http://www.covenantofmayors.eu/index_en.html</a>			
Annual data provided directly by the Covenant of Mayors Office on 31/12			
Baseline	Interim Milestone	Target	Latest known results
2014 <sup>45</sup>	2016	2020	2016
6270	7000	4,000 cities in at least 30 countries have joined cooperation in sustainable energy (Global Covenant)	7193 new signatories from 33 countries since 2014
<b>Completed evaluations:</b> none in 2016			

Main outputs in 2016:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
AAP 2016 will be adopted in two phases:	Adoption of AAP 2016 (part 1)	30/04/2016	26/05/2016
	Adoption of AAP 2016 (part 2)	Q3 2016	15/11/2016
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)

<sup>44</sup> This is an update on the baseline figures given in the Strategic Plan in order to align with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation

<sup>45</sup> There was a mistake in the Strategic Plan as the baseline should have been 2014 instead of 2015, yielding a result of 6270 as opposed to 6279. The corrected baseline figure is now aligned with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation

Actions funded in the field of global challenges and policy support under AAP 2016	Number of action fiches adopted under the AAP 2016	7 on 31/12/2016	11
Actions contracted in the field of global challenges and policy support under AAP 2015	Number of action under AAP2015 contracted by n+1	7 on 31/12/2016	9

Specific objective 1.7: Partner countries take up measures and actions towards the implementation of the international dimension of the EU 2020 strategy

Related to spending programme: Partnership Instrument (PI)

**Result indicator:** Uptake of the "Europe 2020" strategy by key partner countries – implementing the international dimension of the "Europe2020, A strategy for smart, sustainable and inclusive growth" - as measured by the following sub-indicators:

**Sub indicator 1.7.1:** Number of cities that have signed new bilateral or multilateral agreements on sustainable urban development

**Source of data:** FPI4

Baseline	Interim Milestone	Target	Latest known results
2014	2016	2020	2016
0	6	At least 84 cities in at least 7 strategic partners	0

**Sub indicator 1.7.2 :** Number of regions that have signed new bilateral or multilateral agreements on innovation

**Source of data:** FPI4

Baseline	Interim Milestone	Target	Latest known results
2014	2016	2020	2016
0	0	At least 18 regions /provinces worldwide	0

**Sub indicator 1.7 .3:** Number of international agreements on Migration and Mobility signed with the strategic partners

**Source of data:** <https://myintracomm.ec.europa.eu/dg/home/policy/legal/Pages/International-agreements.aspx>

Baseline <sup>46</sup>	Interim Milestone	Target	Latest known results
2014	2016	2020	2016

<sup>46</sup> There was a mistake in the Strategic Plan as the baseline should have been 2014 instead of 06/02/2015. The corrected baseline figure is now aligned with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation

15	15	20	15
Data extracted on 27 January 2017.			

**Sub indicator 1.7 d:** Average worldwide level of implementation of international safety standards in civil aviation

**Source of data:** [http://www.icao.int/safety/Documents/ICAO\\_SR%202016\\_final\\_13July.pdf](http://www.icao.int/safety/Documents/ICAO_SR%202016_final_13July.pdf)

A correction was made to rectify an error given for the baseline year in the Strategic Plan which referred to results for 2013 (61%) and not for 2014 (62%). The figure reported for 2015 was 63%.

Baseline <sup>47</sup>	Interim Milestone	Target	Latest known results
2014	2017	2020	2016
62%	62%	Increase at least by 5 %	Data not yet available

**Completed evaluations:** none in 2016

**Main outputs in 2016:**

**Policy-related outputs**

Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
AAP 2016 will be adopted in two phases:	Adoption of AAP 2016 (part 1)	30/04/2016	26/05/2016
	Adoption of AAP 2016 (part 2)	Q3 2016	15/11/2016

**Main expenditure outputs**

Description	Indicator	Target	Latest known results (situation on 31/12/2016)
Actions funded in the field of global challenges and policy support under AAP 2016	Number of action fiches adopted under the AAP 2016	3 on 31/12/2016	4
Actions contracted in the field of global challenges and policy support under AAP 2015	Number of action under AAP2015 contracted by n+1	2 on 31/12/2016	3

Specific objective 1.8: Understanding and visibility of the Union and its role on the world scene is enhanced and widened	Related to spending programme: Partnership Instrument (PI)
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<sup>47</sup> Based on the assessment done by the Universal Safety Oversight Audit Programme (USOAP) available through International Civil Aviation Organization (ICAO) annual Safety Reports (Last data available for 31/12/2015 and extracted on 27 January 2016) Safety Report 2016

<b>Result indicator:</b> EU Visibility			
Enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, people to people contacts, education/academic/think-tank cooperation and other outreach activities to promote the Union's values and interests			
<b>Source of data:</b> 2015 Opinion poll (in 10 Strategic Partner countries – Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, Republic of Korea and USA) launched by FPI.4			
<b>Baseline</b> <sup>48</sup>	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
2014	2017	2020	2016
Brazil – Visible 93%, Not 7% Canada – Visible 87%, Not 13% China – Visible 95%, Not 5% India – Visible 93%, Not 7% Japan – Visible 76%, Not 24% Mexico – Visible 97%, Not 3% Russia – Visible 93%, Not 7% South Africa – Visible 85%, Not 15% Republic of Korea – Visible 92%, Not 8% USA – Visible 88%, Not 12%	Maintain high visibility in SPC where EU highly visible and improve where less visible	Maintain high visibility in SPC where EU highly visible and improve where less visible	This indicator will not be measured annually.  The figures for the baseline are taken from the study indicated below, published in 2015
<b>Completed evaluations:</b> 2015 Study " <i>Analysis of the perception of the EU and of EU's policies abroad</i> " containing details of results and methodology including the Opinion Poll.			
<a href="http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm">http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm</a>			

<b>Main outputs in 2016:</b>			
<b>Policy-related outputs</b>			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
AAP 2016 will be adopted in two phases:	Adoption of AAP 2016 (part 1)	30/04/2016	26/05/2016
	Adoption of AAP 2016 (part 2)	Q3 2016	15/11/2016
<b>Main expenditure outputs</b>			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
Actions funded in 2016 in	Number of action fiches	1 on	1

<sup>48</sup> This indicator will not be measured annually

the area of education and academic cooperation via PI-specific Multi-annual Indicative Programme under Erasmus +	adopted under the AAP 2016	31/12/2016	
Actions contracted in the area of education and academic cooperation via PI-specific Multi-annual Indicative Programme under Erasmus + under AAP 2015	Number of actions contracted under AAP 2015 by n+ 1	1 on 31/12/2016	1
Actions funded in the field of public diplomacy, outreach and people to people contacts under AAP 2016	Number of action fiches adopted under the AAP 2016	4 on 31/12/2016	7 <sup>49</sup>
Actions contracted in the field of public diplomacy, outreach and people to people contacts under AAP 2015.	Number of actions contracted under AAP2015 by n+ 1	0 on 31/12/2016	1

Specific objective 1.9: Improved fulfilment of EU's economic interests (trade, investment and business)		Related to spending programme: Partnership Instrument (PI)	
<p><b>Result indicator:</b> Improving access to third country markets and boosting trade, investment and business opportunities for European companies, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation - as measured by the following sub-indicators:</p> <p><b>Sub indicator 1.9 a:</b> EU share in foreign trade in goods and services of 9 Strategic Partners</p> <p><b>Source of data:</b> <a href="http://ec.europa.eu/eurostat/web/international-trade/data/database">http://ec.europa.eu/eurostat/web/international-trade/data/database</a> COMEXT/IMF for trade in goods - first data published approximately in July of year n+1. WTO/EUROSTAT for trade in services – first WTO data published in April of year n+1, preliminary EUROSTAT data published approximately in June of year n+1 and complete EUROSTAT data published approximately in December of year n+1.</p>			
<b>Baseline</b> 2013 <sup>50</sup>	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
	2016	2020	2016

<sup>49</sup> Formally one action fiche was adopted under the AAP 2016 but it contained 7 separate but complementary actions

<sup>50</sup> EU share in Brazil, Mexico, US, Canada, Russian Federation, India, China, Japan and Republic of Korea total foreign trade in goods and services (imports + exports) (N.B.: these figures don't measure these countries' share in EU foreign trade). Data for all values extracted on 30 January 2017. As from 2010, the reporter is EU-28 for both trade in goods and trade in services. As from 2010, the data for both trade in goods and trade in services is calculated according to BMP6 (Balance of Payments and International Investment Position Manual) methodology.

2010: 18,1% 2011: 17,8% 2012: 17,4% 2013: 17,0% 2014: 17,7% <sup>51</sup>	Maintain share	Overall increase in share	2015: 17.3%  Data not yet available for 2016
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<b>Sub indicator 1.9.2 : EU investments flows from/to 9 strategic partners</b>			
<b>Source of data:</b> EUROSTAT			
<a href="http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign_direct_investment_statistics">http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign_direct_investment_statistics</a>			
Preliminary data for selected countries published in June of year n+1; data with complete geographical breakdown are foreseen in December of year n+1.			
<b>Baseline</b> <sup>52</sup>	<b>Interim Milestone</b>	<b>Target</b>	<b>Latest known results</b>
2013	2016	2020	2016
EU Foreign Direct Investment  - Inward flows: 396.2 billion EUR - Outward flows: 406.5 billion EUR	Maintain FDI flows	Increase FDI flows in parallel with global economic growth	Data not yet available  2015 - Inward flows: 372.8 billion EUR  - Outward flows: 297.2 billion EUR
<b>Completed evaluations:</b> none in 2016			

<b>Main outputs in 2016:</b>			
<b>Policy-related outputs</b>			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2016)
AAP 2016 will be adopted in two phases:	Adoption of AAP 2016 (part 1)	30/04/2016	26/05/2016
	Adoption of AAP 2016 (part 2)	Q3 2016	15/11/2016
<b>Main expenditure outputs</b>			
Description	Indicator	Target	Latest known results (situation on 31/12/2016)
Actions funded to support and increase EU position on the world scene in terms of trade and foreign investment under AAP 2016	Number of action fiches adopted under the AAP 2016	5 on 31/12/2016	6

<sup>51</sup> An update on baseline data and results from those given in the Strategic Plan.

<sup>52</sup> Until 2012 the reporter was the EU-27 and the data were calculated according to BMP5 (Balance of Payments and International Investment Position Manual) methodology. The figures as from 2013 use the reporter of EU-28 and are calculated according to BPM6. Data for all values extracted on 29 January 2017.

Actions contracted to support and increase EU position on the world scene in terms of trade and foreign investment under in AAP 2015	Number of actions contracted under AAP2015 by n + 1	5 on 31/12/2016	5
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