



**2016**

# **Annual Activity Report**

**Directorate-General  
for European Civil  
Protection and  
Humanitarian Aid  
Operations (ECHO)**



## Foreword

2016 was a challenging year for the world as a whole and for Europe and its neighbourhood in particular. The year saw humanitarian crises on an unprecedented scale across the world, with more people forcibly displaced than ever before by conflict, not least in Europe's immediate neighbourhood and into Europe itself. 2016 also marked increasing violations of International Humanitarian Law, as a result of which people stranded in crises were deprived of protection, humanitarian and medical personnel were attacked, and their facilities destroyed. At the same time, there was no let-up in the longer-term trends contributing to crises – political instability in many parts of the world, climate change, and strong population growth in some of the poorest and most fragile regions.

DG ECHO was in the front line of the EU's response to these crises meeting humanitarian needs worldwide. The Commission managed an unprecedented EU humanitarian aid budget of more than EUR 2.1 billion<sup>1</sup>. A significant proportion of this went to support refugees in the countries and regions most directly affected by the Syrian refugee crisis; but the EU has also continued to be a leading donor in other parts of the world, with Africa accounting for a large share of funding. At the same time, 2016 saw extensive deployment of DG ECHO's tools as the EU's "first responder" to disasters both inside and outside Europe – in particular, through the EU Civil Protection Mechanism, managed from our Emergency Response Coordination Centre (ERCC). The Mechanism mobilised experts and relief items from its Participating States<sup>2</sup> in a broad range of crisis settings, from Hurricane Matthew in Haiti to the refugee and migration crisis in Greece and the Western Balkans. In February 2016, as part of the Mechanism, and together with EU Member States, Commissioner Stylianides launched the European Medical Corps – a direct response to lessons learned from the international response to the Ebola crisis, with a view to ensuring the availability of medical teams and equipment for rapid deployment in any new major health emergency.

The unprecedented scale of the refugee and migration crisis (and in particular the Syrian refugee crisis) also led the Commission to innovate in the type of instruments and assistance mobilised by the EU: in addition to providing humanitarian assistance outside Europe, the EU began for the first time to fund humanitarian action inside its territory, through the new Emergency Support Instrument (ESI). Moreover, humanitarian funding in Turkey through the Facility for Refugees in Turkey was considerably increased. This enabled DG ECHO, inter alia, to launch an innovative programme known as the Emergency Social Safety Net (ESSN), aiming to assist up to one million of the most vulnerable refugees in Turkey with regular cash allocations. This is the EU's largest ever humanitarian programme – and it also exemplifies our increasing use of cash assistance as the most efficient and effective way of getting aid to people in many emergency settings.

While responding to immediate emergency needs, DG ECHO has also continued to work on adjusting and updating its policy tools – and it has worked with others to help make the wider international humanitarian system more 'fit for purpose'. DG ECHO delivered on Commissioner Stylianides' pledge to devote at least 4% of the EU's humanitarian aid budget to education in emergencies. Together with DG DEVCO, DG ECHO started implementing the new policy on protracted displacement adopted by the Commission in April 2016. Linked to this, DG ECHO has continued to push resilience as a key response to the "new normal" of crisis and fragility in many parts of the world – and as an approach to be taken forward by humanitarian and development actors alike, as well as

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<sup>1</sup> The 2016 humanitarian aid budget was exceptionally high (EUR 1.8 billion at the end of the year) as it included additional funding released on an ad hoc basis to address the consequences of the Syria crisis. The 2.1 billion amount also includes the funds earmarked to provide emergency support within the EU (EUR 300 million).

<sup>2</sup> The Mechanism counts non-EU Participating States in addition to the 28 EU Member States (see p. 15-16).

in the EU's broader policies towards its wider neighbourhood.

In May 2016, the World Humanitarian Summit in Istanbul set out a broad agenda for enabling humanitarian aid to respond effectively to a proliferation of ever more complex crises; the EU participated actively and made more than 100 'commitments' across a range of sectors and themes. Crucially, the EU also signed up to the 'Grand Bargain' agreed between humanitarian actors and donors to make humanitarian action more efficient and cut transaction costs – and DG ECHO has started implementing the core elements of this bargain.

DG ECHO also contributed to the successful launch of the European Solidarity Corps.

Finally, with a view to the same objective of being ever better prepared for future crises and needs, internal structures were adjusted. In July 2016, a major reorganisation of DG ECHO came into effect. The new structure reflects some of the DG's new or expanded areas of activity (such as emergency response inside Europe, or the increasing severity and scale of crises in the Middle East), while also allowing for a more flexible and joined-up approach to policy-making across Directorates and Units.

I have no doubt that 2017, too, will be a challenging year for humanitarian aid and disaster response. But I believe DG ECHO is well equipped to meet the challenges.

Monique Pariat  
Director-General

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## THE DG IN BRIEF

The mission of the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) is to help save and preserve life, prevent and alleviate human suffering and safeguard the integrity and human dignity of populations affected by natural disasters and man-made crises. DG ECHO works both as the EU's humanitarian aid donor, through its partner organisations, and by coordinating and facilitating the deployment of Participating States' in-kind disaster relief assistance through the Union Civil Protection Mechanism.

As a donor, DG ECHO provides needs-based humanitarian assistance to the people affected by crises and disasters around the world. Its work is based on the humanitarian principles of humanity, neutrality, impartiality and independence as set out in the European Consensus on Humanitarian Aid<sup>3</sup>. Apart from being a key donor, the EU plays an important role in developing thematic policies, supporting multilateral action, and coordinating approaches with EU Member States. DG ECHO has 402 people working in Brussels headquarters, and 159 humanitarian expert positions in 46 field offices spread over more than 40 countries. Along with its human and financial resources, DG ECHO's framework for action has been constantly adapted to allow the EU to face ever-greater challenges.

The Treaty of Lisbon, which entered into force on 1 December 2009, introduced a new legal basis for EU humanitarian aid as well as for civil protection policies, and emphasises the application of international humanitarian law including impartiality and non-discrimination. For its humanitarian aid and EU Aid Volunteers (EUAV) activities, DG ECHO acts in the context of the framework provided for by Article 214 of the Treaty on the Functioning of the European Union (TFEU), while its civil protection actions are underpinned by Article 196. For the first time in its history, DG ECHO started to fund actions to support vulnerable refugees within the European Union (in Greece) under the newly adopted 2016 Emergency Support Instrument<sup>4</sup>.

DG ECHO's interventions mainly consist of programmes and budget execution - it does not intervene directly on the ground. DG ECHO manages the EU's humanitarian aid financing through individual agreements with partner organisations. Partners are either NGOs<sup>5</sup> that sign a Framework Partnership Agreement (FPA), United Nations agencies covered by the Financial and Administrative Framework Agreement (FAFA), or International Organisations<sup>6</sup> with which relations are governed by an ad hoc FPA. The management mode applied with NGOs is direct management, and with the UN and International Organisations, indirect management. DG ECHO has a strong presence in the field; it works closely with partner organisations, and is fully involved in planning aspects and policy development in the area of humanitarian aid. Since 2016 the EU Aid Volunteers Initiative is operationally contributing to the EU's humanitarian aid effort.

The key stakeholders of DG ECHO's civil protection activities are the 34 Participating States of the Union Civil Protection Mechanism (UCPM). When civil protection assistance is requested by the affected country, the Emergency Response Coordination Centre (ERCC) coordinates the delivery of the Participating States' resources, ensuring a coherent European response to disasters, including in case of invocation of the Solidarity Clause (Article 222 of the TFEU). At the same time, DG ECHO pursues effective prevention and preparedness policies with the Member States, thus ensuring a balance between Member States' responsibilities and European solidarity.

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<sup>3</sup> Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission (OJ C 25, 30.1.2008, p. 1).

<sup>4</sup> Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the Union (OJ L 70, 16.3.2016, p. 1).

<sup>5</sup> Non-Governmental Organisations.

<sup>6</sup> International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC).

In its policy response, DG ECHO pushes for strong coordinated efforts of the international community to respond to humanitarian challenges worldwide, for better disaster risk management and for more involvement of development actors in protracted crises. DG ECHO engages in strategic dialogues with key partners (such as WFP<sup>7</sup>, UNHCR<sup>8</sup>, ICRC and UNICEF<sup>9</sup>) and remains actively involved in agency boards, donor support groups, and other international fora. Through DG ECHO, the Commission maintains its high level of commitment to the IASC<sup>10</sup> Transformative Agenda. DG ECHO also works closely with Member States and other relevant stakeholders to follow up to the 2016 World Humanitarian Summit and to continue implementing the European Consensus on Humanitarian Aid.

To ensure complementarity with Member States, DG ECHO promotes the coordination between EU and national actions through the Council Working Party on Humanitarian Aid and Food Aid (COHAFA) in order to enhance efficiency of the different humanitarian aid measures. It is the main forum within the EU for strategic and policy debate on humanitarian aid between the EU Member States and the European Commission. DG ECHO also represents the Commission in the Council Working Party on Civil Protection (PROCIV). In the European Parliament, humanitarian aid falls in the remit of the Committee on Development (DEVE), and civil protection in that of the Committee on the Environment, Public Health and Food Safety (ENVI).

DG ECHO operations are implemented in complementarity with other Commission services working in the area of external relations<sup>11</sup> and the European External Action Service (EEAS), which all contribute to the formulation of an effective and coherent policy of the European Union, so as to enable the EU to assert its identity on the international scene. They contribute to the work of the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President, who is responsible for steering and coordinating the work of all Commissioners in the realm of external relations.

On 1 July 2016, the new organisation chart of DG ECHO came into effect. The new structure aims to ensure more efficient delivery of its policy, operational and coordination tasks, and to reinforce synergies between humanitarian aid and civil protection. It reflects, inter alia, the fact that DG ECHO is now active within the EU and the sizeable share of the budget devoted to address the needs arising from the Syria crisis for the whole region, including Turkey, while also allowing for a more flexible and joined-up approach to policy-making across the Directorate-General.

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<sup>7</sup> World Food Programme.

<sup>8</sup> United Nations High Commissioner for Refugees.

<sup>9</sup> United Nations Children's Fund.

<sup>10</sup> Inter-Agency Standing Committee.

<sup>11</sup> The Commission services concerned include, in addition to DG ECHO, the Directorate-General for International Cooperation and Development (DEVCO), the Directorate-General for Neighbourhood and Enlargement Negotiations (NEAR), the Directorate-General for Trade (TRADE), and the Service for Foreign Policy Instruments (FPI).

## **EXECUTIVE SUMMARY**

The Annual Activity Report is a management report of the Director-General of DG ECHO to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it makes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>12</sup>.

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<sup>12</sup> Article 17(1) of the Treaty on European Union.

## **a) Key results and progress towards the achievement of general and specific objectives of the DG (executive summary of section 1)**

The European Union has confirmed its role as a Global Actor being the world's leading donor in humanitarian assistance and consistently being at the forefront of humanitarian crises and disaster response relying to that effect on the Humanitarian Aid Regulation<sup>13</sup> and the Union Civil Protection Mechanism<sup>14</sup>.

As in preceding years, DG ECHO had to continue intervening in support of humanitarian organisations in the field in a wide range of crises around the world; for its most part EU humanitarian funding is dedicated to address needs arising from protracted crises.

In 2016, humanitarian crises increased in number, complexity and severity. There were over 50 armed conflicts, many of which had dramatic regional repercussions with knock-on effects on access to humanitarian aid, the protection of affected populations and the security of humanitarian workers. Natural disasters – related to climate change and linked to mega-trends such as water scarcity, urbanisation and demographic pressures – created humanitarian needs for an estimated 26 million people. Social and economic fragility, caused by inability or unwillingness of governments to provide either basic services or social equality, further fuelled humanitarian crises. Because of the lack of political solutions, many crises continued to be protracted. As a result of all these trends, 2016 saw altogether over 95 million people in 40 countries in need of humanitarian assistance, and almost 65 million people (half of them children) forcibly displaced. At the same time, humanitarian actors assisted in 2016 more people than in any previous year since the founding of the United Nations<sup>15</sup>. DG ECHO contributed significantly to these efforts.

In 2016, the crisis in Syria entered its sixth year remaining the biggest humanitarian and security crisis in the world. While fewer Syrians arrived in the EU in 2016 as compared to 2015, the Syrian crisis was still the main cause of the large numbers of displaced persons seeking refuge in the EU and its neighbourhood. In 2016, DG ECHO allocated EUR 370 million to life-saving operations in Syria and neighbouring countries, in line with the political pledges made at the London conference of February 2016. DG ECHO pursued its support to the multi-sectorial, rapid, flexible and reactive responses to emergencies, for example during the siege of Aleppo, while maintaining regular humanitarian assistance to most vulnerable populations inside Syria and to most vulnerable refugees living in neighbouring countries, i.e. Lebanon, Jordan, Iraq, Egypt and Turkey.

Regarding Turkey, the EU put in place the Facility for Refugees to respond to short- and long-term needs of refugees in the country in 2016 and 2017. DG ECHO continued and expanded its operational response with an overall objective to improve the living conditions of the most vulnerable refugees (and other persons of concern) through predictable and dignified support addressing basic needs and protection. DG ECHO's main focus was on neglected and underserved out-of-camp refugees, where it provided humanitarian relief, mainly via the biggest ever single humanitarian project providing cash cards to refugees, and supported social cohesion of refugees.

DG ECHO played a key role in providing assistance to victims in other extended conflicts. For example, in Iraq, DG ECHO was at the forefront of humanitarian response, with an

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<sup>13</sup> Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

<sup>14</sup> Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

<sup>15</sup> United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Global Humanitarian Overviews 2016 and 2017.

overall support of EUR 159 million in 2016. DG ECHO assisted victims with funding for food, health care, water, sanitation and hygiene as well as protection, shelter and education. In Ukraine, the EU was one of the largest humanitarian donors, as DG ECHO's projects directly helped half a million people, who received food, shelter, health services and psychological help. In Somalia, together with EU Member States, DG ECHO provided nearly half of all humanitarian support to ensure food and nutrition, health, protection, and resilience building.

DG ECHO was also a key actor helping victims of natural disasters worldwide. The 2016 El Niño phenomenon was one of the worst on record and had devastating consequences for the food security of 41 million people worldwide. DG ECHO allocated EUR 298 million in emergency humanitarian assistance to help with both short-term lifesaving support and longer-term resilience to the food crisis. DG ECHO supported Pacific States in response to tropical cyclone Winston in Fiji and to drought in Papua New Guinea, helping the most vulnerable families with food, shelter, access to water and sanitation. DG ECHO also helped people affected by the earthquake that hit Ecuador in 2016, the strongest since 1979. Within hours after the disaster, DG ECHO released EUR 1 million to fund emergency humanitarian assistance for the most affected. The relief was delivered in a matter of days by ECHO partners in the field assisting 25 000 people.

Apart from responding to visible crises, DG ECHO supported victims of crises and disasters that lacked media attention. For instance, it continued its support to Sahrawi refugees in Algeria, internally displaced people in Myanmar, and refugees in Thailand.

2016 also saw the first ever World Humanitarian Summit, which took place on 23-24 May in Istanbul. The Summit was a multi-stakeholder effort to gather wider political support for humanitarian aid and to find concrete practical solutions to improve humanitarian action. DG ECHO coordinated the EU's participation in the Summit and the process leading up to it, as well as the EU's 100 commitments on policy, operational, and financial issues, which made the EU one of the most generous contributors to the Summit outcomes. Some examples of EU commitments included: a new policy on forced displacement, new guidelines on protection of civilians, engagement in the Grand Bargain on humanitarian financing, funding for the Education Cannot Wait initiative<sup>16</sup>, and signing up to the Charter on Persons with Disabilities<sup>17</sup> and the Charter on Urban Crises<sup>18</sup>.

In 2016, the EU used the Union Civil Protection Mechanism 26 times to respond to a variety of disasters. By the end of 2016, a total of 77 response capacities have been committed to the voluntary pool. The launch of the European Medical Corps in February 2016 meant a creation of a specialised response capacity that can be quickly deployed in case of medical emergencies around the world.

DG ECHO started to implement together with DG DEVCO a new policy approach to forced displacement aiming to prevent forced displacement from becoming protracted and to gradually end dependence on humanitarian assistance in existing displacement situations by fostering self-reliance and enabling the displaced to live in dignity as contributors to their host societies, until voluntary return or resettlement.

The EU worked in 2016 in a spirit of solidarity to ensure that the humanitarian needs of the most vulnerable people in refugee crisis were met, in particular the refugees whose forced displacement resulted from the conflict affecting Syria with adverse consequences on the whole region and the EU itself. Concerning the latter aspect, the EU was able to

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<sup>16</sup> [http://www.unicef.org.uk/Documents/Publication-pdfs/UnicefEducationCannotWaitBriefing\\_2016\\_s.pdf](http://www.unicef.org.uk/Documents/Publication-pdfs/UnicefEducationCannotWaitBriefing_2016_s.pdf)

<sup>17</sup> [http://www.cbm.org/article/downloads/54741/Charter\\_on\\_Inclusion\\_of\\_Persons\\_with\\_Disabilities\\_in\\_Humanitarian\\_Action.pdf](http://www.cbm.org/article/downloads/54741/Charter_on_Inclusion_of_Persons_with_Disabilities_in_Humanitarian_Action.pdf)

<sup>18</sup> <https://unhabitat.org/wp-content/uploads/2016/05/Global-Alliance-for-Urban-Crises-Charter-for-WHS-Final.pdf>

adopt swiftly a dedicated instrument allowing it to provide for the first time emergency support within the EU (ESI)<sup>19</sup> further to the activation by the Council of that instrument for three years for the management of the humanitarian impact of the refugee and migration crisis. More than EUR 190 million was contracted by 31 December 2016 to provide emergency assistance within Greece.

DG ECHO further advanced its Disaster Risk Reduction (DRR) global efforts. All Humanitarian Implementation Plans incorporated an analysis of options and priorities for preparedness, early action and DRR. DRR activities were mainstreamed in 57% of all humanitarian operations in 2016, up from 43% in 2015.

DG ECHO is also committed to contribute to investing in disaster risk prevention and management, as the latter is a strong driver of innovation, growth and job creation, opening also new markets and business opportunities. To that effect, DG ECHO directly contributed to the preparation of the Action Plan on the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030, which was adopted by the Commission in June 2016<sup>20</sup>, showing thereby its strong commitment to make progress on those issues.

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<sup>19</sup> Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the Union (OJ L 70, 16.3.2016, p. 1).

<sup>20</sup> Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030 - A disaster risk-informed approach for all EU policies (SWD(2016) 205 final of 17.6.2016).

## b) Key Performance Indicators (KPIs)

The first set of 4 KPIs cover the most crucial aspects of DG ECHO performance and provide insights into DG ECHO's most significant achievements<sup>21</sup>. They reflect the main activities and objectives of DG ECHO. In addition, one KPI is selected with respect to the achievement of DG ECHO's internal control objectives to assess and evidence the reasonable assurance given on the use of the assigned resources.

The targets and latest known results are presented in the table below.

Result/Impact indicator	Baseline (2015)	Target 2016	Next milestone
		Result 2016	
1. Average speed (hours) of reaction under the Union Civil Protection Mechanism (from the acceptance of the offer to deployment). This KPI is reflected in the performance table of General Objective 1	≤ 24	≤ 18	≤ 18 (2017)
		20	
2. Number of beneficiaries (million) of Education in Emergencies projects. This KPI is reflected in the performance table of General Objective 1	1.3	≥ 1.8 (revised) <sup>22</sup>	≥ 5 (2018) <sup>23</sup>
		1.8	
3. Percentage of DG ECHO funded projects which strongly integrate resilience (i.e. resilience marker value given by desk officer = 2). This KPI is reflected in the performance table of General Objective 1	28%	30%	≥ 33% (2018)
		43%	
4. Number of beneficiaries (million) in situation of forced displacement. This KPI is reflected in the performance table of General Objective 2	54	54-60	54 - 60 (2018)
		64.9	
5. Multi-annual Residual Error Rate. This KPI is reflected	1.26%	≤ 2%	≤ 2%

<sup>21</sup> These 4 KPIs reflect the selection made in DG ECHO Strategic Plan 2016-2020 (p. 23).

<sup>22</sup> Since the preparation of DG ECHO Strategic Plan, other Commission services (DG DEVCO and DG NEAR) have also started to finance actions related to education which may partly address the needs of parts of the caseload contemplated in DG ECHO Strategic Plan. Methodological refinements that have occurred in the meantime also lead to revising the milestones and targets in order to reflect more accurately what can realistically be achieved within the set time-line.

<sup>23</sup> The 2018 target will most likely have to be reviewed for the reasons set out in footnote 21.

in the financial management section, performance table of Objective 2		1.02%	
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## **c) Key conclusions on Financial management and Internal control (executive summary of section 2.1)**

DG ECHO conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards. DG ECHO has assessed the internal control systems during the reporting year and has concluded that the internal control standards are generally implemented and function as intended. Please refer to AAR section 2.1.3 for further details.

In addition, DG ECHO has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in her capacity of Authorising Officer by Delegation, has signed the Declaration of Assurance.

## **d) Information to the Commissioner(s)**

In the context of the regular meetings during the year between the DG and the Commissioner(s) on management matters, also the main elements of this report and assurance declaration have been brought to the attention of the Commissioner responsible for Humanitarian Aid and Crisis Management.

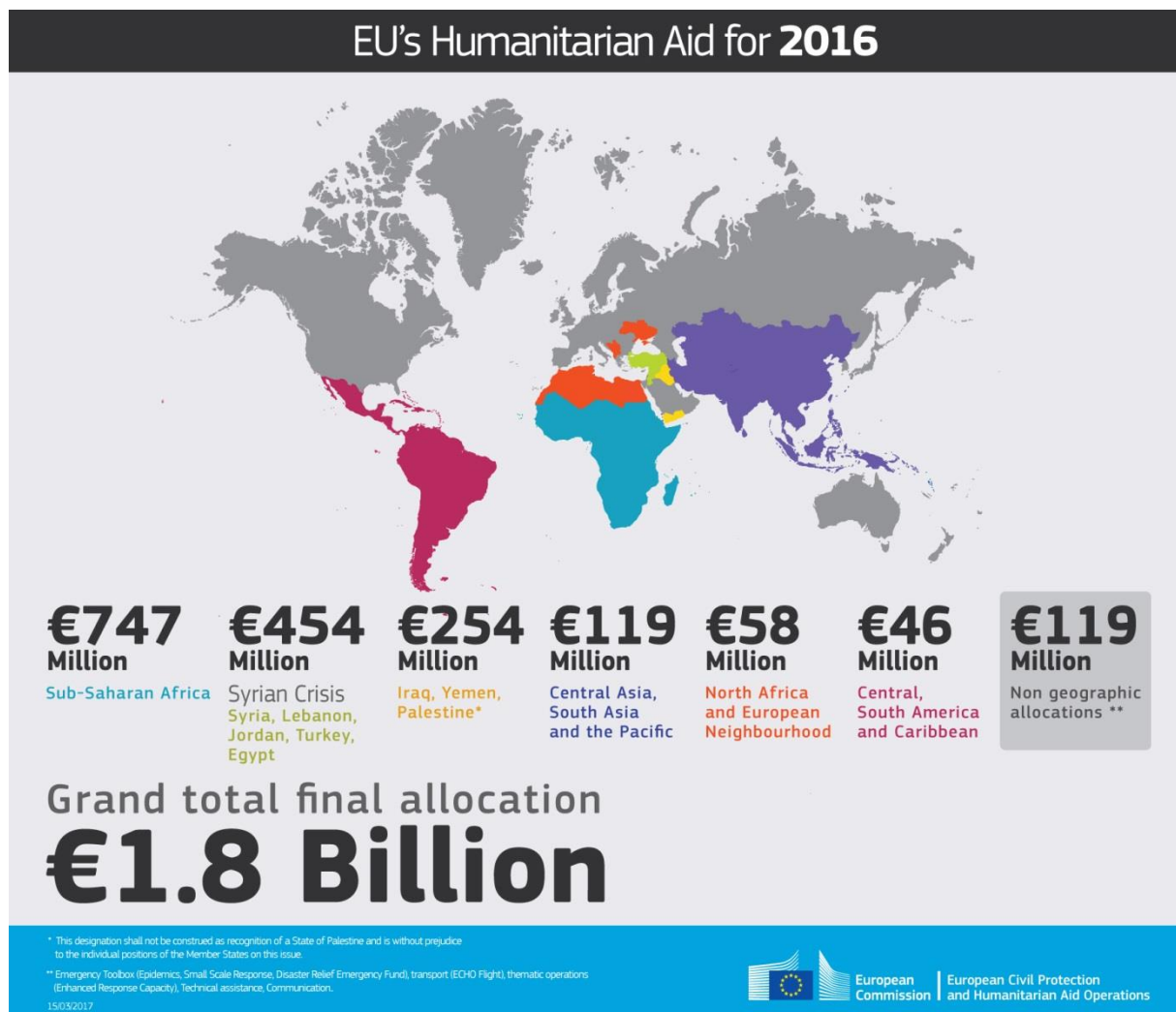
# 1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

## 1. General Objective 1: A stronger global actor

### Specific Objective 1.1: People and countries in need are provided with adequate and effective humanitarian and civil protection assistance

#### a) Geographical crises

As in preceding years, DG ECHO had to continue intervening in support of humanitarian organisations in the field in a wide range of crises around the world. For the most part, EU humanitarian funding is dedicated to addressing needs arising from protracted crises.



While DG ECHO finances operations in more than 70 countries<sup>24</sup>, the following crises are taken as particularly relevant examples of ECHO's action, due to their size, severity or complexity:

<sup>24</sup> To be noted that the figures in the above infographics do not include funding inside the EU under the Emergency Support Instrument.

## **The Syria Crisis**

The 'Whole of Syria' approach is built on a four-pillar strategy, which includes negotiated access, emergency response, protection, accountability and support to partnerships. Inside Syria, the EU humanitarian assistance continued to respond throughout the country from all humanitarian hubs, including across conflict lines and international border crossings. On 2 October 2016, the High Representative/Vice-President and the Commissioner for Humanitarian Aid and Crisis Management launched the Humanitarian Initiative for Aleppo to ensure minimum conditions for humanitarian access and the security and safety of medical staff and humanitarian workers. DG ECHO remained directly involved in international diplomatic initiatives (e.g. the 2016 London pledging conference, and the Humanitarian Task Force of the International Syria Support Group in Geneva) and other advocacy efforts to promote the respect of humanitarian principles and respect of International Humanitarian Law. DG ECHO also assisted Syrian refugees in neighbouring countries. In Lebanon, EU funding contributed to cash assistance for most vulnerable refugees, secondary healthcare for lifesaving cases, non-formal education and shelter to improve the living conditions of the vulnerable families mostly affected by the displacement. In Jordan and Turkey, DG ECHO supported the most vulnerable refugees inter alia through cash assistance as the most cost-efficient and dignified method. DG ECHO also contributed to the renewed Partnership Programmes ('compacts') with these countries<sup>25</sup>. At the end of 2016, the total amount of EU humanitarian aid earmarked for addressing the consequences of the Syria crisis on the region was EUR 379 400 000.

## **The Iraq Crisis**

The humanitarian crisis in Iraq is one of the largest, most complex and highly volatile in the world. At the end of 2016, more than 11 million Iraqis – one third of the country's population – were in need of humanitarian aid. The challenges for humanitarian action were enormous due to unfolding military operations and the already stretched country's capacity to assist over 3 million internally displaced, 1 million returnees and over 200 000 Syrian refugees. Preserving humanity during conflict remained crucial to save the lives of hundreds of thousands of civilians, trapped in active conflict areas. The EU was at the forefront of humanitarian diplomacy and advocacy efforts to ensure the respect of International Humanitarian Law and protection of all civilians, during and after the conduct of hostilities. The EU continued to be a leading donor in the Iraq humanitarian response, with a total of EUR 159 million support in 2016. Principled lifesaving assistance to the most vulnerable was at the core of its efforts, as well as the promotion of a sustainable response and transition to early recovery/mid-term support, where and as soon as possible.

## **South Sudan**

After more than three years of conflict, the situation in South Sudan spiralled out of control in 2016 as fighting spread to new areas and in the capital Juba. Conflict and violence together with a major economic crisis drove the country's humanitarian crisis that has reached an unprecedented magnitude since its independence in 2011. In 2016, a quarter of the population (i.e. over 3 million people) was displaced inside the country or in the region, 6.1 million people were in need of assistance, and large parts of the population faced emergency and crisis food insecurity. In response, DG ECHO allocated a total of EUR 143 million in 2016 to respond to humanitarian needs in South Sudan. This funding enabled DG ECHO to deliver multi-sector life-saving assistance to amongst other displaced persons, vulnerable groups and to refugees from Sudan who fled to South Sudan in 2011. A significant portion of the funding in South Sudan was used to respond to the grave food insecurity, which has gradually worsened and reached a dramatic

<sup>25</sup> See Communication from the Commission to the European parliament, the European Council, the Council and the European Investment Bank on establishing a new Partnership Framework with third countries under the European Agenda on Migration (COM(2016) 358 final of 7.6.2016).

turning point in February 2017, as famine was declared in parts of the country. To support humanitarian organisations, the European Commission has also pursued an active advocacy on the South Sudan crisis, not least by calling on all actors to the conflict to adhere to their obligation under International Humanitarian Law to grant unhindered access to people in need of assistance. Funding was also mobilised in 2016 to help the countries in the region cope with the huge fall out of the crisis.

### **The Yemen Crisis**

Before the conflict erupted in March 2015, Yemen was already the poorest country in the Arabian Peninsula, with widespread poverty and high prevalence of food insecurity and malnutrition. Almost two years into the conflict, the humanitarian situation was further aggravated by fighting, forced displacement, shortages of basic commodities and the overall collapse of the economy. The Yemen crisis was classified by the United Nations as a Level 3 emergency – the most severe, large-scale humanitarian crisis. In spite of this, it remained a largely forgotten crisis. In 2016, a staggering 18.8 million people were in need of humanitarian assistance and 2.2 million were internally displaced. With a budget of EUR 70 million, DG ECHO supported the people affected by the conflict, as well as populations across the country suffering from malnutrition or facing food insecurity and armed clashes. The bulk of humanitarian funding was used to provide food, water and sanitation, basic health care, shelter and household items for the internally displaced people, the refugees from the Horn of Africa and the communities who are hosting these uprooted people. Some funding served also to stem the 2016 cholera epidemic that had reached alarming levels across the entire country.

### **Mali**

Due to the continued insecurity in the North Mali in 2016, basic services were not re-established and 1.5 million vulnerable people continued to depend largely on international humanitarian aid. In 2016, with DG ECHO assistance, 850 000 conflict-affected people received health and nutritional assistance. This included free access to primary and secondary health services, emergency care to the war-wounded, surveillance and response to epidemics and health emergencies in nine health districts of the North. 125 000 children under five suffering from Severe Acute Malnutrition received lifesaving nutritional assistance. Some 150 000 vulnerable people requiring emergency food assistance during the lean season were supported, including through multipurpose cash transfers. Thousands of children benefitted from Education in Emergencies activities in North and central Mali, where the impact of the conflict prevented many children from receiving basic education.

### **Sahel**

In response to the continued food and nutrition crisis in the Sahel, in 2016 DG ECHO covered emergency humanitarian needs in food and nutrition in eight countries of the region. With DG ECHO support, over 1.9 million vulnerable people received food assistance. DG ECHO covered 23% of the food needs of the population in crisis during the lean season and supported 16% of children who were suffering from Severe Acute Malnutrition and were in need of life-saving treatment.

### **The Lake Chad Basin Crisis**

The humanitarian crisis in the Lake Chad Basin was Africa's biggest humanitarian and protection crisis in 2016. The violent conflict severely affected populations in Nigeria, Niger, Chad and Cameroon. 17 million people were affected and over 2.6 million people, of which 1.5 million were children, were displaced within their country or had to flee to neighbouring countries. In addition to forced displacement and related protection needs, hunger and malnutrition remained at critical level with 7.1 million people severely food insecure. In 2016, DG ECHO substantially stepped up assistance and allocated over EUR 122 million in response to the wide-ranging humanitarian needs faced by the most

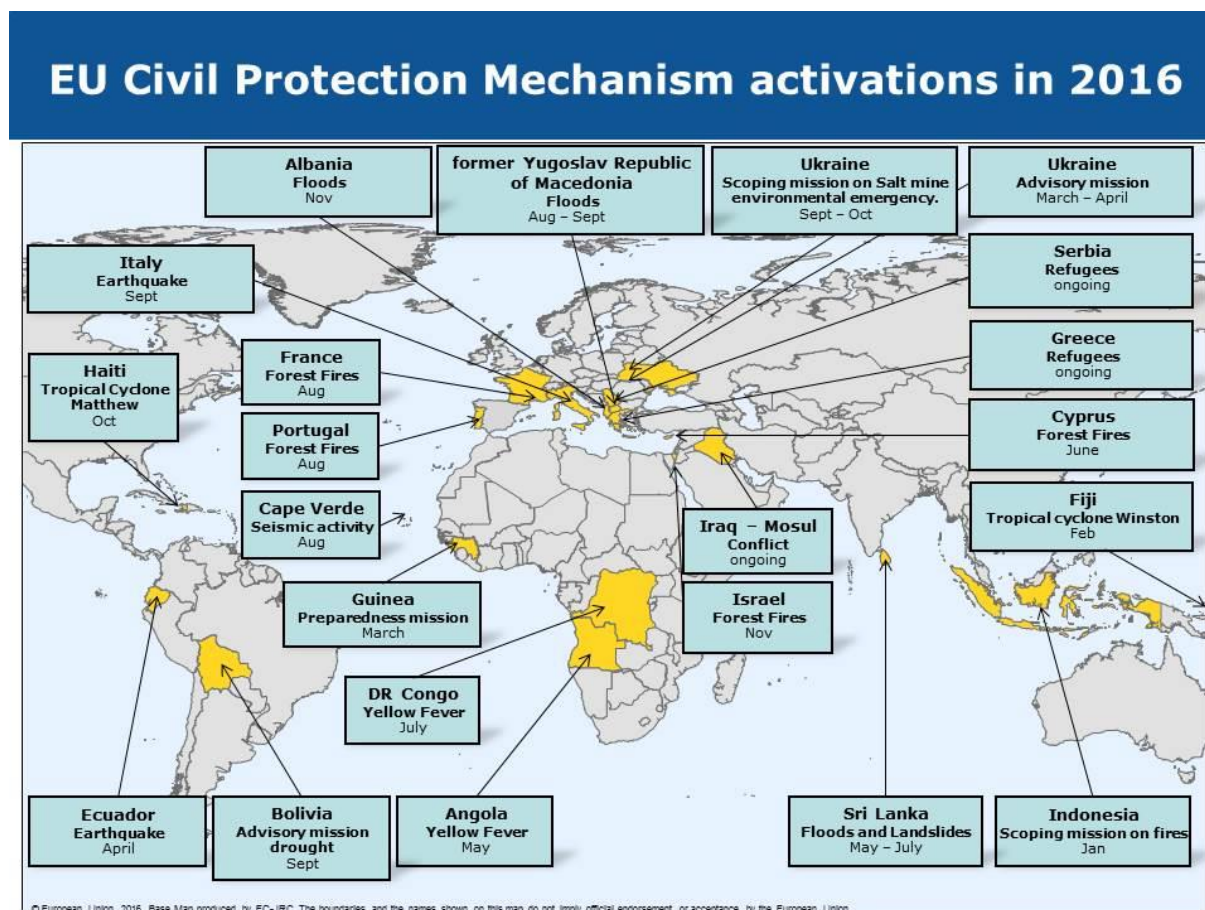
vulnerable populations in the four countries of the Lake Chad Basin. A significant proportion of humanitarian funding was used to provide food, basic health care, water and sanitation, shelter and household items for the internally displaced people, the refugees and the host communities which are themselves very vulnerable. This included also support to a regional education in emergencies initiative.

## b) EU emergency response

### EU emergency response

The Union Civil Protection Mechanism (UCPM) facilitates the cooperation in disaster response among 34 European States (28 EU Member States, the former Yugoslav Republic of Macedonia, Iceland, Montenegro, Norway, Serbia and Turkey). When activated, the Mechanism coordinates the provision of assistance inside and outside the EU. The Participating States pool resources that can be made available to disaster-stricken countries all over the world. The European Commission manages the Mechanism through the Emergency Response Coordination Centre (ERCC). The support provided through the Mechanism may take the form of in-kind assistance, deployment of specially-equipped teams, or assessment and coordination experts sent to the field.

In 2016, the EU used the Union Civil Protection Mechanism to respond to 36 emergencies. By the end of 2016, a total of 77 response capacities have been committed to the voluntary pool. Additional countries signalled interest to participate in the Mechanism. The launch of the European Medical Corps (EMC) in February 2016, as a direct lesson learned from the Ebola crisis, meant the creation of a specialised response capacity that can be quickly deployed in case of medical emergencies around the world. 11 Member States committed 16 of their specialised teams and equipment in 2016. The EMC notably comprises medical teams, mobile laboratories, medical evacuation planes and logistical support teams.



# EU Civil Protection Mechanism response in 2016

**26** participating states have contributed to **36** emergencies

## EU intervention teams deployed

- 10** prevention and preparedness advisory teams 
- 17** firefighting planes 
- 3** water purification modules 
- 2** helicopters 
- 2** ships 
- 1** mobile laboratory 
- 1** coordination centre (35 staff) 

## material assistance

- 62000** medical consumables
- 5400** lighting equipment
- 45399** blankets
- 4290** mattresses
- 42100** iron sheets
- 3340** hygiene kits
- 20300** raincoats
- 2600** rubber boots
- 11700** sleeping bags
- 2529** water purification systems
- 8000** towels
- 2100** tents
- 7700** bottled water
- 2000** aqua tabs
- 7560** pillows
- 1000** kitchen sets
- 5564** beds
- 310** heaters

## European Medical Corps | Committed capacities



### **First response in Europe**

Throughout 2016, considerable support was provided to Greece to help cope with the influx of refugees fleeing conflict in Syria and Iraq. The Commission provided almost EUR1 million to co-finance the transport of Participating States' relief assistance. The EU Civil Protection Mechanism was also activated several times in 2016 to respond to forest fires inside Europe. For example, in Portugal, in response to the request for assistance, the EU mobilised via the Mechanism a firefighting plane managed by Italy as part of the EU 'buffer capacity' developed to support national capacities.

### **Support of EU civil protection around the world**

In April 2016, Ecuador was struck by an earthquake of 7.8 of magnitude. 10 Participating States provided assistance through the Mechanism. It included: urban search and rescue teams, damage assessment expertise, water and blankets. Following Hurricane Matthew in Haiti in October 2016, a wide range of relief assistance including emergency shelter, medical supplies, hygiene items and other equipment were delivered. Water purification units provided more than 1.2 million litres of fresh water to affected people. Two teams of Civil Protection experts were deployed and a Dutch vessel provided transport and logistical support. Copernicus was activated to provide satellite maps to help assess damages. In December 2016, over 200 tons of relief assistance was delivered to assist more than 100 000 displaced people affected by the Mosul offensive in Iraq.

In 2016, the ERCC continued to provide important added-value through its 24/7 coordination and monitoring capabilities, which ensured real-time monitoring and immediate reaction day and night. The ERCC facilitated the production of daily crisis information, maps and civil protection messages for a wide range of interlocutors. It also distributed integrated situational awareness and analysis (ISAA) reports that support the political decision-making in the Council in the context of Integrated Political Crisis Response (IPCR) arrangements that are triggered automatically by the invocation of the Solidarity Clause<sup>26</sup> or in cases of 'stand-alone' activations of the IPCR.



The Special Report No. 33/2016 of the European Court of Auditors<sup>27</sup> (published on 23 January 2017) provides a positive assessment of the activities of the Union Civil Protection Mechanism and concludes that the Commission has been broadly effective in facilitating the coordination of the responses to disasters outside the EU from 2014 -

<sup>26</sup> Article 222 of the Treaty on the Functioning of the European Union.

<sup>27</sup> <http://www.eca.europa.eu/en/Pages/DocItem.aspx?did=40303>

2016.

### **c) Horizontal priorities**

#### **Education in Emergencies**

In 2016 DG ECHO dedicated more than 4% of its budget to Education in Emergencies (EiE), reaching the funding target pledged by the Commissioner for Humanitarian Aid and Crisis Management at the 2015 Oslo Summit on Education for Development. By the end of 2016, more than 1.8 million girls and boys benefited from this assistance. DG ECHO also continued to raise awareness of the importance of quality education in crisis and forced displacement contexts and linking the work of humanitarian and development actors. DG ECHO organised an Education in Emergencies Forum which focussed on these themes, and in highlighting how education in emergencies can contribute to efforts of protection and resilience. The Forum brought together some 200 participants, including decision makers, humanitarian experts and practitioners.

#### **Cash aid modality**

DG ECHO paid particular attention to the modalities used to deliver adequate, effective and needs-based humanitarian assistance. Assistance in the form of cash allowed beneficiaries to access goods and services to meet their most pressing needs with flexibility and dignity. DG ECHO continued to raise awareness of the benefits of cash transfers, as a result of which cash-based assistance was increasingly used in sectors other than food and nutrition and across sectors in the form of multi-purpose transfers.

DG ECHO improved its ability to gather data according to delivery modality. Since the second half of 2016, proposals need to differentiate by delivery modality and identify the amount of the transfer reaching the beneficiary. In practical terms, the results of this revision will only become apparent once all proposals in response to the 2017 Humanitarian Implementation Plans (HIPs) will have been approved and encoded during the first months of 2017. Nevertheless, on the basis of information available for food assistance and nutrition, it is estimated that the target of 30% of all DG ECHO assistance to be delivered through cash transfer based activities was achieved and exceeded.

#### **The Emergency Social Safety Net (ESSN) in Turkey**

The Emergency Social Safety Net (ESSN) is a single card social assistance scheme that will allow up to 1 million of the most vulnerable refugees in Turkey to meet their most pressing basic needs. With an initial grant of EUR 348 million from the EU, the implementing partner, the World Food Programme, in collaboration with the Turkish Red Crescent and Turkish government institutions, is distributing electronic debit cards to refugee families. A monthly cash grant is electronically uploaded on cards allowing people to pay for what they need the most, providing them with the dignity of choice. This electronic cash transfer system is a very efficient way of providing humanitarian assistance, and also injects funds into the local economy. The first cash distributions started in December 2016.

## Facility for Refugees in Turkey: Emergency Social Safety Net (ESSN)

An innovative way of delivering humanitarian aid. It combines humanitarian know-how and principles with government services to reach out to a very large number of refugees in a cost-efficient manner. It is the first humanitarian social assistance scheme of its kind.

**The ESSN is a game changer in terms of coverage and cost-efficiency**

The ESSN provides monthly cash transfers to an electronic card that enable families to buy what they need most. This ensures dignity to refugees and helps the local economy.

**Starting from October 2016**

**Startup budget  
€ 348 million**

Total number of beneficiaries:  
**1 million** refugees  
throughout **Turkey**

Funded through the Facility for Refugees in Turkey from EU humanitarian funding and Member States contributions, delivered by WFP and the Turkish Red Crescent in partnership with the Ministry of Family and Social Policy and the Disaster and Emergency Management Presidency of Turkey.



### **Specific Objective 1.2: People and communities at risk of disasters are resilient**

#### **Resilience and Disaster Risk Reduction**

DG ECHO attaches great importance to the link between humanitarian aid, as a rapid response measure in crisis situations, and more medium and long-term development action. The humanitarian-development nexus is complex and requires increased coordination – leading to joint humanitarian-development approaches and collaborative implementation, monitoring and progress tracking. DG ECHO and DG DEVCO<sup>28</sup> stepped up their cooperation in 2016 based on a common approach to resilience-building, which aims to ensure greater coherence with other EU-funded humanitarian projects, better complementarity with local systems and EU development co-operation, and a clearer portrayal of the EU's added value.

#### **Response to El Niño – humanitarian-development cooperation**

The 2016 El Niño was one of the strongest and longest-lasting on record, resulting in world-wide drought that affected some 60 million people by food insecurity. This was clearly a case calling for increased cooperation between the development and humanitarian actors. Consequently, DG ECHO worked closely with DG DEVCO from the start to ensure that the emergency response was accompanied by preparedness actions and followed by strengthening of the long-term food security and resilience-building in the most affected countries. In total the Commission responded with a global allocation of EUR 542.5 million, combining DG ECHO's emergency humanitarian assistance (EUR 298 million) with development actions aiming at addressing the root causes of vulnerability (EUR 244.5 million).

DG ECHO further advanced its Disaster Risk Reduction (DRR) global efforts. All

<sup>28</sup> Directorate-General for International Cooperation and Development.

Humanitarian Implementation Plans incorporated an analysis of options and priorities for preparedness, early action and DRR. DRR activities were mainstreamed in 57% of all humanitarian operations in 2016, up from 43% in 2015. The Disaster Preparedness DG ECHO programme (DIPECHO) was fully integrated in the Humanitarian Aid Financing Decision, and targeted the enhancement of local preparedness capacities so that early action could be taken to reduce hazard impacts, assets and human losses, and humanitarian needs.

## **EU Aid Volunteers supporting resilient communities**

The EU Aid Volunteers Initiative<sup>29</sup> brought together volunteers and organisations from different countries, providing practical support to humanitarian aid projects and contributing to strengthening the local capacity and resilience of disaster-affected communities.

The EU Aid Volunteers Initiative started at the end of 2014 further to the adoption of the 2014 Annual Work Programme in June of that year. Lead-in time was needed to adopt the delegated and implementing regulations required to give execution to the basic legislation of April 2014. The first calls could therefore only be launched in 2015 instead of 2014 as initially expected. The execution of the programme has therefore in effect been delayed by one year.

In 2016, DG ECHO funded a total of 47 participating organisations under the EU Aid Volunteers Initiative. This support included strengthening their capacity, technical assistance and managing deployment of volunteers to disaster-affected communities.

Through this programme, DG ECHO supported capacity-building in 26 countries with a total assistance of more than EUR 2.8 million. Some activities included improving volunteer management, complying with EU Aid Volunteers certification standards, and linking networks to improve collaboration and mutual learning.

To support the impact of this programme, DG ECHO launched in 2016 the EU Aid Volunteers Platform<sup>30</sup>. The Platform provides a network space for volunteers, volunteer sending organisations and local host organisations. It supports partnerships and collaboration between projects, houses the online volunteering activities and allows EU Aid Volunteers to share their stories from the field.

The number of proposals received in 2016 following the call for proposals was lower than expected (4 proposals for deployment instead of 6). DG ECHO will further step up outreach and communication activities to promote this new initiative in order to achieve higher rates of participation in the calls in the future.

As a result of the 2015 calls, the first 44 vacancies for volunteers were published and processed in 2016. 97 candidate volunteers went through the newly developed EU Aid Volunteers training package in the autumn. This enabled the deployment of the first 4 EU Aid Volunteers in December 2016 to Lebanon, Senegal and Haiti (with the next 40 going out early in 2017).

## **2. General Objective 2: Towards a new policy on migration**

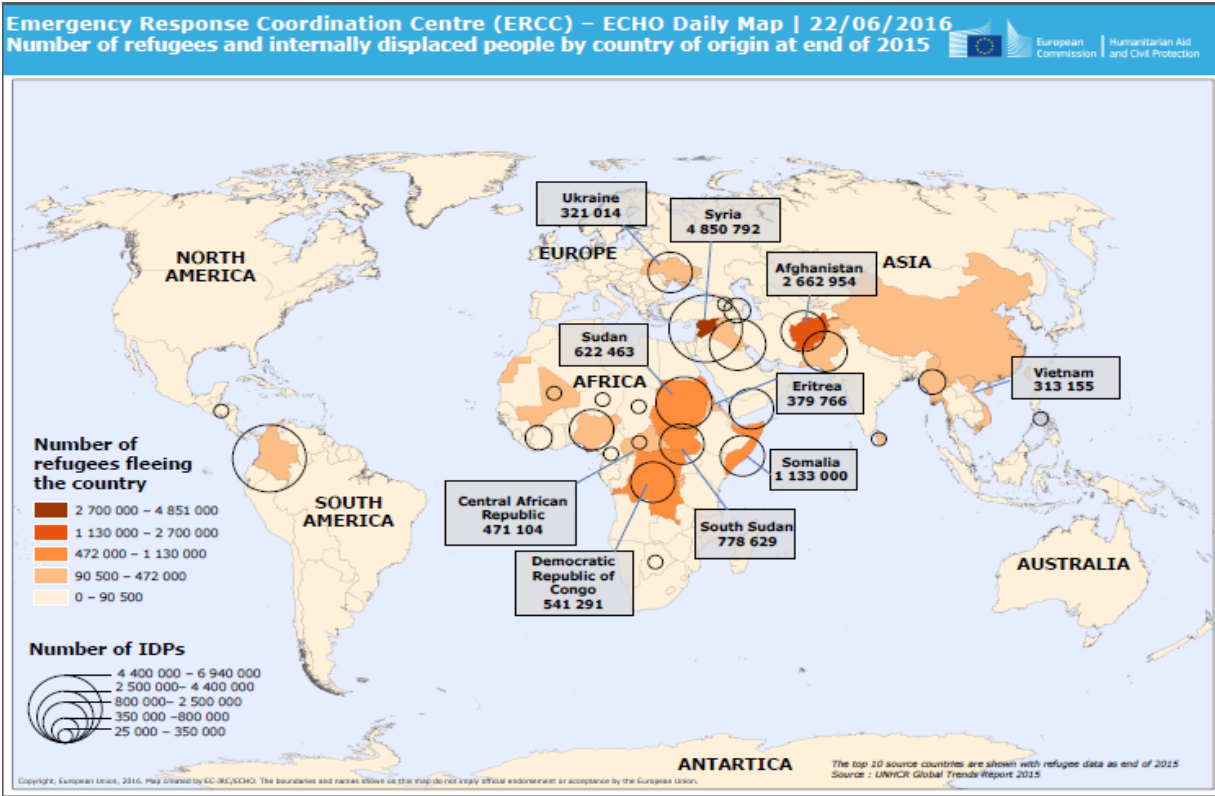
### **Specific Objective 2.1: The humanitarian needs of the most vulnerable people in refugee crises are met**

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<sup>29</sup> Regulation (EU) No 375/2014 of the European Parliament and of the Council of 3 April 2014 establishing the European Voluntary Humanitarian Aid Corps ('EU Aid Volunteers initiative') (OJ L 122, 24.4.2014, p. 1).

<sup>30</sup> [https://webgate.ec.europa.eu/echo/eu-aid-volunteers\\_en/](https://webgate.ec.europa.eu/echo/eu-aid-volunteers_en/)

There were more than 65 million forcibly displaced people in 2016. Most of them were hosted in developing countries with limited resources. Protracted displacement, i.e. lasting five or more years, has become the norm. Often forcibly displaced people for years rely on humanitarian assistance even though it is not meant to cater for long-term displacement as it cannot provide what is most needed in such situations: engagement of the human potential of the displaced, self-sufficiency and sustainable livelihoods. The critical challenge of forced displacement was highlighted in a number of international events that took place in 2016, namely the World Humanitarian Summit in May and the UN Summit on Large Movements of Refugees and Migrants in September. The latter adopted the 'New York Declaration'<sup>31</sup>, which included a number of political commitments to better manage large movements of refugees and migrants.



In April 2016, the Commission adopted a new policy approach to forced displacement: "Lives in Dignity: from Aid-dependence to Self-reliance"<sup>32</sup>. Its aim is to prevent forced displacement from becoming protracted and to gradually end dependence on humanitarian assistance in existing displacement situations by fostering self-reliance and enabling the displaced to live in dignity as contributors to their host societies, until voluntary return or resettlement. The Communication outlining this new policy expresses the Commission's commitment to a development-led approach to forced displacement. Building on strong partnerships with hosting countries, it calls for greater synergies between humanitarian and development actors, thus preventing fragmentation or overlaps, and making the response by the EU and its Member States more coherent and more effective.

**Turning the new policy approach to forced displacement into action**

<sup>31</sup> <http://refugeesmigrants.un.org/declaration>

<sup>32</sup> COM(2016) 234 of 26.4.2016.

In 2016 the Commission started implementing this new approach in concrete projects and programmes with the objective to use it systematically and in all displacement crises, e.g.: Regional Development and Protection Programmes in the Middle East, North Africa and the Horn of Africa; Joint humanitarian-development frameworks such as in the Horn of Africa, Nigeria or for the Syria regional operation; and Resilience programming under the EU Trust Funds such as the Emergency Trust Fund for Africa.

## **Refugee and migration Crisis**

### **Adoption, activation and operation of the Instrument for Emergency Support within the EU**

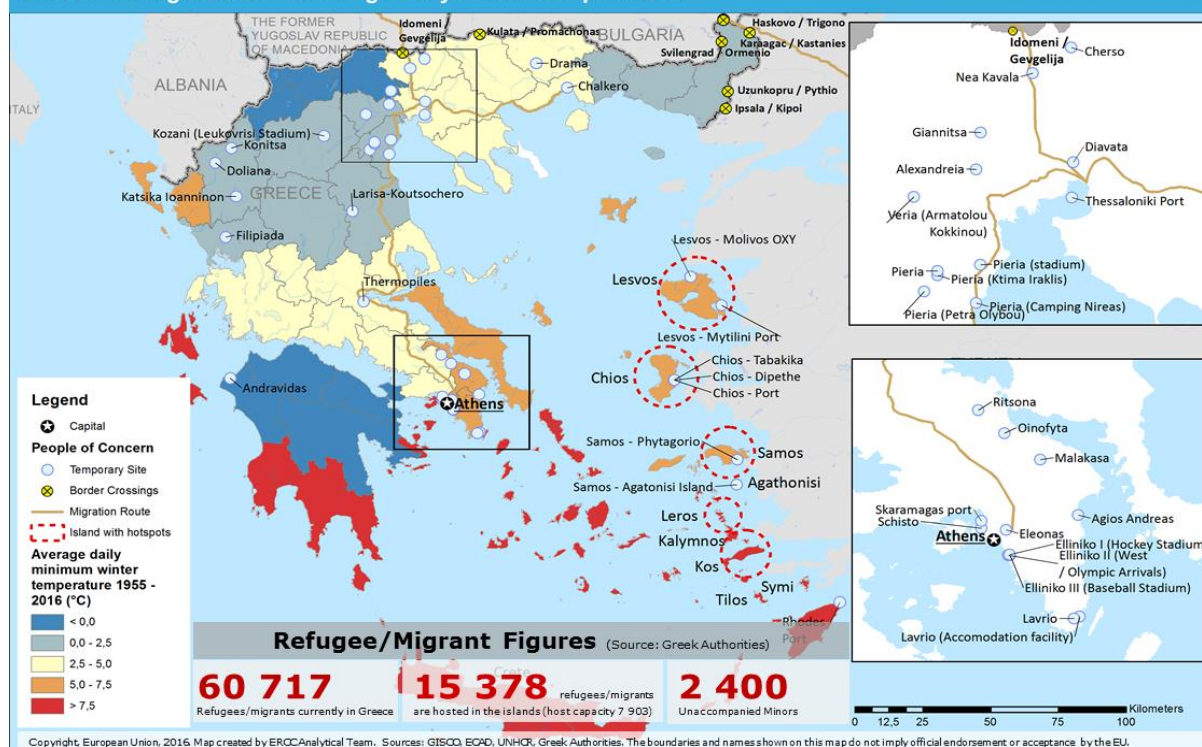
For the first time in its history, the EU faced the wide ranging humanitarian consequences of a major refugee and migration crisis on its own territory. Between January 2015 and February 2016, over 1.1 million people made their way to the EU along the Eastern Mediterranean/Western Balkans route. This unprecedented situation called for a coordinated response to provide emergency support to refugees coming into the EU.

In line with the Council's mandate and the European Agenda on Migration, the Commission adopted on 2 March 2016 a proposal for a Council Regulation on the provision of emergency support within the Union. Regulation (EU) 2016/369 was adopted by the Council on 15 March 2016<sup>33</sup>. The instrument for emergency support within the EU (ESI) was activated for three years for the management of the humanitarian impact of the refugee and migration crisis. The ESI complements the efforts of Member States in cooperation with them, only in exceptional circumstances where no other instrument available to them and to the Union is sufficient. Up to EUR 700 million was allocated for the period 2016-2018. These conditions were only met in Greece. As such, the ESI was only operational in that country. EUR 192 million was contracted with 14 partner organisations to provide emergency assistance in the following priority areas set by the Commissioner responsible for Humanitarian Aid and Crisis Management: shelter (including the installation of water, sanitation and hygiene (WASH) systems), in particular in view of the winter, cash assistance, education and protection to vulnerable refugees and in particular unaccompanied minors. Health was also an area of assistance.

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<sup>33</sup> OJ L 70, 16.3.2016, p. 1.

Greece - Refugee Crisis - Average Daily Winter Temperatures



**Provision of Shelter and Water, Sanitation and Hygiene services (WASH)**

EUR 80 million was allocated to provide shelter for over 35 000 refugees in Greece. ESI-funded activities took place in 30 temporary and permanent sites and included: site development works, the provision of tents and container units, the winterisation and rehabilitation of existing buildings. The response also funded the rehabilitation, upgrade and construction of WASH services, heating and electricity systems. Of this amount, EUR 52 million related solely to winterisation.

**Protection activities**

EUR 33 million was provided for protection activities in Greece. From this, EUR 23 million was dedicated to child protection for the estimated over 21 000 refugee and migrant children residing in Greece. The activities included: provision of psycho-social support, child-friendly spaces, case management systems, family tracing and 417 emergency spaces for unaccompanied minors (UAMs) in dedicated facilities, in alignment with Greek standards of care. Two thirds of children residing in camps benefited from child-friendly spaces. Other activities included: the protection of women, elderly and disabled persons and ensuring that migrants and refugees were well informed on their status and rights.

**Education**

With EUR 2.8 million, the EU supported transport of children to schools and the distribution of school kits to refugee children of school-going age (4-17 years) residing in Greece. In parallel, EUR 7.7 million was provided to support the delivery of complementary non-formal education activities to over 9 000 children residing in camps and urban centres, including basic maths and literacy lessons, and classes in Greek, English and mother tongue.

**Health**

Almost EUR 15 million supported primary health care, specialised healthcare, psycho-social support and referral to hospital to more than 14 000 persons on the mainland in 22 camps during 2016. An average of over 10 000 medical consultations was provided every month, in addition to vaccinations and psycho-social support.

### Provision of food and non-food items (including via cash)

EUR 18.6 million was spent on provision of food and non-food items. In 2016, UNHCR alone provided over 740 000 core relief items (blankets, clothing, rain ponchos, hats, gloves, etc.). A further EUR 6.2 million was allocated to partner organisations to cover the important aspect of site management support (one partner per site), support to operations, as well as coordination actions. Most of such items were provided through cash transfer schemes. The total cash assistance provided to refugees in Greece in 2016 was EUR 28.7 million. This amount covers a set of basic needs, replacing in-kind distribution of relief items but excluding food aid.

**Emergency support in Greece**

**Total EU funding by end of 2016:**  
**€192 million**

provides tens of thousands of refugees and migrants in Greece with shelter, food, hygiene, child friendly spaces, education, family reunification assistance and protection.

**EU humanitarian aid partners**

- UNICEF
- UNHCR
- Red Cross
- International Rescue Committee
- Danish Refugee Council
- Médecins du Monde
- OXFAM
- Save the Children
- Arbeiter-Samariter-Bund
- Norwegian Refugee Council
- International Organisation for Migration
- Mercy Corps
- CARE Germany
- Terre des Hommes

© IRC

European Commission | European Civil Protection and Humanitarian Aid Operations

### Turkey

The EU Facility for Refugees in Turkey<sup>34</sup> became operational in 2016 for a two-year period. The EU budget and Member States' assigned revenues contributed to the EUR 3 billion of the financing of the Facility.

In 2016, humanitarian assistance in Turkey amounted to EUR 600 million (EUR 165 million from the EU budget and EUR 435 million from the assigned revenues of the Member States). The Humanitarian Implementation Plan (HIP) of May 2016 was the largest one in the history of EU humanitarian assistance (EUR 505.065 million). As of the end of 2016, EUR 517 million was contracted through 27 humanitarian projects with 19 partners, covering basic needs, protection, education and health.

DG ECHO's intervention in Turkey focused on (i) launching the biggest cash transfer

<sup>34</sup> Commission Decision of 24 November 2015 on the coordination of the actions of the Union and of the Member States through a coordination mechanism — the Refugee Facility for Turkey (OJ C 407, 8.12.2015, p. 8), as amended by Commission Decision of 10 February 2016 on the Facility for Refugees in Turkey amending Commission Decision C(2015) 9500 of 24 November 2015 (OJ C 60, 16.2.2016, p. 3).

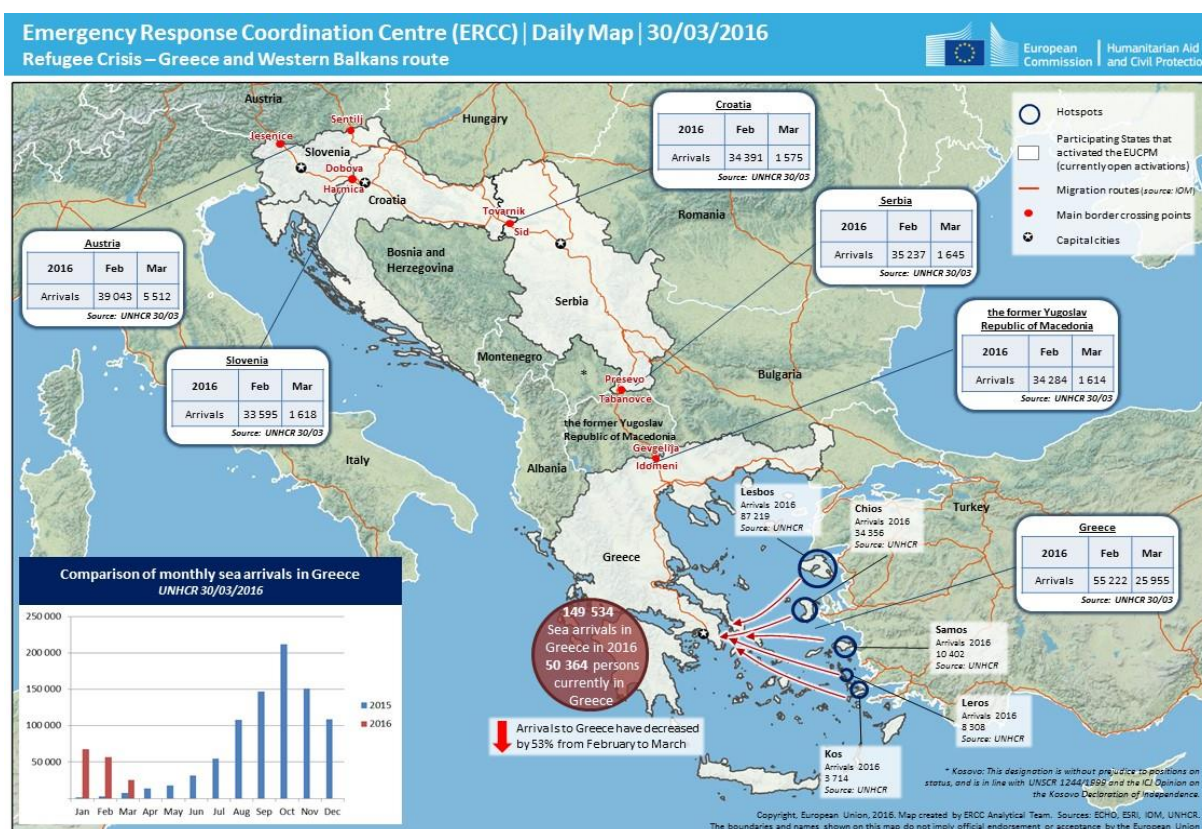
programme ever – the Emergency Social Safety Net (ESSN), (ii) providing protection assistance to refugees, (iii) improving access to quality specialized health services, in complementarity with medium- to long-term assistance, (iv) improving safe access to quality education through school transportation and support to non-formal education, and (v) emergency response and preparedness, including contingency planning and first line multi-sectorial emergency response capacity in case of massive displacements.

## EU added value

The EU played a key donor role through its allocation of EUR 505.65 million for refugees in Turkey, making it one of the most significant contributions in the history of the DG. The humanitarian arm of the EU Facility for Refugees in Turkey played its role in improving the living conditions of refugee populations in Turkey on a large scale. The ground-breaking Emergency Social Safety Net (ESSN) scheme – i.e. a single card social assistance scheme – started to help the most vulnerable refugees to meet their most pressing basic needs. Humanitarian projects, led by DG ECHO, complemented other EU assistance under the Facility that focused on education, health, migration management, municipal infrastructure and socio-economic support.

## Western Balkans

The EU has been the most important donor of humanitarian aid to support refugees and migrants with almost EUR 25 million allocated in 2015-16 for that region. DG ECHO's activities in the Western Balkans in 2016 focused mainly on the support to refugees and migrants in Serbia and the former Yugoslav Republic of Macedonia, with a series of coordinated interventions ranging from protection, food assistance, distribution of non-food items, basic health care, minors-targeted protection activities and shelter. With the funds allocated to the region, DG ECHO supported in 2016, via its humanitarian partners, the Government of Serbia's winterisation plan for 2016/2017 (for an amount of over EUR 6 million), while also supporting food distribution in the Reception Centres (EUR 3 million).



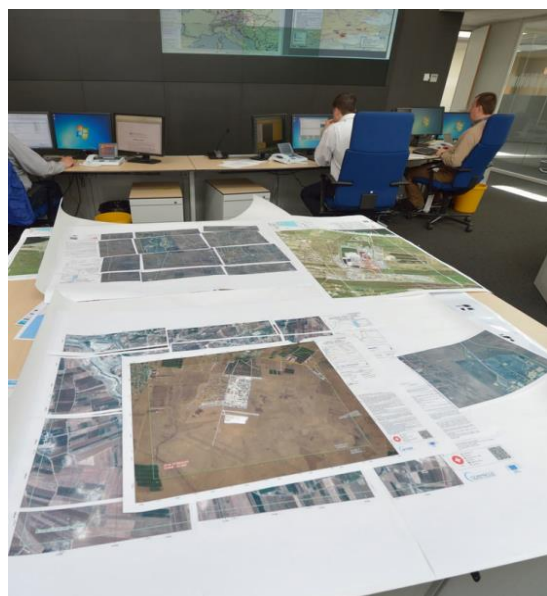
### 3. General Objective 3: A new boost for jobs, growth and investment

#### **Specific Objective 3.1: Populations and economic assets at risk of disasters in the EU are protected**

In 2016, the European Commission continued to show strong commitment to the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030 by adopting its own Action Plan in June<sup>35</sup>, covering four key areas related to four Sendai priorities - (1) building risk knowledge in all EU policies; (2) an all-of society approach in disaster risk management; (3) promoting risk-informed investments; and (4) supporting the development of a holistic disaster risk management approach - and 51 actions aiming at ensuring EU policy is disaster-informed and contributes to risk reduction. The Commission also took part actively in the negotiations at UN level on a set of common indicators and terminology (endorsed by the UN General Assembly on 2 February 2017<sup>36</sup>) to measure global progress under the Sendai Framework and support the achievement of the Sendai targets, including supporting the case for better investment in prevention and risk reduction at global, national and local levels.

DG ECHO enhanced the level of preparedness of its emergency response operations in a three-fold way: 1) by coordinating the training and exercise activities for its partners and the Union Civil Protection Mechanism; 2) by providing security management and support capacities, including security awareness measures, risk assessment for DG ECHO staff and infrastructure for missions, housing and offices; and 3) by providing rapid situational awareness and analysis of disaster situations. DG ECHO also prepared Integrated Situational Awareness and Analysis (ISAA) reports in the framework of the Integrated Political Crisis Response Arrangements (IPCR) and the Solidarity Clause.

DG ECHO also ensured a smooth implementation of the training and exercise programme within the Union Civil Protection Mechanism, offering inter alia around 1 000 training course places to member state civil protection experts and supporting between 15 and 25 exercises per year. These measures contributed to a better coordination and preparedness of Member States when disaster strikes.



DG ECHO delivered comprehensive situational analyses and risk assessments, various mapping products as well as scientific advice based on real-time information. By the end of 2016, DG ECHO had produced more than 100 background reports and analyses on major disasters around the world, including Mosul (Iraq), Haiti (Hurricane Matthew), Sudan, Italy (earthquakes); it also provided maps for other Commission services and Member States in the Council.

<sup>35</sup> [http://ec.europa.eu/echo/sites/echo-site/files/sendai\\_swd\\_2016\\_205\\_0.pdf](http://ec.europa.eu/echo/sites/echo-site/files/sendai_swd_2016_205_0.pdf)

<sup>36</sup> UN General Assembly Resolution A/71/L.54.

## 2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section responds to the question how the achievements described in the previous section were delivered by the DG. This section is divided into two subsections.

The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive; appropriately covering all activities, programmes and management modes relevant for the DG.

The second subsection deals with the other components of organisational management: human resources, better regulation principles, information management and external communication.

### 2.1 Financial management and internal control

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, supported by the work of the control sector and the audit activity performed by the external auditors. Its results are explicitly documented and reported to the Director-General through:

- The reports of Authorising Officers by Sub-delegation managing DG ECHO budget appropriations;
- the reports from Authorising Officers in other services managing budget appropriations in cross-delegation, in particular regarding the management for funds devoted to EU Aid Volunteers programme by EACEA<sup>37</sup>;
- the reports and/or management declarations from the Organisations managing grants under indirect management and the reports from the managers of the EU Trust Funds which DG ECHO contributed to;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level;
- the reports of ex-post audits on legality and regularity;
- the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG ECHO.

This section reports the control results and other relevant elements that support management's assurance. It is structured into: (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of the internal control system, and resulting in (d) Conclusions as regards assurance.

The inherent risks of DG ECHO are associated with the nature of its operations.

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<sup>37</sup> EACEA: Education, Audiovisual and Culture Executive Agency, which is entrusted with the management of the EU Aid Volunteers programme.

Humanitarian aid is delivered in difficult environments characterised by unpredictability, volatility, insecurity and difficult access to affected people, which makes proper implementation a true challenge. DG ECHO seeks to contain and reduce the risks to an acceptable level, inter alia through its control architecture and security policy and guidance, which builds upon a series of checks and controls, including reporting, monitoring and audits<sup>38</sup>. DG ECHO can draw to that effect upon its extensive field network. In this context, DG ECHO puts high emphasis on the balance between the achievements of its policy objectives and the need for efficient financial/operational control of its activities. It has therefore developed since some years an appropriate framework for operations managed remotely by ECHO's partners and for which direct monitoring by DG ECHO staff is also limited.

It is against this background that DG ECHO had witnessed in 2016 that partners were unable to apply certain standard procedures while delivering life-saving support in besieged areas, such as in some parts of Syria, leaving hundreds thousands people without the essential humanitarian assistance. In such contexts, the security issue for humanitarian workers, as well as beneficiaries of humanitarian aid, also had to be carefully considered. To respond to the humanitarian imperative while continuing to comply with the Financial Regulation in regard of legality and regularity without increasing the risk for humanitarian workers, DG ECHO has developed a framework of specific procedures and verification methods to minimise the risk for EU funds during the implementation of these actions subject to Exceptional Extreme Operational Constraints (EEOCs). These specific procedures are aligned with the Financial Regulation, as formally confirmed by the Central Services of the Commission. The European Parliament, the European Court of Auditors, the European External Action Service as well as the relevant services of the European Commission<sup>39</sup> have been informed in a thorough and timely manner during the process.

## 2.1.1 Control results

This section reports on and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives<sup>40</sup>. The DG's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

Regarding the execution of the budget the two tables below show, for 2016, the execution for commitments and payments broken down by area of expenditure:

COMMITMENTS					
Chapter	Initial Budget	Final Budget	Implementation	Unused	% used
Humanitarian aid *	1 129 721 941	2 347 562 959	2 347 077 248	485 711	99.98%
<i>Including:</i>					
<i>EDF appropriations</i>		173 000 000			
<i>External assigned revenue</i>		519 000 000			
<i>Dairy products distribution</i>		24 000 000			

<sup>38</sup> On DG ECHO's internal control architecture, see also pages 33 and following.

<sup>39</sup> SG, DG BUDG and SJ.

<sup>40</sup> Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programs as well as the nature of the payments (Article 32 FR).

EU Aid Volunteers	16 885 000	8 295 175	8 119 639	175 536	97.88%
Civil protection	48 125 000	41 644 554	39 241 806	2 402 748	94.23%
Emergency support in the EU	0	247 500 000	247 500 000	0	100.00%
Support expenditure	10 039 000	11 280 174	10 242 616	1 037 558	90.80%
<b>Total</b>	<b>1 204 770 941</b>	<b>2 656 282 862</b>	<b>2 652 181 310</b>	<b>4 101 552</b>	<b>99.85%</b>

The EU budget for humanitarian aid, in commitments, amounted in 2016 to EUR 2 348 million (+42.8% compared to 2015) and has been the highest ever, mainly due to several reinforcements received during the year made to address major crises, in particular the impact of the Syria crisis and the related movement of the affected population. This record amount also includes the Facility for the Refugees in Turkey, as well as the new Emergency Support Instrument, which provides assistance to refugees in the EU. Among the other crises having received significant reinforcements, the acute crises in South Sudan, Yemen, Iraq, Lake Chad Basin and the countries affected by the El Niño phenomenon are worth mentioning.

The unused amounts at the end of the year are very limited representing 0.15% of final budget. To be noted that unused funds include EUR 1.8 million, which are automatically carried over to the 2017 budget.

Operations were implemented through 1 523 agreements/contracts (1 457 in 2015) under direct management (DM, i.e. 41%) and indirect management (IM, i.e. 59%). Humanitarian operations and Emergency Support in EU were implemented by partners, which are NGOs (38%), UN agencies (51%) and other international organisations (11%). Civil Protection and EU Aid Volunteers were exclusively implemented in direct management.

## PAYMENTS

Chapter	Initial Budget	Final Budget	Implementation	Unused	% used
Humanitarian aid *	1.492.105.205	2.285.927.793	2.197.046.974	88.880.819	96,11%
EU Aid Volunteers	13.200.000	6.803.675	6.348.978	454.697	93,32%
Civil protection **	47.611.429	47.418.746	36.920.122	10.498.624	77,86%
Emergency support in the EU	0	138.700.000	138.630.000	70.000	99,95%
Support expenditure	10.039.000	11.280.174	5.201.225	6.078.949	46,11%
<b>Total</b>	<b>1.562.955.634</b>	<b>2.490.130.388</b>	<b>2.384.147.298</b>	<b>105.983.090</b>	<b>95,74%</b>

\* including EDF appropriations (EUR 249M), dairy products distribution (initial EUR 30M) & external assigned revenue (EUR 356M).

\*\* including NEAR/ECHO appropriations (EUR 4.69M).

The budget for 2016 in payments amounted to EUR 2 490 million (+80.8% compared to 2015) and was the highest ever mainly due to the budgetary reinforcements referred above. From its budget (chapter 23 02), DG ECHO contributed to the following trust funds managed by other Commission's services:

	Commitments	Payments
EU TF Africa (DEVCO)	10 000 000	10 000 000
EU TF MADAD (NEAR)	3 000 000	0

EU TF Colombia (DEVCO)	2 000 000	0
EU TF Bêkou (DEVCO)	1 000 000	1 000 000
<b>Total</b>	<b>16 000 000</b>	<b>11 000 000</b>

The EU humanitarian aid budget (chapter 23.02) has been implemented at 96%. Underspending for payments was due to operational constraints (security, access to given conflict areas), as well as financial and reputational considerations, which have led to the decision to keep a number of contracts on hold (until the underlying situations would be satisfactorily cleared). The Commission has accepted to carry over a rather limited amount of some EUR 85.8 million, which is deemed necessary to fully cover the estimated needs in 2017. The amount of re-assigned revenue (EUR 2.7 million) is automatically carried over to 2017.

In terms of payments, the payment appropriations available under the Emergency Support Instrument (chapter 18 07) were virtually disbursed at 100%<sup>41</sup>.

The EU Aid Volunteers programme (chapter 23 04) has been implemented at 93%. Following a forecast analysis the initial amount was reduced during the year by EUR 6.4 million, which limited the amount non used at the end of the year to EUR 0.5 million. Payment needs arising from the call finalised in 2016 resulted in lower pre-financing payments. Therefore, in the framework of Global Transfer Exercise, this amount was proposed for re-allocation within the EU budget. The proposal was not accepted as the funds could not be used through other budget lines.

With respect to civil protection (chapter 23 03), out of the EUR 10 million unused payment appropriations on the various budget lines, EUR 1.5 million related to re-assigned revenue are automatically carried over to 2017. In the case of the prevention and preparedness activities, the underspending is due to late submission of final reports by beneficiaries and claimed expenditure lower than established in contracts and agreements. Regarding the response to natural disasters, the fact that 2016 has known a lower level of requests for transport interventions linked to emergencies explains the low consumption. An amount of EUR 8.3 million was also proposed for re-allocation under the Global Transfer Exercise. The proposal was also refused for the same reasons as those explained previously.

The partial implementation of payment appropriations for support expenditure is due to the specific rules applying to administrative expenditure, the balance is carried over (for payments) to the following year. The overall consumption over 2 years is usually close to 100%.

The proper implementation of funded actions, applicable to both management modes (direct and indirect management), is ensured through several layers of checks and controls at the various stages of the project cycle of DG ECHO operations. These controls should not be seen in isolation, each of them contributing to providing the overall reasonable assurance on the legality and regularity of transactions. The main aspects of the control strategy developed, its supervision and monitoring procedures and the ex-ante and ex-post controls applicable to both direct and indirect management are described below:

- Selection and quality control mechanisms for partners (through regular and ad-hoc assessment of NGOs and 6-pillar review and regular assessment of International Organisations);
- Needs based assessment for identification of actions to be funded;

<sup>41</sup> Out of EUR 138.700.000, a total of EUR 138.630.000 (i.e. 99,95%) was spent.

- Ex-ante controls on the selection of projects, and before the contract's signature;
- Regular monitoring of all projects, including field visits of the actions;
- Control of eligible expenditure both by operational and financial desk officers to ensure that financial transactions are in conformity with the applicable rules;
- Financial audits done during and after implementation of the actions<sup>42</sup>;
- Evaluation and review programs.

### **Coverage of the Internal Control Objectives and their related main indicators**

- **Control effectiveness as regards legality and regularity**

A series of internal control processes aims to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

Ex-ante controls are performed on all eligible expenditure claimed by partners to ensure conformity with the applicable rules before performing the final payment. This control is done by both the operational and financial desks. The value of the indicators is the following (in EUR million):

Indicator	Multi-Annual (2014-16)	2016		2015	2014	Budget Coverage*
		IM	DM			
Detected ineligible expenditure by ex-ante controls	20,5	0.7	3.7	7.3	8.8	99.9%
Detected ineligible expenditure by ex-post audits	12.5	0.8	3.7	5.1	2.9	99.4%
Residual error rate	1.09%	0.54%	1.29%	1.59%	0.74%	99.4%
Recovery orders following audit/verifications	7.7	0.9	3.1	2.2	1.5	99.4%
Cashed in/Offset	6,6	0.9	2.7	2.0	1.0	99.4%

\* expenditure

In 2016 a total of EUR 4.4 million (EUR 7.3 million in 2015) was detected and corrected following ex-ante controls; of which EUR 3.7 million (EUR 6 million in 2015) related to expenditure implemented under direct management, and EUR 0.7 million (EUR 1.3 million in 2015) under indirect management.

Additional controls are ensured by the implementation of DG ECHO audit strategy. The audit strategy ensures that every partner organisation is selected for audit on average every four years. A broad sample of contracts with each chosen partner is then selected

<sup>42</sup> Field audits are conducted on projects under implementation and HQ audits are carried out after finalisation of projects.

for audit. The contract sample is designed in order to take into account criteria such as the relative amount of agreements, the type of management used, the complexity of activities and risk analysis (contracts judged to be at higher risk, information from previous audits, specific requests from the desks, or other risk assessments). Audits are carried out on a representative sample of the costs incurred on these contracts.

The implementation of the Annual Audit Plan resulted in the detection of ineligible expenditure totalling EUR 4.5 million, where EUR 3.7 million are related to expenditure implemented under direct management and EUR 0.8 million under indirect management (in 2015, all detected EUR 5.1 million non-eligible expenditure had been paid under direct management).

The value of recovery orders issued following audits amounted to EUR 4.0 million in 2016 (EUR 2.2 million in 2015). This represents an amount of EUR 3.1 million (EUR 2.1 million in 2015) related to expenditure implemented under direct management and EUR 0.9 million (EUR 0.1 million in 2015) under indirect management.

EUR 3.6 million have been cashed in 2016, representing 89 % of the total value of recovery orders (EUR 2 million, and 91%, in 2015). The outstanding non-cashed amounts are related to recoveries for which process is still on-going.

The resulting detected error rate (see table below) for the period 2014-16 amounts to 1.09% and covers 99.4% of all payments executed during the year<sup>43</sup>.

	Cumulative	2016	2015	2014
A) Detected ineligible expenditure (source audit database)*	12.5	4.5	5.1	2.9
B) Value of projects audited and closed (source audit)	990.5	359.3	290.2	341
C) Representative Detected Error rate	<b>1,3%</b>	<b>1.2%</b>	<b>1,8%</b>	<b>0.8%</b>
D) Final budget	5 104.7	2 367.4****	1 246.3	1 491
E) Value of projects audited and closed (source audit)	-990.5	-359.3	-290.2	-341.0
F) Outstanding Budget Unaudited	4 114.2	2 008.1	956.1	1 150
G) Uncorrected detected ineligible items by audits	4.8	0.5	2.9	1.4
H) Amount at risk**	55.5	24.6	19,8	11.1
Residual error rate***	<b>1.09%</b>	<b>1.04%</b>	<b>1.59%</b>	<b>0.74%</b>

\* The detected ineligible expenditure is the amount (in EUR million) of expenditure considered non eligible as results of audits.

\*\* The amount at risk is the representative detected error rate (C) multiplied by the part of the budget which has not been audited (F) and the amount of detected ineligible expenditure not corrected (G).

\*\*\* The residual error rate is the ratio between the amount at risk (H) and the final budget (D).

\*\*\*\* EUR 2 367 Million plus EUR 11 Million EUTF plus EUR 6 million implemented by EACEA equal to EUR 2 384 million.

The Multi-annual residual error rate for the period 2014-2016 is 1.09%, which remains

<sup>43</sup> To be noted that Administrative and Support Expenditure, and the EU Aid Volunteers expenditure are not included within the scope of the Annual Audit Plan.

below the set materiality threshold of 2%. In detail, the error rate in 2016 for expenditures in direct management (DM, i.e. grant agreements to NGOs) was 1.29%, while in indirect management (IM, i.e. contributions to International Organisations and UN agencies) it was 0.54%.

	Detected ineligible expenditure	Value of projects audited	Representative DER	Implementation	Value of projects audited	Outstanding Budget Unaudited	Uncorrected detected ineligible items	Amount at risk	RER
IM	0,8	127,0	<b>0,6%</b>	1.357,4	-127,0	1.230,4	-0,1*	7,4	<b>0,54%</b>
DM	3,7	232,3	<b>1,6%</b>	1.010,0	-232,3	777,7	0,6	13,0	<b>1,29%</b>

\* As errors detected previously have been equally recovered in 2016, the total correction is higher than the total of the errors requiring correction detected in 2016.

The expenditure relative to the EU Aid Volunteers programme has not been considered in the final budget, as managed by EACEA. Equally the amounts transferred to EUTFs (see above) have not been considered.

In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are also consolidated.

	Pay-ments made	<i>minus</i> new pre-financing	<i>plus</i> cleared pre-financing	<b>Rele-vant expenditure</b>	Average Error Rate ( <i>weighte d AER</i> ; %)	Estima ted overall amount at risk at <i>pay-ment</i>	Average Recove-ries and correc-tions ( <i>adjuste d ARC</i> ; %)	Estima ted future correc-tions	<b>Estima ted overall amount at risk at clousure</b>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DG ECHO	2 132*	1 770	1 075	<b>1 438</b>	1.2%	17.3	0.4%	5.8	<b>11.5</b> <b>0.8%</b>

\* EUR 2 132 plus EUR 248 million (EDF) plus EUR 6 million (EU Aid Volunteers, implemented by EACEA) plus EUR 5 million (EU Civil Protection, implemented by NEAR) minus EUR 7 million (administrative expenditure to be paid in 2017) is consistent with the DG ECHO's implementation presented on page 29 (EU R 2 384 million)

The estimated overall amount at risk at payment for the 2016 payments made is EUR 17.3 million. This is the AOD's best, conservative estimation of the amount of *relevant expenditure* during the year not in conformity with the applicable contractual and regulatory provisions at the time the payment is made. The historical average of recoveries and corrections did not need for adjustment towards the best conservative estimation for the future correction.

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections for those 2016 payments made are EUR 5.8 million. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years. The difference between those two amounts leads to the estimated overall amount at risk at closure of EUR 11.5 million.

- **Cost-effectiveness and efficiency**

Based on an assessment of the most relevant key indicators and control results, DG ECHO has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion.

The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. This section outlines the indicators used to monitor the efficiency of the control systems, including an overall assessment of the costs and benefits of controls.

DG ECHO has produced an estimation of the costs of the main control processes. However, there are a number of non-quantifiable benefits resulting from the controls operated during several different control stages, namely the monitoring of actions, ex-ante field audits and the certification and regular assessment of partners.

The benefits of control in non-financial terms cover: better value for money, quality assurance and compliance with professional quality standards, deterrent effects, efficiency gains, system improvements and compliance with regulatory provisions.

The following indicators support the analysis of control efficiency:

Indicator	2016	2015	Budget Coverage*
Average time to pay	30.2 days	28.2 days	100%
Payments within legal time	80.2%	83.8%	100%
Consumption rate of payment appropriations <sup>44</sup>	94.4%	99.5%	100%
Financial assessment of partners	100%	100%	43%
Monitoring of actions	93.0%	96.5%	97%

\*Payments

- The average time to pay was 30.2 days. This confirms the commitment DG ECHO took in 2015, when the average time to pay in 2014 was 46 days, to fulfil the requirements of the Financial Regulation in terms of payment deadlines. Special attention continued to be put on the follow up of pre-financings, raising awareness amongst staff and looking at measures for improving the workflow between units involved in the financial circuit. The lower percentage of payments within legal time can be due to the huge increase in the number of operations managed by DG ECHO in 2016.
- The consumption rate of payment appropriations has been done at a high, satisfactory level. The slightly reduced rate compared with 2015 is due to operational constraints (security, access to given conflict areas), as well as financial and reputational considerations, which have led to the decision to keep a number of contracts on hold (until the underlying situations would be satisfactorily cleared).
- DG ECHO performs regular assessment of partner NGOs. The process starts with the assessment of non-governmental organisations who apply to sign a

<sup>44</sup> Excluding externally assigned revenue.

Framework Partnership Agreement (FPA) with DG ECHO, in order to become partner. In 2016, 32 organisations applied, 10 were invited to sign an FPA while 16 were rejected, sometimes very early in the selection process, and the remaining applications were still under evaluation at the end of the year.

As part of the partnership, NGOs are assessed periodically in order to check that the conditions needed for the signature of the framework contract are still met. "Periodically" means that partners are invited to submit information relating to their annual accounts as soon as it is available. The methodology applied to the assessment of partners focuses on NGOs' financial robustness, the assessment of compliance of partners' procurement rules with the applicable general conditions, and a follow-up upon the audit recommendations that have been made to the partners in the framework of DG ECHO's audit strategy. It should be noted that the operational capacity of partners, either NGO, International Organisations (IOs) or UN, is systematically assessed for the 100% of the proposal received.

- Monitoring of actions is one of the pillars of DG ECHO's control architecture and it is ensured by the geographical desks at headquarters and technical assistants in the field. According to the data available on January 2017, 727 actions were monitored in the field out of 780, representing a coverage of 93% (96.5% in 2015). Monitoring may not be possible in some cases due to problems of access, security and other constraints. It should be noted that actions which have been granted under the modalities Remote Management (RM) or Exceptional Extreme Operational Conditions (EEOCs) are excluded from monitoring. In this case it is considered that the security and access issues are globally inhibiting any presence of ECHO staff: in 2016, in total, 6% of actions were not visited due to security constraints.

Cost effectiveness is assessed on the basis of the following indicators and considerations (in EUR million):

Indicator	2016	2015	Budget Coverage*
Average cost of audits	0.015	0.021	99.4%
Estimated cost of controls	41.4	36.9	100%
% of cost of control over payments	1.7%	2.7%	100%
Estimated quantifiable benefits	10.6	15.0	99.4%

\* Payments

The average cost per audits (including ex-ante field audits, ex-post audits and UN verifications) was EUR 15 600. The cost of audit assignments undertaken by audit firms for outsourced audits amounted to EUR 1.6 million in 2016 (EUR 2.1 million in 2015). Underspending in 2016 was principally due to delays in the finalisation of the audit plan 2016, in conjunction with the expiration of the existing audit Framework Contract in July 2016.

The estimated cost of the controls<sup>45</sup> strategy represents 1.7% of the indirect management 2016 budget and 1.8% of the direct management 2016 budget; the estimated total absolute value amounts to EUR 41.4 million (EUR 36.8 million in 2015). The main components of this indicator are:

<sup>45</sup> The amounts of EDF budget and assigned revenues managed by DG ECHO are taken into account in the calculation of the cost of controls.

- The total staff costs of field experts, plus those of the financial and operational units multiplied by the estimated portion of time (50%) dedicated to quality assurance, control and monitoring activities;
- The total resources of the Control sector, which is composed of 9 staff members, of which 5 are auditors, plus an implemented budget of EUR 1.6 million for contracts with external audit firms.

The estimated quantifiable benefits resulting from the implementation of the control strategy represent an amount of EUR 3.4 million for the indirect management and EUR 7.2 million for the direct management. This figure includes the detection and correction of ineligible items through ex-ante controls plus audits. Note that detected ineligible expenditure as results of ex-ante field audits is neither recoverable nor reported as detected error rate by ex-post audits as they are corrected by either the partners before submission of the final report or by the ex-ante controls.

In order to have a fair and full picture of the impact of the control architecture, the previous figure should be read in combination with those benefits which, due to their nature, are unquantifiable but no less important. The main unquantifiable benefits are:

- The preventive effect of limiting operations to those organisations which after having been duly assessed, have qualified to become a partner organisation through the signature of a partnership agreement;
- The deterrent effect of the implementation of both ex-ante controls and ex-post controls, leading to a limitation of the occurrence of ineligible items and, more generally, to the promotion of sound financial management;
- The quality assurance effect through the policy applied for monitoring of actions, which guarantees that objectives are met, quality standards are respected and overall that public money is used effectively and efficiently for the intended purpose.

The estimated cost of controls which is not covered by quantifiable benefits (i.e. cost of controls minus quantifiable benefits) amounts to EUR 30.8 million, representing 1.6% of the 2016 budget (1.7% of the 2015 budget). It is estimated that the unquantifiable effect of controls would at least outweigh this figure. In addition the contribution of the quality assurance dimension to the overall effectiveness represents a huge potential for additional benefits. The compliance of funded actions with relevant quality standards is one of key performance indicators, ensuring that the management and control procedures in place will actually achieve their intended qualitative purposes. Based on these considerations, it is possible to reasonably conclude that the unquantifiable benefits outweigh the part of the cost of controls not covered by the quantifiable benefits.

Based on an assessment of the most relevant key indicators and control results, DG ECHO has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion.

- ***Fraud prevention and detection***

The Anti-Fraud Strategy (AFS) 2016-2020 was adopted in the first half of 2016 on the basis of a revision of the previous AFS. It takes into account the IAS recommendations formulated following their audit of the AFS in 2015, and has been validated by the European Anti-fraud Office (OLAF).

This AFS includes an action plan with, inter alia, a number of actions to increase fraud awareness among staff in HQ and in the field, as well as a commitment to adapt the control architecture to risk levels. Monitoring of the implementation of the Strategy is done periodically and included in the reporting to management. As part of the AFS, fraud

awareness has been included in trainings provided to staff and one specific action targeted the field staff.

In 2016, 39 allegations have been reported (25 in 2015). DG ECHO has immediately taken all necessary measures to protect the financial interests of the Commission through the analysis of financial, operational and reputational risks by establishing close liaison with the field experts, partners and the competent authorities and, when necessary, by freezing of operations, contracting and payment.

Based on the results of the prima facie assessment of the information, 9 cases were transmitted to OLAF (3 in 2015), of which 3 in the context of the same investigation. Following DG ECHO reporting, OLAF opened 2 cases while 3 were still at selection stage. During the same period, OLAF initiated 3 cases and closed 1, all based on other sources of information. Equally, OLAF closed in 2016 the investigation for a case transmitted in 2015.

No cases were transmitted to the Commission's Investigation and disciplinary Office (IDOC) in 2016.

Considering the level of fraud impact faced by DG ECHO, in particular the financial prejudice recorded by OLAF in the remit of DG ECHO, the residual risk of fraud does not justify additional temporary measures until full implementation of the action plan. DG ECHO maintains tight cooperation with OLAF and follows the ongoing cases closely. Therefore it is possible to conclude positively on assurance in respect of fraud risk.

## 2.1.2 Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the opinion of the Internal Auditor on the state of control, which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

All observations and recommendations included in the reports of the Internal Audit Service (IAS), the European Court of Auditors (ECA) and the Discharge process or Budget Authorities are transmitted to DG ECHO management, according to their respective roles, and appropriate corrective action is taken. The main issues for 2016 are detailed by control body.

### Internal Audit Service (IAS)

In 2016 the IAS finalised two follow-up audits. The objective was to assess the progress made in implementing the accepted recommendations addressed that were declared as ready for review:

- Second follow-up of IAS audit "*Financial Management of Humanitarian Aid*". The only 1 recommendation Ready for Review was assessed as implemented.
- First follow-up of IAS audit on "*Contribution Agreements with UN bodies and Other International Organisations*". 3 recommendations Ready for Review were considered as implemented, while one as partially implemented. DG ECHO set as revised date 31 October 2017.
- First follow-up of IAS audit on "*Adequacy and Effective Implementation of DG ECHO's Anti-Fraud Strategy*". All 4 recommendations were assessed as implemented.

Regarding previous recommendations, at the end of 2016 no "critical" or "very important" recommendations were still open. Eight "Important" recommendations were still considered as open by the IAS at the end of 2016. They relate to:

- Increasing coordination of audit efforts and improved planning of audits over the year;
- Follow-up of recommendations drawn by DG ECHO's ex-post audits as implemented by partners and deterrents for not implementing system recommendations;
- Better integration of audit conclusions, including recommendations, in existing IT tools;
- Organisation of a fail over test for critical information systems (civil protection).

The IAS conclusion on the state of play of DG ECHO internal control is that the internal control systems audited in DG ECHO are working satisfactorily.

### European Court of Auditors (ECA)

In the framework of its declaration of assurance (DAS), the European Court of Auditors (the Court) conducted an assessment, in respect of the financial year 2016, of the legality and regularity of transactions and of the supervisory and control systems put in place by the DGs. To date, the Court considered actions funded by DG ECHO from the budget for humanitarian aid (4 partners) and for civil protection (3 Participating States) as well as from the European Development Fund (3 partners). The DAS 2016 exercise is

still ongoing. According to DG ECHO calculations, the DAS 2015 reported an error rate of 1.88%

In 2016 the Court concluded two performance audits on DG ECHO. The first one is the Special Report concerning "*DG ECHO support to populations affected by conflicts in the African Great Lakes Region*"<sup>46</sup>. The question being assessed was: "*Did DG ECHO effectively manage its support to populations affected by conflicts in the African Great Lakes Region?*" The Court concluded that the delivery of humanitarian aid was generally managed effectively by the Commission. The needs assessment carried out was comprehensive and the flexibility to react quickly was ensured. Most of the projects verified were satisfactory. DG ECHO is currently working on a detailed action plan which will address the weaknesses that the Court nevertheless identified.

The second performance audit concerned the "*Effectiveness of the Commission's coordination of EU response to disasters outside the Union*"<sup>47</sup>. The question being assessed was: "*Has the Commission's coordination in response to disasters outside the Union been effective since the establishment of the Union Civil Protection Mechanism in 2014?*" The Court concluded that the Commission's management, through its 24/7 Emergency Response Coordination Centre, had been broadly effective. The activation of the UCPM had, in general, been timely and the EU civil protection teams had helped to coordinate the participating countries' teams on the ground. This work had been made more effective by the widespread sharing of information. The auditors did find areas for further improvement and made some recommendations which will be implemented in an action plan which was already approved.

In 2016, DG ECHO was requested by the Court to provide detailed information in the framework of other three performance audits, where DG DEVCO<sup>48</sup> and DG SANTE<sup>49</sup> were the main audited services. No recommendations have been addressed to DG ECHO in this context.

In conclusion as regards audit observations and recommendations issued by control bodies, the corresponding action plans have been established and/or are in the course of being implemented. At this stage, no exceptions to their timely implementation are expected and they do not have any impact on quantitative or qualitative terms on the assurance to be provided in with this report.

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<sup>46</sup> Special report no 15/2016, published on 04/07/2016.

<sup>47</sup> The Special Report no 33/2016 has been formally published on 18/01/2017.

<sup>48</sup> The two audits concerning DG DEVCO are still ongoing.

<sup>49</sup> Special Report 28/2016 "Dealing with serious cross-border threats to health in the EU: important steps taken but more needs to be done", published on 08/12/2016.

## 2.1.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

DG ECHO has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

The functioning of the internal control systems has been closely monitored throughout the year by the systematic registration of exceptions (ICS 8) and internal control weaknesses (ICS 12). The underlying causes behind these exceptions and weaknesses have been analysed and alternative mitigating controls have been implemented when necessary. Out of the total 8 non-compliance events recorded in 2016, 6 concerned situations of *saisine à postériori*<sup>50</sup>.

DG ECHO management agreed in 2008 that all 16 Internal Control Standards<sup>51</sup> (ICSs) were to be reviewed at least once over a five year period (ICS 15). The review of all ICS was completed in 2012, and a new cycle of review of the ICS was initiated in 2013. However in 2016 the Commission decided to revise the Internal Control framework, planning the introduction of the new one in 2017. Therefore the Management of DG ECHO decided to close the cycle with a specific selection taking in account the new organisational chart entered in force on 1 July 2016.

Consequently, the following four ICSs were selected for review in 2016:

- ICS 1: Mission;
- ICS 2: Ethical and Organisational value;
- ICS 5: Objectives and performance indicators;
- ICS 8: Processes and procedures.

To assess how effectively the selected ICS had been implemented in 2016, DG ECHO performed a desk review assessment in accordance with DG BUDG's guidance<sup>52</sup>. The review was based on:

- 1) The information collected throughout the year by the Internal Control team in its role as responsible for internal control matters (ICS compliance update, information from management meetings, audit/control information (IAS, ECA, OLAF, exception reports (ICS 8), risk management exercise (ICS 6), identification of internal control weaknesses (ICS 12), relations with central services etc.);
- 2) Interviews with the relevant staff in charge of the implementation of the internal control standards to obtain the necessary explanation and supporting evidence allowing concluding on the effectiveness of the four scrutinised ICS.

The above exercise concluded that ICSs 1, 5 and 8 were effective, while ICS 2 was

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<sup>50</sup> Legal commitments signed before the related budgetary commitment – breach of Article 86 of the Financial Regulation.

<sup>51</sup> To be noted that ICS 16 – Internal Audit Capacity, is no longer applicable since 1.3.2015.

<sup>52</sup> Which is an integral part of the Communication SEC(2007) 1341 on the revision of the ICS.

partially effective.

While the recommendations issued during the 2014 review of ICS 2 had been broadly implemented, the 2016 reorganisation of DG ECHO and the recentralisation of HR management in the Commission impacted the current implementation of the ethics awareness planning. As a consequence of the entry in force of a new Internal Control framework, the situation will be globally reassessed in 2017.

Concerning the overall state of the internal control system, generally the DG complies with the three assessment criteria for effectiveness, i.e. (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed the DG to its key risks.

Further enhancing the effectiveness of the DG's control arrangements in place, by inter alia taking into account any control weaknesses reported and exceptions recorded, is an on-going effort in line with the principle of continuous improvement of management procedures.

DG ECHO has assessed the internal control systems during the reporting year and has concluded that the internal control standards (version 2012) are generally implemented and functioning as intended.

## **2.1.4 Conclusions as regards assurance**

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 2.1.3) and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director-General of DG ECHO.

Despite the incremental increase of the general budget, and the establishment of a new implementing instrument (ESI) in the course of the year, with an important own budget (EUR 138.7 million), DG ECHO could confirm a low level of residual error rate (1.04%) with a global implementation rate of 95.74%. At corporate level, the overall amount at risk at closure has been as low as EUR 11.5 million. In order to address the risks related to the legality and regularity of the transactions, a value of EUR 359.3 million has been audited (auditing grants implemented in both direct and indirect management), identifying EUR 4.5 million of errors (not detectable ex-ante) necessitating a correction. It is calculated that the global cost of control corresponded in 2016 to 1.7% over payments, generating an estimated quantifiable benefits of EUR 10.6 million.

It should be noted that 2016 saw an increase in the number of projects that were not monitored in the field due to security constraints, corresponding to a 6% (3.5% in 2015). In this context, DG ECHO has put in place procedures to ensure legality and regularity of underlying expenditures for operations implemented under exceptional extreme operational constraints and/or remote management. These procedures include specific requirements to be respected by ECHO partners before and during the implementation of these operations, as well as at reporting stage.

Consequently, DG ECHO reacted swiftly to allegations of wrongdoings in order to protect the financial interests of the Commission, transmitting to OLAF all necessary information. On the other hand, the IAS concluded that DG ECHO's internal control system worked satisfactorily and noted that no "critical" or "very important" recommendations were still

open. The ECA found in 2016 that ECHO's operations are in general well managed and effective: while the DAS 2016 is still ongoing, it is not expected to have any impact on qualitative or quantitative terms.

Taking into account the information reported in parts 2 and 3 sections 2.1.1-2.1.4, including the various reports from internal and external controlling bodies, there is satisfactory evidence that the internal control system in its entirety is implemented effectively in DG ECHO. The procedures put in place ensure the control of the main risks and in doing so provides reasonable assurance that the financial information provided in this report represents a true and fair view of the reality, resources are used for the intended purpose, the AOD has managed its resources on the basis of the principles supporting sound financial management, the materiality criteria set for legality and regularity of the financial operations is respected, no significant information has been omitted, assets and information have been properly safeguarded and measures were put in place to ensure prevention, detection and correction of fraud and irregularities

DG ECHO has implemented the suitable ex-ante and ex-post controls, to the extent that they remain cost-effective and do not affect the other policy/programme objectives.

Therefore, under the prevailing risk environment and from a managerial point of view, DG ECHO's AOD can sign the Declaration.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## **2.1.5 Declaration of Assurance**

# DECLARATION OF ASSURANCE

*I, the undersigned,*

*Director-General of DG ECHO*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>53</sup>.*

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the limited conclusion of the Internal Auditor on the state of control and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

*Confirm that I am not aware of anything not reported here which could harm the interests of the institution or those of the Commission.*

*Brussels, 31 March 2017*

*Signed*

*Monique PARIAT*

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<sup>53</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

## 2.2 Other organisational management dimensions

### 2.2.1 Human resource management

Human resources at headquarters at the end of 2016 totalled 414 staff, of which 55% statutory and 45% non-statutory. In addition, in order to improve the European Commission's response to disasters and within the framework of the EU strategy to strengthen its response to disasters and to crises in third countries (COM (2005)153), DG ECHO employs 154 field experts and 295 local staff making a total of 449 people working in DG ECHO'S field offices at 31 December 2016.

The HR section encountered several organisational challenges during 2016 which have had a substantial impact on management of staff and staff movements.

The main achievements in 2016 related to Human Resources Management are listed below:

- In order to enable DG ECHO to continue responding to its mandate regarding civil protection and humanitarian aid, staff reinforcement (15 AD posts) has been allocated through a central call for expression of interest. Together with other measures listed below this helped DG ECHO coping efficiently with the major pressure on staff resulting in particular from the migration crisis. Nonetheless, in view of the increased number and complexity of humanitarian crises as well as of the raising profile of civil protection activities, the role of EU as a first responder maintains a very high pressure on DG ECHO staff.
- Following the adoption of Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the European Union – this new instrument being managed by DG ECHO –, a new call for expression of interest was launched resulting in the recruitment of 10 contract agents, of whom 3 were deployed to Greece;
- Follow-up and implementation of external assigned revenues (from the UK Department for International Development, and from various Members States for the Facility for Refugees in Turkey) resulting in an increase in the volume of recruitment of temporary contract agent staff (an additional 31 in total);
- Major reorganisation of the Directorate-General on 1/7/2016 in order to allow for the creation of the unit especially dedicated to the new Emergency Support Instrument within Europe, to foster synergies between Directorates through the implementation of a matrix approach, and allowing for efficiency gains in the line up to the HR Modernisation Process led by DG HR. The reorganisation entailed the creation of 1 new Directorate and 3 additional units, bringing the total number to 4 Directorates and 17 units;
- Following the reorganisation and several departures of senior and middle management staff, the HR unit organised and coordinated the selection of 1 Senior and 6 Middle Managers, taking into account the target of DG HR to have 45% of female representation in management positions at the end of 2019. On 31/12/2016, DG ECHO had a 50% female representation rate in management positions;
- Follow-up of the results of the 2016 staff survey that included the creation of a dedicated Working Group.

### 2.2.2 Better regulation (only for DGs managing regulatory acquis)

The regulatory acquis of DG ECHO is comparatively small in number (the Humanitarian Aid Regulation, the Union Civil Protection Mechanism, the EU Aid Volunteers Initiative,

and the Emergency Support Instrument).

In 2016, DG ECHO did not submit any impact assessment to the Regulatory Scrutiny Board nor did it complete ex-post retrospective evaluation or fitness checks.

### **2.2.3 Information management aspects**

2016 saw progress for DG ECHO in moving towards better sharing of information and knowledge with other DGs. The reorganisation that occurred in mid-2016 adversely impacted however the percentage of files readable/accessible by all units in the DG.

### **2.2.4 External communication activities**

Despite some organisational challenges in the communications unit during 2016 with substantial staff turnover, a successful programme of communication activities was implemented in the course of the year linked to humanitarian aid and civil protection including a substantial presence at the World Humanitarian Summit in May. One major communication campaign (contracted in 2015) was implemented to raise awareness and support policies related to the provision of education for children caught in crises (in partnership with UNICEF) and one major campaign was launched to support refugees.

DG ECHO also supported corporate communication efforts, notably the launch of the EU Solidarity Corps in December 2016.

For an extensive reporting on all components covered by this section, please refer to Annex 2.

# ANNEXES

## ANNEX 1: Statement of the Resources Director

*I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission<sup>54</sup>, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.*

*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 complete.*

*Brussels, 31 March 2017*

*e-signed*

**Chiara GARIAZZO**

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<sup>54</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).

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

### 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

Baseline 2015	Target 2020	Latest known results 2015
35,7%	45%	50%

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

**Source of data:** Commission staff survey

Baseline 2014	Target 2019	Latest known results 2015
25%	60%	21%

#### Indicator 3: Staff engagement index

**Source of data:** Commission staff survey

Baseline 2014	Target 2017	Latest known results 2015
67,4%	75%	61%

**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.

#### Main outputs in 2016:

Description	Indicator	Target	Latest known results
A Talent Management strategy that encourages female employees to fulfil middle management positions	- Specific attention to women applicants in case of middle management mobility, - Targeted career development activities for female employees	≥ 2 career development activities targeted to female employees	0
Staff feel their well-being is cared for and feel engaged in their work	- Analysis of the 2015 Staff Listening Exercise results focusing on issues such as staff	- Recommendations stemming from the Staff Listening Exercise are	

	<p>motivation, working relationships, well-being and organisational management,</p> <ul style="list-style-type: none"> <li>- Stronger focus of the DG ECHO Learning and Development Strategy on well-being and stress management activities,</li> <li>- Security trainings provided to staff</li> <li>- A more active participation from senior management in events/information sessions on HR management issues.</li> </ul>	<p>submitted to senior management, Q1 2016,</p> <ul style="list-style-type: none"> <li>- Further implementation of well-being measures (which started in 2015 as a result of the Staff Listening Exercise) focusing on improving office accommodation, logistical arrangements and burn-out prevention,</li> <li>- Availability of a well-being room for staff activities,</li> <li>- 2016 Staff Survey results are improved compared to 2015,</li> <li>- In the 2016 Commission Staff Survey, the percentage of DG ECHO staff who feel that the Commission cares about their well-being and the staff engagement index are above Commission average,</li> <li>- At least 40 training sessions in 2016 directly linked</li> </ul>	<p>12 well-being training sessions implemented</p> <p>Numerous measures to improve office accommodation, including replacement of rear windows, installation of new heating system, repainting of corridors on all floors, replacement of old chairs</p> <p>Well-being room for staff requested with OIB; additional showers requested; approved by OIB in principle; works scheduled for 2017</p> <p>86 training sessions implemented in total</p>
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		<p>to DG ECHO strategic priority areas which includes efficient working methods and stress management,</p> <ul style="list-style-type: none"> <li>- 6 security training courses (Hostile Environment Awareness Training, HEAT) for HQ and field staff,</li> <li>- 3 additional security training courses on specific topics for field staff (e.g. first aid training, safe driving, armoured vehicle driving),</li> <li>- 3 lunchtime sessions on security topics (security clearance procedure, high risk country list) for HQ staff</li> <li>- 3 staff meetings with senior management participation.</li> </ul>	<p>6 HEAT courses implemented for HQ staff</p> <p>21 security trainings conducted for field staff</p> <p>In total 153 DG ECHO field staff trained in security matters (HEAT, SSAFE, driving, security awareness for female travellers, first aid, fire safety etc.)</p> <p>- idea of lunchtime sessions abandoned in favour of 1 large security session implemented for all HQ and field staff at All DG ECHO week (more efficient: reaching ±500 persons in one go)</p>
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## Better Regulation

Objective: Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.

**Indicator 1: Percentage of impact assessments submitted by DG ECHO to the Regulatory Scrutiny Board that received a favourable opinion on first submission.**

**Source of data:** Regulatory Scrutiny Board

Baseline 2012	Interim Milestone 2018	Target 2020	Latest known results
100%	100%	100%	No IA submitted in 2016

**Indicator 2: Percentage of the DG ECHO primary regulatory acquis covered by ex-post retrospective evaluation findings and Fitness Checks not older than five years.**

**Source of data:** Civil Protection and Humanitarian Aid primary legislations

Baseline 2015	Interim Milestone 2016	Target 2020	Latest known results
33%	Positive trend compared to baseline	Positive trend compared to interim milestone	No ex-post retrospective evaluation and Fitness Checks in 2016

## Information Management

**Objective:** Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable

**Indicator 1: Percentage of registered documents that are not filed (ratio)**

**Source of data:** *Hermes-Ares-Nomcom (HAN) statistics*

Baseline 2015	Target 2020	Latest known results (2016)
8.75%	0%	12.98%*

**Indicator 2: Percentage of HAN files readable/accessible by all units in the DG**

**Source of data:** *HAN statistics*

Baseline 2015	Target 2020	Latest known results (2016)
91.38%	90-95%	77.24%**

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

**Source of data:** *HAN statistics*

Baseline 2015	Target 2020	Latest known results (2016)
2.06%	5-10%	8.91%

\* This percentage includes all the active and closed unfiled documents since 2009.

\*\* This lower rate is due to the reorganisation of DG ECHO in July 2016. Before end June 2017, the restricted visibility of some files will be fixed.

## External Communication

**Annual communication spending** (based on estimated commitments):

Baseline (2015)	Target 2016	Total amount spent	Total of FTEs working on external communication
EUR 3.33 m	EUR 5.3 m	EUR 2.013 m	18

x

**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**

*Definition:* Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.

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

Baseline: November 2014	Target: 2020	Latest known results (2016)
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Positive: 35% Neutral: 38% Negative: 25% (Don't know: 2%)

**Indicator 2: Number of people reached with communication actions directly supporting humanitarian aid and crisis management as a result of DG ECHO's actions**

**Source of data:** Collated monitoring data collected by DG ECHO from its actions, notably from communication campaigns, Twitter followers and unique visitors to the DG ECHO website.

Baseline 2015	Target 2020	Latest known results (2016)
152 M	170 M	Approx. 100 M <sup>55</sup>

**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**

**Main outputs in 2016:**

<sup>55</sup> Emergency Lessons: The campaign has reached 72 million viewers on social media so far (hashtag tracking on Twitter); Support Refugees" Campaign: One-page ads in 14 newspapers and journals in 5 countries (Austria, Belgium, France, Germany and Poland) with a combined print run of 4.2 million (estimated 40 million readers) and 31 million impressions online and social media (Source: Burson-Marsteller); more than 10 million views of our campaign video (Sources: Facebook (8.6 million), YouTube (1.1 million), Twitter (0.4 million). World Humanitarian Day: 8 million viewers (hashtag tracking on Twitter).

Description	Indicator	Target 2016	Latest known results
Website <sup>56</sup> outreach	<ul style="list-style-type: none"> <li>Number of DG ECHO website unique visitors</li> <li>Number of DG ECHO website page views</li> <li>Number of DG ECHO website page views per visit</li> <li>% of DG ECHO website visitors referred from other social media and websites</li> </ul>	<p>≥800 000</p> <p>≥ 3.4 M</p> <p>≥ 2.1</p> <p>≥ 22%</p>	<p>564 880</p> <p>1.2 M</p> <p>2.4</p> <p>31.5%</p>
Videos outreach	<ul style="list-style-type: none"> <li>Number of views of videos financed by DG ECHO on digital platforms</li> </ul>	≥ 900 000	11 699 777
Social media outreach	<ul style="list-style-type: none"> <li>Number of social media impressions (views)</li> <li>Potential fanbase ratio (reach) – for Twitter only</li> <li>% increase in Twitter followers</li> <li>% increase in Facebook page 'likes'</li> </ul>	<p>≥ 30 M</p> <p>≥ 170 M</p> <p>≥ 50% (to 47 565)</p> <p>≥ 50% (to 159 823)</p>	<p>70 M</p> <p>693 M</p> <p>37% (44 186)</p> <p>57% (171 277)</p>
Print materials	<ul style="list-style-type: none"> <li>Number of DG ECHO materials distributed</li> </ul>	>= 60 000	33 000
Integrated communication campaigns	<ul style="list-style-type: none"> <li>Number of large scale integrated awareness raising campaigns with NGO/International Organisations on specific issues e.g. on education in emergencies and gender/women issues</li> <li>Number of integrated awareness-raising campaigns on specific issues e.g. migration issues around World Refugee Day (in coordination with other relevant services such as HOME and NEAR), International Humanitarian Law and World Humanitarian Day.</li> </ul>	<p>1</p> <p>2</p>	<p>1 (continuing: #EmergencyLessons)</p> <p>2 (World Refugee Day and World Humanitarian Day)</p>
Participation in relevant events <sup>57</sup>	<ul style="list-style-type: none"> <li>Number of participants in events Aidex (Fair and Conferences)</li> <li>Participation in International Volunteers Day</li> </ul>	<p>&gt;= 2 500</p> <p>Yes on 5 December 2016</p>	<p>9 000</p> <p>Social media package reached &gt;0.5 million on Twitter on the day</p>

<sup>56</sup> Europa Analytics (SAS) is the current corporate analytics tool. It will be phased out by 31/12/2016. Piwik Analytics is the new analytics tool which a number of services of the European Commission are currently using as pilot. DG ECHO is one of them. The tool is planned to become the corporate analytics tool in April 2016 – see message by COMM (Angelo Strano) of 27 November 2015 to Europa Forum members. Based on this and upon recommendation by COMM, DG ECHO will use Piwik as reference analytics tool for output measurement as indicated above from 2016.

<sup>57</sup> E.g. Fairs, festivals, citizens' dialogues, cultural events organised by the EC, local events, conferences, workshops, stakeholder meetings.

External media	<ul style="list-style-type: none"> <li>• Launch of Euronews televised magazine (signature of contract)</li> <li>• Number Euro journalist mission visits taken (through European Journalism Centre)</li> </ul>	1 contract signed and launched >= 6	1 contract signed and launched 4
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Despite some organisational challenges in the communications unit during 2016 with substantial staff turnover, a successful programme of communication activities was implemented in the course of the year linked to humanitarian aid and civil protection including a substantial presence at the World Humanitarian Summit in May. One major communication campaign (contracted in 2015) was implemented to raise awareness and support policies related to the provision of education for children caught in crises (in partnership with UNICEF) and one major campaign was launched to support refugees.

The flagship '#EmergencyLessons' campaign achieved a particularly impressive reach on social media as well as an active programme of engagement with teenage schoolchildren and young adults<sup>58</sup> with social media statistics showing a Twitter reach figure of at least 72 million people worldwide. Facebook was by far the most successful channel (informing 1 in 5 respondents) according to our online survey, and the engagement of international celebrities in the campaign was felt to have been particularly effective in its global reach (through 'sharing' and 'retweeting').

The World Refugee Day campaign also achieved a high level of visibility for EU efforts to support refugees. It reached the readers of 14 premium newspapers and journals with a combined print run of 4.2 million, and yielded 31 million online 'views' (about 10 million people). More than 10 million views were recorded of DG ECHO's campaign video clip on the Commission's social media accounts. These unprecedented video statistics were the result of strategic decisions to invest in the Facebook promotion of campaign video posts<sup>59</sup>, an approach likely to be repeated in the future. Despite the challenges of having to deal in real time with some abusive social media responses, the reaction to the campaign was overwhelmingly positive as documented in 16 000 "likes" on Facebook and more than 40 000 people subsequently visiting the DG ECHO website.

The World Humanitarian Day was also a 'hook' used for communication purposes with a smaller campaign - raising awareness of the need to promote the Humanitarian Principles and protect and celebrate humanitarian workers. This was done in all EU languages and widely used by national Representations, reaching over 8 million Twitter users. The campaign video clip was also chosen by the UN to be shown at the World Humanitarian Day event at the UN General Assembly in New York. DG ECHO also supported corporate communication efforts, notably the launch of the EU Solidarity Corps in December 2016. To mark International Volunteer Day and the European Solidarity Corps launch a social media package (with the message to honour volunteerism) was shared with RELEX DGs, Representations and EU Delegations.

With the campaigns and day to day communications work, social media statistics held up well in 2016, even if the website page views were disappointing in relation to previous years' figures and 2016 targets. It is difficult to know to what extent the drop in website page views is real or simply due to the change in the corporate analytics tool over 2015/2016 which is making comparative data difficult. Other key 'digital' indicators are the number of social media views of DG ECHO products (twice the target) and the steady

<sup>58</sup> Targeting Italy, Slovenia, Greece, Ireland, Hungary, UK and Slovakia.

<sup>59</sup> This meant that on the DG ECHO Facebook page, the campaign video gained more than five times the number of views normally achieved in a year and on YouTube the clip was seen more than four times more often than all our other YouTube videos posted since October 2010. This accounts for the large gap between the 2016 target of less than 1 million video views and the achievement of 11 and a half million video views by year end.

increase in Twitter followers and Facebook likes – no longer increasing quite as fast as in previous years but still making substantial gains. The 'potential reach' of Twitter is judged not to be a meaningful indicator to follow and will be dropped for 2017. Overall DG ECHO maintained its positioning in the top three of Commission DGs' social media performance in 2016<sup>60</sup>.

Communication opportunities were also taken at a number of international events in 2016 in which the Commissioner for Humanitarian Aid and Crisis Management and others took part - including the UN's World Humanitarian Summit where the Commission hosted an exhibition stand for three days. Of the 9000 participants approx. 400 visited the DG ECHO stand to pick up material. DG ECHO did not engage to the same extent as in previous years with the Aidex conference, EU Development Days, EU 'Open Doors' or Salon des Solidarités in 2016, but was involved in a number of events linked to specific policy areas such as a 9-day exhibition at the Thessaloniki International Fair and the Education in Emergencies Forum. Communication activities around the EU Aid Volunteers Initiative included info sessions for organisations, promotion of the first EU Aid Volunteers deployment vacancies, and contribution to the International Volunteers Day actions. Approximately 33 000 leaflets and other print material were distributed during the year – below target mainly due to the cut in participation in international events in 2016.

Turning to more traditional channels, 2016 also saw the launch of a new initiative – commissioning 12 programmes focussed on the theme of displacement from Euronews, including a feature on DG ECHO operations in Greece. 8 programmes ran (on TV and social media channels) during 2016 with 4 still to run in early 2017. Initial reporting indicates viewing figures of 1 million viewers per programme, and a very positive appreciation of the quality of the broadcasts from qualitative feedback. The Euronews content was viewed 5.4 million times in 2016. In addition, 4 media trips were organised in 2016 (in collaboration with the European Journalism Centre) for groups of 6-10 journalists to Nepal, Mauritania, Kenya and Turkey, 2 having being postponed. The trips gave journalists a unique opportunity to understand how the EU's humanitarian aid and civil protection actions work in practice. The programme offered high media impact, as participants were generally senior reporters from prominent and relevant media outlets, and an average of 12-15 media news items (press/ radio/TV coverage) were published after each visit, with a total of 54 altogether in 2016. The trips were evaluated very highly by participants.

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<sup>60</sup> Only Eurostat (85 100) and DG REGIO (57 700) have more Twitter followers and DG ENV (217 071) more Facebook Likes (Nov 2016).

## **ANNEX 3: Draft annual accounts and financial reports**

AAR 2016 Version 1

### **Annex 3 Financial Reports - DG ECHO - 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**

## **ANNEX 4:      Materiality criteria**

In order to identify material deficiencies that need to be disclosed in the declaration of the Authorising Officer by Delegation (AOD), DG ECHO has taken into account the following qualitative and quantitative criteria, assessing whether the deficiency is significant and should lead to reporting as a reservation.

### **-   Qualitative criteria for defining significant weaknesses**

In order to identify significant weaknesses that could have an impact on the statement of assurance on the use of resources and the legality and regularity of operations provided by its AOD, DG ECHO considers if (i) significant errors, taking into account their frequency of occurrence, or (ii) significant weaknesses in the Internal Control have been identified. Furthermore, all elements that would damage its reputation are also considered.

The identification of significant weaknesses in the Internal Control system is derived from various sources, such as the annual IC self-assessment performed by ECHO's management, the conclusions from reports issued by the various control bodies (ECA, IAS, etc.) and direct reporting to the Director-General by ECHO's staff.

DG ECHO also took into account all major issues that have been outlined by the various controlling bodies or situations where a significant reputational risk may occur.

### **-   Quantitative criteria for defining reservations**

In order to define the quantitative criteria, ECHO follows the proposed Commission's standard, which is consistent with the European Court of Auditor's threshold for materiality, i.e. considers that a weakness is significant when the value of the transactions affected by this weakness represents more than 2% of the annual budget of the ABB activity, either in indirect management or in direct management..

### **-   General conditions for making a reservation**

Reference is made to SG/BUDG Standing Instructions.

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

### Direct and Indirect Management

#### Stage 1 – Programming, evaluation and selection of proposals

#### **A - Preparation, adoption and publication of the Worldwide Decision, ad-hoc decisions and Humanitarian Implementation Plans (HIP)**

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The Annual Work Programme, the Financing Decision and related ESOP, the Worldwide Decision, the emergency decisions and related HIPs do not adequately reflect the policy objectives, priorities and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p>	<p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs</p> <p>Adoption by the Commission</p> <p>Recommended:                      (1) Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)                      (2) Centralised checklist-based verification                      (3) Ex-post monitoring: lessons-learned survey/discussion with evaluators</p>	<p>If risk materialises, all grants awarded during the year under the decisions and/or HIPs would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p> <p><b>Coverage / Frequency:</b> 100% / always</p> <p><b>Depth:</b> Checklist includes a list of the requirements of the regulatory provisions identified.</p>	<p><b>Costs:</b> Estimation of cost of staff involved in the preparation and validation of financing decisions and related documents.</p> <p><b>Benefits:</b> The (average annual) total budgetary amount of the decisions and HIPs with significant errors detected and corrected.</p>	<p><b>Effectiveness:</b> N/A</p> <p><b>Efficiency:</b> Consumption rate of payment appropriations.</p>

**B - Selecting and awarding: Evaluation and selection of proposals**

**Main control objectives:** Ensuring that the most efficient proposals for meeting the policy objectives are among the proposals selected (effectiveness); compliance (legality & regularity); prevention of fraud (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>Control indicators</b>
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the decision and HIPs, in AWP, in ESOP and subsequent invitations to submit proposals/calls for proposals.</p>	<p>Assignment of staff (e.g. desk officers)</p>	<p><b>Coverage / Frequency:</b> 100% / always</p>	<p><b>Costs:</b> estimation of cost of staff involved in the evaluation and selection of proposals.</p> <p><b>Benefits: N/A</b></p>	<p><b>Effectiveness:</b> N/A</p> <p><b>Efficiency Indicators:</b> N/A</p>
	<p>Assessment by staff (desk officers)</p>	<p><b>Coverage / Frequency:</b> 100% / all proposals are assessed by desk officers and humanitarian experts (technical assistants)</p>		
	<p>Review and hierarchical validation by the AO of selected proposals</p>	<p><b>Coverage / Frequency:</b> 100% / all selected proposals are validated by the Authorising Officer</p>		
	<p>Redress procedure</p>	<p><b>Coverage / Frequency:</b> 100% / all contested decisions are analysed by redress committee or equivalent</p>		

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

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

<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>Control indicators</b>
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary does not meet eligibility criteria or lack financial capacity to carry out the actions</p>	<p>Validation of beneficiaries (eligibility and financial viability)</p> <p>Signature of the grant agreement by the AO.</p> <p>In-depth financial verification for high risk beneficiaries</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p><b>Coverage:</b> 100% of draft grant agreements.</p> <p><b>Depth</b> may be determined after considering the type or nature of the beneficiary and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the contracting process.</p> <p><b>Benefits:</b> N/A</p>	<p><b>Effectiveness:</b> N/A</p> <p><b>Efficiency indicators:</b> % coverage of periodic assessment of partners</p>

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

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

<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>Control indicators</b>
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p>	<p>100% of the projects are controlled, including only value-adding checks.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the actual management of running projects.</p> <p><b>Benefits:</b> budget value of the costs claimed by the beneficiary, but rejected by the desk and financial officers</p>	<p><b>Effectiveness:</b> Budget amount of the cost items rejected.</p> <p><b>Efficiency Indicators:</b> % of projects subject to monitoring when access and security allow for it. Average time-to-pay.</p>
	<p>Operation authorisation by the AO</p> <p>For riskier operations, ex-ante in-depth and/or on-site verification.</p>	<p>Riskier operations subject to in-depth and/or on-site controls.</p> <p>The <b>depth</b> depends on risk criteria.</p>		
	<p>For high risk operations, reinforced monitoring</p>	<p>High risk operations identified by risk criteria.</p>		
	<p>If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring grant to OLAF</p>	<p>Depth: depends from results of ex-ante controls.</p>		

## Stage 4 - Ex-Post controls

### A - Reviews, audits and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Audit strategy: Carry out audits or desk-reviews of a representative sample of operations to determine effectiveness of ex-ante controls.</p> <p>Validate audit results with beneficiary</p> <p>If needed: referring the beneficiary or grant to OLAF</p>	<p>Representative sample: sample sufficiently representative to draw valid management conclusions</p> <p>Risk-based sample, determined in accordance with the selected risk criteria</p>	<p><b>Costs:</b> estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of the appointment of audit firms for the outsourced audits.</p> <p><b>Benefits:</b> detected ineligible expenditure by audits/verifications.</p>	<p><b>Effectiveness:</b> Detected error rate. Residual error rate. Average cost of ex-ante and ex-post audits</p> <p><b>Efficiency:</b> N/A</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>Control indicators</b>
<p>The audit strategy focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation</p>	<p>Establish an audit strategy, performed by independent staff not involved in the operational and financial circuits</p>	<p>Coverage: ideally, the sample will be representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the implementation of the audit strategy.</p> <p><b>Benefits:</b> detected ineligible expenditure by audits/verifications.</p>	<p><b>Effectiveness:</b> Detected error rate. Residual error rate.</p> <p><b>Efficiency:</b> N/A</p>

**B - Implementing results from ex-post audits/controls**

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

<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 errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented.</p> <p>Financial operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AO</p>	<p><b>Coverage:</b> 100% of final audit results <i>with a financial impact</i>.</p> <p><b>Depth:</b> consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary</p>	<p><b>Costs:</b> estimation of cost of staff involved in the implementation of the audit results.</p> <p><b>Benefits:</b> budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p>	<p><b>Effectiveness:</b> Detected error rate. Residual error rate. Recovery orders following audit/verifications and amount cashed in or offset.</p> <p><b>Efficiency Indicators:</b> total (average) annual cost of implementing audit audits.</p>

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

Not applicable

**ANNEX 7: EAMR of the Union Delegations**

Not applicable

## ANNEX 8: Decentralised agencies

Entity	Policy/ programme concerned	Administrative budget		Operating budget		Total budget entrusted	
		CA	PA	CA	PA	CA	PA
Education, Audio-visual and Culture Executive Agency (EACEA)	European Union Aid Volunteers initiative (EUAV)	989 000	989 000	7 870 175	5 703 315	8 859 175	6 692 315

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



Annex 9\_AAR  
2016.xlsx

## **ANNEX 10: Specific annexes related to "Financial Management"**

Not applicable

## **ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"**

Nota applicable

## ANNEX 12:

## Performance tables

<b>General objective 1: A Stronger Global Actor</b>				
<b>Specific objective 1.1: People and countries in need are provided with adequate and effective humanitarian and civil protection assistance</b>			<b>Related to spending programmes: Humanitarian Aid and Union Civil Protection Mechanism</b>	
<b>Result indicator:</b> Number of interventions in support of beneficiaries of DG ECHO funded humanitarian aid operations <sup>61</sup>				
<b>Source of data:</b> Hope database, owned and managed by DG ECHO				
<b>Baseline 2015</b>	<b>Interim Milestone 2018</b>		<b>Target 2020</b>	<b>Latest known results (2016)</b>
134 million	≥ 122 million		≥ 125 million	201 million
<b>Result indicator:</b> Number of beneficiaries of <i>Education in Emergencies</i> operations				
<b>Source of data:</b> Hope database, owned and managed by DG ECHO				
<b>Baseline 2015</b>	<b>Interim Milestones</b>		<b>Target 2020</b>	<b>Latest known results (2016)</b>
	<b>2016</b>	<b>2018</b>		
1.3 million	≥ 1.8 million (revised) <sup>62</sup>	≥ 5 million	≥ 5 million	1.8 million
<b>Result indicator:</b> Percentage humanitarian aid projects which integrate gender and age considerations <sup>63</sup>				
<b>Source of data:</b> DG ECHO Gender-Age Marker as presented in Hope database, owned and managed by DG ECHO				
<b>Baseline 2015</b>	<b>Interim Milestone</b>		<b>Target 2020</b>	<b>Latest known results (2016)</b>
	<b>2016</b>	<b>2018</b>		

<sup>61</sup> This result indicator and the related milestones and target are better expressed by referring to the number of interventions of a humanitarian aid nature benefitting beneficiaries compared to the absolute number of beneficiaries as such (as mentioned in DG ECHO Strategic Plan 2016-2020), as the increasing number of operations funded by the EU in the context of which multi-sector assistance is provided to beneficiaries leads to the precise computation of absolute numbers of beneficiaries being fraught with practical and methodological difficulties and potential inaccuracies.

<sup>62</sup> See footnote 22.

<sup>63</sup> A humanitarian aid project that strongly integrates gender and age considerations is a project that has been given a gender-age marker value of 2 by the desk officer.

16%	25%	37%	50%	29%
<p><b>Result indicator:</b> Average speed of interventions under the Union Civil Protection Mechanism (from the acceptance of the offer to deployment)</p> <p><b>Source of data:</b> Common Emergency Communication and Information System (CECIS), owned and managed by DG ECHO</p>				
<b>Baseline 2015</b>	<b>Interim Milestone 2017</b>		<b>Target 2020</b>	<b>Latest known results (2016)</b>
			Target must be seen in conjunction with the number of modules/response capacities registered in the voluntary pool of assets: the larger and more complete it is, the speedier the expected response	
≤ 24 hours	≤ 18 hours		≤ 12 hours	≤20 hours
<p><b>Result indicator:</b> Number of modules included in the European Emergency Response Capacity (voluntary pool)</p> <p><b>Source of data:</b> Common Emergency Communication and Information System (CECIS), owned and managed by DG ECHO</p>				
<b>Baseline 2015</b>	<b>Interim Milestone 2017</b>		<b>Target 2020</b>	<b>Latest known results (2016)</b>
			Target set in the implementing Decision	
16	20		≥ 41	77
<p><b>Planned evaluations:</b> Interim evaluation of the Union Civil Protection Mechanism according to article 34 of Decision 1313/2013/EU has started in 2016. This evaluation will address this specific objective.</p>				
<p><b>Specific objective 1.2: Resilient people and communities at risk of disasters</b></p>			<p>Related to spending programmes: Humanitarian Aid, Union Civil Protection Mechanism, EU Aid Volunteers</p>	
<p><b>Result indicator:</b> Number of national risk assessments prepared by IPA II and EU Neighbourhood countries</p>				

**Source of data:** Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABAC)

<b>Baseline 2015</b>	<b>Interim Milestone 2018</b>	<b>Target 2020</b>	<b>Latest known results (2016)</b>
		All IPA II countries + 6 PPRD countries	
1	8 (all IPA II countries)	14	2

**Result indicator:** Number of beneficiaries reached through the EU Aid Volunteers initiative

**Source of data:** Monitoring Framework for EUAV implemented by EACEA

<b>Baseline 2015</b>	<b>Interim Milestone 2018</b>	<b>Target 2020</b>	<b>Latest known results (2016)</b>
		Target established for the 7 years of the programme based on available budget	
2862	4800	8400	Not available

**Result indicator:** Percentage of humanitarian aid funded projects which integrate resilience<sup>64</sup>

**Source of data:** DG ECHO Resilience Marker as presented in Hope database, owned and managed by DG ECHO

<b>Baseline 2015</b>	<b>Interim Milestones</b>		<b>Target 2020</b>	<b>Latest known results (2016)</b>
	2016	2018		
			In conflict situations, it is often not possible/suitable to work with local institutions and to build capacities which de facto limit the possible contribution of DG ECHO interventions to resilience <sup>65</sup>	
28%	30%	33%	35%	43%

<sup>64</sup> A humanitarian aid project that strongly integrates resilience is a project that has been given a resilience markers value of 2 by the desk officer.

<sup>65</sup> In those situations, the resilience marker value cannot score 2.

Relevant general objective: A stronger Global Actor			
Specific objective: People and countries in need are provided with adequate and effective humanitarian and civil protection assistance		Related to spending programmes: Humanitarian Aid and Union Civil Protection Mechanism	
Main outputs in 2016:			
Description	Indicator	Target 2016	Latest known results (situation on 31/12/2016)
Actions funded cover most pressing humanitarian needs	Initial funding allocation on the basis of INFORM, Crisis assessment, FCA and IAF:  - North Africa, European Neighbourhood, Central Asia and Middle East: EUR 334.1M  - Sudan & South Sudan, Horn of Africa, Great Lakes, Southern Africa and Indian Ocean:  EUR208.3M  - West and Central Africa: EUR200.9M  - South Asia & Pacific: EUR67M  - Central & South America and Caribbean: EUR17.15M  - EU Trust Fund: EUR10M  - Complementary operations: EUR55.6M	100% of actions funded cover most pressing humanitarian needs	100%
A portion of humanitarian aid funds is spent in forgotten crisis	Humanitarian aid projects will be implemented in the following 2016 forgotten crises: Bangladesh, Colombia, India, Myanmar, Philippines, Algeria, Libya, Sudan, Cameroon, Chad, Pakistan, Egypt, Yemen	>15% initial planned budget is spent in forgotten crises	15.82%
Budget is allocated to education in emergencies as new priority area	Percentage of the 2016 operational budget spent on education in emergencies worldwide	4% of initial adopted budget allocated to EiE	4.3%

Cash transfers are made to people in need as a form of efficient humanitarian aid	Percentage of transfers to beneficiaries in the form of cash as modality	30% cash transfers	> 30% <sup>66</sup>
Grant agreements are concluded for CP budget lines: 23 03 01 02 23 03 02 02	Calls for proposals are launched	10 grant agreements 60 grant agreements	8
Contracts are concluded for CP budget lines: 23 03 01 02 23 03 02 02	Calls for tenders are launched	2 contracts 5 contracts	2
Response capacities are registered in the European Emergency Response Capacity	Number of types of modules and other response capacities registered	17 types of modules/response capacities	23
Budget is dedicated to co-financing transport of assistance delivered via the UCPM	All transport of the assistance delivered is co-financed	EUR11.5 million	EUR4.5 million

**Specific objective: People and communities at risk of disasters are resilient**

Related to spending programmes: Humanitarian Aid, Union Civil Protection Mechanism, EU Aid Volunteers

**Main outputs in 2016:**

Description	Indicator	Target 2016	Latest known results (situation on 31/12/2016)

<sup>66</sup> Baseline information on cash transfers was partial up to the middle of 2016 covering mainly the food assistance and nutrition sectors according to a methodology which did not differentiate modalities of assistance. On the basis of this information, it was estimated that approximately 55% of DG ECHO's food and nutrition assistance was being delivered in the form of cash-based assistance. This trend continued in 2016, with cash-based responses increasingly being used in other sectors and across sectors in the form of multi-purpose transfers. It is estimated that across sectors the application of cash modality exceeds 30%. Greater accuracy will be possible in 2017, when changes made to the way data on cash-based assistance is gathered will be fully reflected in statistics.

DRR is mainstreamed in humanitarian aid operations	Percentage of humanitarian aid projects with DRR mainstreamed	45%	57%
Civil Protection projects are implemented in IPA II and EU Neighbourhood countries	Implementation of IPA II and Neighbourhood programme	7 CP projects	6
Civil Protection exercises are implemented in IPA II and EU Neighbourhood countries	Implementation of IPA II and Neighbourhood programme	11 CP exercises (1 in IPA II country, 4 in PPRD South and 6 in PPRD East)	4
Volunteers are trained and deployed	Call for proposals is launched	350 volunteers trained and deployed	44 <sup>67</sup>

## General objective 2: Towards a New Policy on Migration

**Specific objective 2.1: The humanitarian needs of the most vulnerable people in refugee crises are met**

**Related to spending programmes:  
Humanitarian Aid and Union Civil Protection Mechanism**

**Result indicator:** Number of beneficiaries of humanitarian aid operations in situations of forced displacement

**Source of data:** Hope database, owned and managed by DG ECHO

Baseline 2015	Interim Milestone 2018	Target 2020	Latest known results (2016)
54 million	54 million – 60 million	54 million – 60 million	64.9 million

**Result indicator:** Number of offers received and coordinated by the ERCC

**Source of data:** Common Emergency Communication and Information System (CECIS), owned and managed by DG ECHO

Baseline 2015	Interim Milestone 2018	Target 2020	Latest known results

<sup>67</sup> On the reasons for the present situation, see p. 23.

			<b>(2016)</b>
128	≥ 128	≥ 128	130
<p><b>Result indicator:</b> Average speed of interventions under the UCPM for deployments related to the EU refugee crisis (from the acceptance of the offer to deployment)</p> <p><b>Source of data:</b> Common Emergency Communication and Information System (CECIS), own and managed by DG ECHO</p>			
<b>Baseline 2015</b>	<b>Interim Milestone 2017</b>	<b>Target 2020</b> Target must be seen in conjunction with the number of modules/response capacities registered in the voluntary pool of assets: the larger and more complete it is, the speedier the expected response	<b>Latest known results (2016)</b>
≤ 24 hours	≤ 18 hours	≤ 12 hours	≤ 20 hours

<b>Relevant general objective(s): Towards a New Policy on Migration</b>			
<b>Specific objective: The humanitarian needs of the most vulnerable people in refugee crises are met</b>		Related to spending programme: Humanitarian Aid	
<b>Main outputs in 2016:</b>			
Description	Indicator	Target 2016	Latest known results (situation on 31/12/2015)
Budget is dedicated for project components targeting refugees/forced displacement	Budget for Syria-Iraq crises including Turkish Facility	EUR million 525	Not available
	Response through Africa Emergency Trust Fund	EUR million 165	

situations		EUR 10 million	
Communication on forced displacement and development is published	Publication of a communication providing an approach to support refugees, IDPs, returnees and host populations in partner countries	Q2 2016	COM(2016) 234 of 26.04.2016
ISAA reports are facilitated by the ERCC	ISAA reports are produced in collaboration with the EU Situation Room and other Union crisis centres	46 reports (weekly basis, except holidays – depending on Presidency's decision on the frequency of ISAA reports and on the continuation of the current activation of IPCR arrangements)	48
Meetings are organised by the ERCC for the coordination of the crisis response	Logistical arrangements are made for organisation of meetings	200 meetings (including DG ECHO internal coordination meetings)	200
Budget is dedicated to co-financing transport of assistance delivered via the UCPM for the migration crisis	100% of requests for transport co-financing are satisfied	≥ EUR 500 000	EUR 985 000

### General objective 3: A new boost for jobs, growth and investment

**5. Impact indicator:** People at risk of poverty or social exclusion

**Source of the data:** Eurostat<sup>68</sup>

<sup>68</sup> Please note that Eurostat periodically revises its published data to reflect new or improved information, also for previous years. The latest published data is available by clicking on "bookmark". The "latest known value" column reflects the data that was available at the time of the preparation of the AARs 2016 and it is the reference point for the AARs of Commission services.

<b>Baseline</b> (2013)	<b>Latest known value</b> (2015 - estimated)	<b>Target</b> (2020)
122.7 million	118.8 million	Europe 2020 target At least 20 million people fewer than in 2008 (116.2 million)
<a href="#">Bookmark</a>		

<b>Specific objective 3.1: Populations and economic assets at risk of disasters in the EU are protected</b>			
		Related to spending programme: Union Civil Protection Mechanism	
<b>Result indicator:</b> Number of national risk assessments submitted to the Commission			
<b>Source of data:</b> Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABAC)			
<b>Baseline 2015</b>	<b>Interim Milestone 2018</b>	<b>Target 2020</b>	<b>Latest known results (2016)</b>
24	33	≥ 33	31
<b>Result indicator:</b> Number of modules included in the voluntary pool of the European Emergency Response Capacity			
<b>Source of data:</b> Common Emergency Communication and Information System (CECIS), owned and managed by DG ECHO			
<b>Baseline 2015</b>	<b>Interim Milestone 2017</b>	<b>Target 2020</b>	<b>Latest known results (2016)</b>
14	20	Target in the Commission implementing Decision of the UCPM ≥ 41	77

<b>Relevant general objective: A new boost for jobs, growth and investment</b>			
<b>Specific objective: Populations and economic assets at risk of disasters in the EU are protected</b>		Related to spending programmes: Union Civil Protection Mechanism	
<b>Main outputs in 2016:</b>			
Description	Indicator	Target 2016	Latest known results

			(situation on 31/12/2016)
Budget is allocated for disaster prevention	Percentage of Civil Protection budget contributing to disaster prevention	18% of CP budget	21%
Quality and interoperability requirements are defined for modules in the framework of the European Emergency Response Capacity	Quality criteria are reviewed and agreed	20 modules for which quality and interoperability requirements are defined	17