



**2017**

# **Annual Activity Report**

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



## Foreword

2017 was another challenging year for the Commission's work in humanitarian aid and disaster response. Humanitarian needs continued to expand, not least in Europe's immediate neighbourhood, driven by a combination of protracted conflicts that show little signs of abating, the impact of climate change, and population growth.

There was little or no improvement in the most severe large-scale crises, with 27% of the people in need concentrated in three crises only: Yemen, Syria and Iraq. The Syrian conflict has created one of the worst humanitarian crises of our time, causing hundreds of thousands of deaths, displacing more than 11 million people and leaving more than 13 million people inside Syria in need of assistance. In Yemen, over 22 million people are now estimated to be in need of assistance.

Another man-made crisis, affecting the Rohingya population (Myanmar / Bangladesh), rapidly took on dramatic proportions and by the end of the year affected close to one million people. Overall, more than 95 million people in 40 countries were in need of humanitarian assistance in 2017, and almost 65 million people (half of them children) were forcibly displaced.

In a number of countries and regions, the impact of conflict has fed into and has been compounded by severe food crises. In 2017, four countries or regions thus faced an alarming risk of famine: Yemen, north-east Nigeria, Somalia and South Sudan, with around 20 million people considered as being at risk of starvation in these four countries. In Europe itself, several countries were hit by an unusually long and severe forest fire season.

DG ECHO was at the forefront of the EU's response to these crises. The Commission funded humanitarian aid operations for more than EUR 2.430 billion<sup>1</sup> in more than 80 countries. A significant proportion of this went on supporting the conflict-affected populations inside Syria and refugees in neighbouring countries and regions. The EU has also continued to be a leading donor in other parts of the world, with Africa continuing to account for a large share of funding.

Promoting principled humanitarian aid and respect for international humanitarian law has continued to be at the heart of the Commission's overarching objectives as a donor, and it is worth noting in this regard the 10<sup>th</sup> anniversary of the European Consensus on Humanitarian Aid – which was reaffirmed as more topical than ever at an event in the European Parliament with the participation of Commissioner Stylianides. In June 2017, moreover, the Commission took the chair of the "Call to Action" on protection from gender-based violence in emergencies, and this will continue to be a major priority for DG ECHO.

The Commission has also continued to work for the greatest possible efficiency and value for money in the way humanitarian funding is used, in line with the Grand Bargain agreed in 2016 between donors and operational agencies at the World Humanitarian Summit. The Commission has also pursued work on resilience as a key response to the "new normal" of crisis and fragility in many parts of the world, as well as making significant strides in the operationalisation of the humanitarian-development nexus.

Support for innovation and digitalisation has moreover emerged as a major focus in DG ECHO's support for maximising the impact of humanitarian aid.

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<sup>1</sup> Including Emergency Support in the EU (EUR 198 million).

Education in emergencies remains more than ever a flagship policy for DG ECHO: in 2017, DG ECHO delivered on Commissioner Stylianides' pledge to devote 6% of the EU's humanitarian aid budget to education in emergencies.

In line with its commitment to support cash as a delivery modality whenever possible<sup>2</sup>, DG ECHO has encouraged the use of cash in its programmes throughout the world and has continued to roll out the innovative programme known as the Emergency Social Safety Net (ESSN) for refugees in Turkey. The EU has now surpassed its initial target of supporting one million of the most vulnerable refugees in Turkey with regular cash allocations. The new target of support to 1.3 million refugees is foreseen to be reached in April 2018.

At the same time, 2017 saw extensive deployment of DG ECHO's tools as the EU's "first responder" to disasters both inside and outside Europe – notably through the EU Civil Protection Mechanism, coordinated through DG ECHO's Emergency Response Coordination Centre (ERCC). 2017 saw a record number of activations of the Union Civil Protection Mechanism both inside and outside Europe, with 32 requests for assistance through the Mechanism, including for the extensive forest fires in Chile in February, the provision of medical assistance in Iraq, massive flooding in Peru in March and April, earthquakes in Mexico in September and as well as the devastating hurricane season in the Caribbean.

The severe 2017 forest fire season in Europe, which resulted in significant loss of human life and property, stretched the capacities of both the Mechanism and the Emergency Response Coordination Centre (ERCC) to the limit – and despite very significant efforts from both the States participating in the Mechanism and extensive coordination efforts by the ERCC, not all requests for assistance to respond to forest fires could be addressed. To address the capacity gaps in the current system, the Commission has proposed a strengthening of the Mechanism, which would include reinforcing the capacities available at European level to respond to major disasters in key gap areas. The proposal<sup>3</sup> complements Member States' disaster response systems by establishing a dedicated reserve of operational capacities at Union level – rescEU – and by strengthening preparedness and prevention measures and developing a Union Civil Protection Knowledge Network. The follow-up to the legislative proposal and its rapid implementation is a top priority for DG ECHO in 2018.

Monique Pariat  
Director-General

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<sup>2</sup> In 2018, DG ECHO aims to deliver 35% of its assistance in the form of cash-based transfers.

<sup>3</sup> Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013 on a Union Civil Protection Mechanism (COM(2017)772 final of 23.11.2017).

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## THE DG IN BRIEF

The mandate 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<sup>4</sup>, 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<sup>5</sup>.

As a donor, DG ECHO provides needs-based humanitarian assistance to 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>6</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 423 people working in headquarters. In addition, DG ECHO has a field network of over 450 people in 45 offices spread over almost 40 third countries. The field network's role is first and foremost to assess needs and monitor aid operations – one of the pillars of DG ECHO's control architecture - and to be a "first responder" to sudden-onset disasters. 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 TFEU. Since 2016, DG ECHO also funds actions to support vulnerable refugees within the European Union (in Greece) under the Emergency Support Instrument<sup>7</sup>.

DG ECHO's humanitarian interventions mainly consist of funding for the work of operational humanitarian actors - it does not, in general, 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>8</sup> that have signed a Framework Partnership Agreement (FPA), United Nations agencies covered by the Financial and Administrative Framework Agreement (FAFA), or other international organisations<sup>9</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

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<sup>4</sup> Council Regulation (EC) No1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p.1).

<sup>5</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>6</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>7</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>8</sup> Non-Governmental Organisations.

<sup>9</sup> International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC).

Organisations, indirect management. DG ECHO has a strong presence in the field; it works closely with partner organisations, and is fully involved in policy development in the area of humanitarian aid.

Since 2016 the EU Aid Volunteers Initiative<sup>10</sup> contributes operationally to the EU's humanitarian aid effort<sup>11</sup>. It brings together volunteers and organisations from different countries to provide practical support to humanitarian aid projects and contribute to strengthening the resilience and disaster risk management capacity of fragile or disaster-affected communities. In this context, DG ECHO also contributes to the roll-out of the European Solidarity Corps (ESC)<sup>12</sup>.

The Union Civil Protection Mechanism (UCPM)<sup>13</sup> aims at improving disaster prevention, preparedness and response in the field of civil protection and marine pollution to reduce impacts of natural and man-made disasters. The key stakeholders of DG ECHO's civil protection activities are the 34 Participating States of the 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). The UCPM can also be activated in support to consular operations. 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.

DG ECHO is further responsible for the implementation of Council Regulation (EU) 2016/369 on the provision of emergency support within the Union adopted in March 2016 to address the humanitarian impact of natural and manmade disasters in the EU. Emergency support can only be provided where the exceptional scale and impact of the disaster is such that it gives rise to severe wide-ranging humanitarian consequences in one or more Member States and only in exceptional circumstances where no other instrument available to Member States and to the Union is sufficient. The modalities for the provision of such support are broadly analogous to those of EU humanitarian aid. The Emergency Support Instrument was activated for a period of three years, i.e., until March 2019 to deal with the humanitarian consequences of the migration crisis in the Union. In practice and due to the stringent criteria laid down in the Regulation, humanitarian assistance is provided in one Member State, Greece.

In its work across the policy areas and priorities outlined above, DG ECHO attaches great importance to effective coordination with other humanitarian and disaster relief actors (both bilaterally and in a multilateral context, and with civilian as well as military actors). While the EU and its Member States are the world's largest humanitarian donors, coordination with strategic partners is more important than ever in a context where needs are growing dramatically while the resources available globally to address them are not.

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<sup>10</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>11</sup> Entrusted management of EU Aid volunteers to the Education, Audio-visual and Culture Executive Agency (EACEA).

<sup>12</sup> [http://europa.eu/rapid/press-release\\_IP-17-1383\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1383_en.htm)

<sup>13</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. 924-947).

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>14</sup>, UNHCR<sup>15</sup>, ICRC and UNICEF<sup>16</sup>) and with other key donors and is 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>17</sup> Transformative Agenda. DG ECHO also works closely with Member States and other relevant stakeholders to follow up on the commitments taken at the 2016 World Humanitarian Summit including notably the Grand Bargain and continues implementing the European Consensus on Humanitarian Aid.

The Commission ensures coordination and complementarity with Member States in humanitarian aid and civil protection through the Council Working Party on Humanitarian Aid and Food Aid (COHAFA) and the Council Working Party on Civil Protection (PROCIV) as well as engaging with the European Parliament, in the Committee on Development (DEVE) for humanitarian aid, and the Committee on the Environment, Public Health and Food Safety (ENVI) on civil protection.

DG ECHO operations are implemented in complementarity with other Commission services working in the area of external relations<sup>18</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 and values 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.

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<sup>14</sup> World Food Programme.

<sup>15</sup> United Nations High Commissioner for Refugees.

<sup>16</sup> United Nations Children's Fund.

<sup>17</sup> Inter-Agency Standing Committee.

<sup>18</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>19</sup>.

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

The European Union together with its Member States is the world's leading donor in humanitarian assistance, and is consistently at the forefront of the response to humanitarian crises and disasters, relying to this end on the Humanitarian Aid Regulation<sup>20</sup> and the Union Civil Protection Mechanism<sup>21</sup>.

As in previous years, in 2017 DG ECHO had to intervene in support of humanitarian organisations in the field in a wide range of crises in more than 80 countries around the world. For the most part EU humanitarian funding is dedicated to addressing needs arising from protracted crises.

In 2017, 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 for 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 – also created humanitarian needs for millions of people around the world.

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, 2017 saw altogether over 95 million people in 40 countries in need of humanitarian assistance, with almost 65 million people (half of them children) forcibly displaced.

At the same time, humanitarian actors in 2017 assisted more people than in any previous year since the founding of the United Nations<sup>22</sup>. DG ECHO contributed significantly to funding these efforts.

In 2017, DG ECHO allocated EUR 280 million to humanitarian operations in Syria and neighbouring countries, in line with the political pledges made at the London conference of February 2016. In April 2017 DG ECHO co-organized, together with the European External Action Service (EEAS) and DG NEAR, a Conference on "Supporting the future of Syria and the region". The Conference, co-chaired by the EU and the UN, led to a substantial pledge from the international community.

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<sup>19</sup> Article 17(1) of the Treaty on European Union.

<sup>20</sup> Council Regulation (EC) No1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p.1).

<sup>21</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>22</sup> United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Global Humanitarian Overviews 2016 and 2017.

DG ECHO pursued its support for multi-sectorial, rapid, flexible and reactive responses to emergencies, for example during the siege of Aleppo, while maintaining regular humanitarian assistance to the most vulnerable populations inside Syria and the most vulnerable refugees living in countries in the region, i.e. Lebanon, Jordan, Iraq, Egypt and Turkey.

Regarding Turkey, in 2017 DG ECHO successfully completed the implementation of the Facility for Refugees in Turkey and fully contracted approximately EUR 1.4 billion for humanitarian purposes. The "basic needs approach"<sup>23</sup> covering multi-sectoral needs through cash transfers addressed the needs of more than one million refugees. Cross-cutting protection activities were added to DG ECHO's portfolio of response in 2017. With the government of Turkey being responsible for the management of refugee camps, DG ECHO's main focus was to provide humanitarian relief to out-of-camp refugees (who account for the large majority 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 overall funding of EUR 82.5 million in 2017. DG ECHO assisted victims with funding for food, health care, water, sanitation and hygiene as well as protection, shelter and education, and also helped mobilize assistance through the Civil Protection Mechanism.

In Yemen, DG ECHO provided funding of EUR 76.7 million to help address the needs of people affected by the conflict.

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, protection and psychological support, in particular along the line of contact and in the non-government controlled areas where humanitarian needs have increase after four years of conflict.

DG ECHO responded to the continued food and nutrition crisis in the Sahel, addressing emergency humanitarian needs in eight countries of the region. With DG ECHO support, over 1.9 million vulnerable people received food assistance. DG ECHO covered 14% of the food needs of the population in crisis during the lean season and supported the treatment of 13% of the children who were suffering from Severe Acute Malnutrition and were in need of life-saving treatment. As regards Somalia and Ethiopia, EU funding enabled the delivery of multi-sectorial live-saving assistance to amongst others, drought related displaced persons (some 1.1 million in Somalia and nearly 500,000 in Ethiopia) and vulnerable local populations. In Somalia, together with EU Member States, the EU provided nearly half of all humanitarian support to ensure food and nutrition, health, protection, and resilience building.

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<sup>23</sup> This approach involves making a fixed amount of cash available to persons in need through a payment card, enabling them to cover their most basic needs as regards food, housing, etc.

As regards civil protection, in 2017 the Union Civil Protection Mechanism (UCPM) was activated 32 times to respond to a variety of disasters, notably forest fires (with 15 requests for assistance), Hurricanes Irma and Maria in the Caribbean, the earthquake in Mexico, as well as, in complement to humanitarian aid, assistance to the Rohingya refugees in Bangladesh and those affected by conflict in Mosul, Iraq.

In total in 2017, the Mechanism facilitated the provision of assistance to the following countries: Albania, Armenia, Bangladesh, Chile, Dominica, Iraq, Mexico, Montenegro, Peru, Tunisia and Uganda. The UCPM also provided expertise in the form of preparedness and prevention (advisory) missions to Jordan and Bhutan.

By the end of 2017, 21 Participating States had registered a total of 92 response capacities to the EU voluntary pool of assets, which testifies to an enhanced commitment to deploy for European operations under the UCPM. Altogether, 173 response capacities meeting the requirements for deployment under the modules and technical assistance teams implementing rules were registered by 28 Participation States under the Common Emergency Communication and Information System (CECIS) data base of the UCPM.

In 2017, DG ECHO supported further development of the European Medical Corps (EMC), a specific part of the EERC voluntary pool of assets, which was deployed at the request of the World Health Organisation in the context of a Marburg Virus Disease outbreak in Eastern Uganda in support of the Ugandan Ministry of Health.

As regards policy development, DG ECHO continued to implement together with DG DEVCO the policy approach on 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.

DG ECHO also continued to work on implementation of the Grand Bargain agreed at the World Humanitarian Summit in 2016. The Commission was a key member of the Facilitation Group playing a key role in setting up and driving the process forward and in identifying and solving issues that needed to be addressed. DG ECHO contracted and coordinated the Independent Annual Report (together with UN Women) and Self-Reporting process for the Grand Bargain and acted as Secretariat of the Grand Bargain until it was properly established. DG ECHO has prioritised a number of work-streams under the Grand Bargain, such as ensuring joint and impartial needs assessments, the humanitarian-development nexus and scaling up cash, as well as work-streams where DG ECHO could wield significant leverage with aid organisation signatories such as multi-year planning and funding.

Within the European Union, the Emergency Support Instrument<sup>24</sup> continued to be in 2017 a very useful tool to fund humanitarian response actions (in Greece) in the context of the refugee and migration crisis. The priorities of the Emergency Support Instrument focused on: shelter (notably based on the ESTIA programme of rental accommodation and cash assistance), education and protection in particular for unaccompanied minors, and the

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<sup>24</sup> Regulation 2016/369 on the provision of emergency support within the European Union

roll-out of multipurpose cash programmes to cover both food and non-food needs and health. The sound financial management and the adaptation of the Emergency Support Instrument to the provisions of the Greek Financial Planning 2017 (GFP) were key operational priorities.

DG ECHO further advanced its global Disaster Risk Reduction (DRR) efforts. All Humanitarian Implementation Plans incorporated an analysis of options and priorities for preparedness, early action and DRR. DRR activities were mainstreamed in 65% of all humanitarian operations in 2017, up from 57% in 2016.

DG ECHO is also committed to contribute to investing in disaster risk prevention and management. To that effect, DG ECHO continued to monitor actively the implementation of the EU Action Plan of the Sendai Framework for Disaster Risk Reduction 2015-2030, which was adopted by the Commission in June 2016<sup>25</sup> showing thereby its strong commitment to make progress on those issues. It also coordinated the participation of the European Union in the Global Platform for disaster risk reduction (Cancun, Mexico, May 2017).

### **Summary overview of evaluations carried out**

In 2017, a comprehensive evaluation of the Commission's humanitarian aid actions between 2012 and 2016 was carried out. The evaluation concluded that the Commission-funded humanitarian actions were overall needs-based and implemented in line with humanitarian principles. The actions made an important contribution to the core objectives to save lives, reduce morbidity and suffering as well as improve dignity of life of the populations affected by disasters. The evaluation found that the scale of funding dedicated to humanitarian aid actions allowed the EU to have a real impact on the ground, addressing the needs of a significant number of beneficiaries in a large number of countries and regions. Positive impact on the ground was also found in regions where funding allocations were more limited, thanks to the selection of projects with high leverage or multiplier effect potential.

In 2017, the mid-term evaluation of the Union Civil Protection Mechanism was completed and followed by a Commission report to the Parliament and the Council<sup>26</sup> It took into account the result of the external study<sup>27</sup> conducted and other performance assessments such as the European Court of Auditors review of the UCPM<sup>28</sup>, and the Commission report on progress made and gaps remaining in the European Emergency Response Capacity<sup>29</sup>.

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<sup>25</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).

<sup>26</sup> Commission staff Working Document SWD(2017) 287 final of 30.8.2017 'Interim Evaluation of the Union Civil Protection Mechanism (2014-2016) accompanying the Report from the Commission to the European Parliament and the Council on the Interim Evaluation of the Union Civil Protection Mechanism for the period 2014- 2016 (COM(2017) 460 final)

<sup>27</sup> ICF, 'Interim Evaluation of the Union Civil Protection Mechanism. 2014-2016', Final Report, August 2017 <https://publications.europa.eu/en/publication-detail/-/publication/eb41bfee-78c3-11e7-b2f2-01aa75ed71a1/language-en/format-PDF>

<sup>28</sup> European Court of Auditors, Special Report (2016), Union Civil Protection Mechanism: the coordination of responses to disasters outside the EU has been broadly effective : [http://www.eca.europa.eu/Lists/ECADocuments/SR16\\_33/SR\\_DISASTER\\_RESPONSE\\_EN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR16_33/SR_DISASTER_RESPONSE_EN.pdf)

<sup>29</sup> Report from the Commission to the European Parliament and the Council on progress made and gaps remaining in the European Emergency Response Capacity, COM(2017) 78 final of 17.02.2017

The evaluation assessed the effectiveness, efficiency, relevance, coherence, EU added value and sustainability of the UCPM and provided recommendations on how the implementation of the Decision could be improved. The evaluation underlined that the Mechanism has clear EU added value for Participating States under all three thematic pillars – disaster prevention, preparedness and response.

In the area of response, EU added value was most evident in the comprehensive overview of capacities available at the EU level and the possibility to request coordinated EU wide response through a single platform. The UCPM has proven to be a useful tool to mobilise and coordinate the assistance provided by the Participating States responding to crises inside and outside the Union, constituting a tangible proof of European solidarity. There has been a positive change from an ad-hoc coordination system to a more predictable, pre-planned and coherent organisation of EU disaster response.

The addition of new capacities via the European Emergency Response Capacity (Voluntary Pool) has enhanced the overall disaster preparedness at EU level and allowed for immediate deployable response resources bringing together a range of relief teams, experts and equipment from Participating States. The UCPM is contributing to higher quality standards for response capacities across Europe. The UCPM is effective in responding to disasters inside and outside the EU, benefitting from the interlinked UCPM activities. The UCPM contributed to strengthen the preparedness of the civil protection sector both at EU and national level and the development of National Risk Assessments benefits the EU as a whole as it enables a better overview of risks and capacity gaps in the Union.

Outside of the EU, the UCPM can fill important emergency gaps in cases where it is not possible to fully deploy humanitarian assistance and/ or where specific technical expertise and/or assets are needed. In addition, the assessments carried out by civil protection experts deployed by UCPM can usefully feed into wider disaster recovery frameworks.

At the same time, in light of the limitations of the Mechanism's ability to mobilize certain types of asset as indicated by the 2017 forest fire season in Europe, in 2017, the Commission decided to propose to strengthen the Union Civil Protection Mechanism (UCPM)<sup>30</sup>, through inter alia the establishment of a dedicated reserve of EU assets - rescEU, in order to ensure that the Union can provide better crisis and emergency support to EU citizens with maximum efficiency.<sup>31</sup>

A mid-term evaluation of the EU Aid Volunteers initiative was carried out in 2017<sup>32</sup> supported by an external study focussing the relevance, coherence, EU added value, effectiveness and efficiency of the programme. In 2017, 178 EU Aid Volunteers were deployed.<sup>33</sup>

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<sup>30</sup> Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013 on a Union Civil Protection Mechanism (COM(2017)772 final of 23.11.2017).

<sup>31</sup> See below under section 3.1

<sup>32</sup> [https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations\\_en](https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations_en)

<sup>33</sup> See below under section 1.2

Annex 12 provides comprehensive reporting on the related performance indicators and outputs. Further indicators and a complete listing of the expenditure-related outputs can be found in the Programme Statements of the relevant spending programmes annexed to the EU budget.

## b) Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) cover the most crucial aspects of DG ECHO's performance and provide insights into DG ECHO's most significant achievements<sup>34</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 2017	Next milestone
		Result 2017	
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	≤ 12 (2020)
		20.7	
2. Budget is allocated to Education in Emergencies (EiE) as a priority area. This KPI is reflected in the performance table of General Objective 1	1.25%	6% of initial adopted budget allocated to EiE	8% of initial adopted budget allocated to EiE (2018)
		5.96% of initial adopted budget allocated to EiE	
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	54-60 million	54-60	Figures available once new method for determining beneficiaries is operational
		64.9	

<sup>34</sup> These KPIs reflect a selection from the DG ECHO Strategic Plan 2016-2020. Methodological refinements that have occurred in the meantime have led to a revision of the milestones and targets in order to reflect more accurately what can realistically be achieved on the basis of available data.

5. Multi-annual Residual Error Rate. This KPI is reflected in the financial management section, performance table of Objective 2 section 2.1.1	1.26%	≤ 2%	≤ 2%
		1.08%	

## **c) Key conclusions on Financial management and Internal control (executive summary of section 2.1)**

In accordance with the governance arrangements of the European Commission, 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/principles, based on international good practice, aimed at ensuring 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 / principles. 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**

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

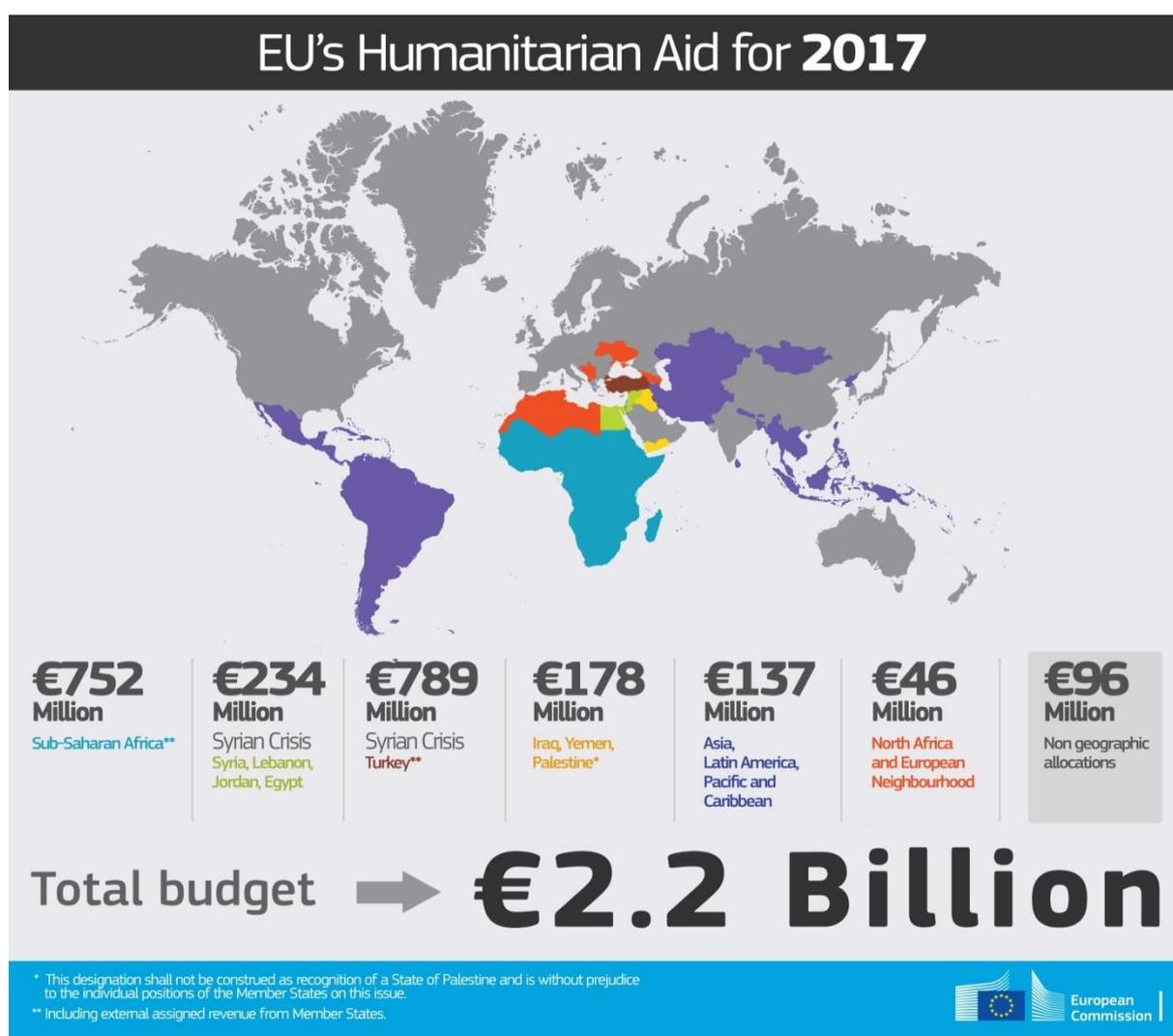
# 1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

## 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 previous years, DG ECHO had to continue intervening in support of humanitarian organisations in the field in a wide range of crises and disasters around the world<sup>35</sup>. For the most part, EU humanitarian funding is dedicated to addressing needs arising from protracted crises.



*NB: figures in the above infographic do not include funding of €198 million for inside the EU under the Emergency Support Instrument.*

<sup>35</sup> Annex 12 of this report provides a comprehensive reporting on the related performance indicators and outputs. Further indicators and a complete listing of the expenditure-related outputs can be found in the Programme Statements of the relevant spending programmes annexed to the EU budget.

While DG ECHO finances operations in more than 80 countries, the following crises are taken as particularly relevant examples of ECHO's action, due to their size, severity or complexity:

### **The Syria Crisis**

Inside Syria, DG ECHO continues to deliver life-saving assistance and support to millions of people throughout the country from all humanitarian hubs, including across conflict lines and international border crossings. This assistance contributed to the vital delivery of food, medicine, water, and shelter items for millions of Syrians directly affected and/or internally displaced by the conflict. In neighbouring Lebanon, EU humanitarian funding has contributed to cash assistance for the most vulnerable refugees, secondary healthcare for life-saving cases, non-formal education and shelter - including water, hygiene and sanitation - to improve the living conditions of the vulnerable families most affected by displacement. In Jordan and Turkey, DG ECHO supports the most vulnerable refugees inter alia through cash assistance, as this is considered the most cost-efficient and dignified delivery mode.

DG ECHO was directly involved in international diplomatic initiatives such as the "Supporting the Future of Syria and the Region" Conference in Brussels on 4-5 April 2017, 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. The Brussels conference has raised awareness of the plight of affected civilians in Syria and resulted in the pledging of EUR 5.6 billion) for 2017. DG ECHO also contributed to implementation and monitoring of mutual commitments of the Partnership Priorities ('Compacts') with Jordan and Lebanon. At the end of 2017, the total amount of EU humanitarian aid for addressing the consequences of the Syria crisis on the region had reached EUR 1.6 billion. For Turkey in 2017 a total of 10 projects were funded for a total record amount of EUR 789 million.



Syrian refugees in Zaatari camp in Jordan, 2017 © European Union/DG ECHO/ Peter Biro

### 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 2017, more than 11 million Iraqis – almost one third of the country's population – were in need of humanitarian aid. The challenges for humanitarian action were enormous due to military operations and the country's already stretched capacity to assist over 3 million Internally Displaced Persons (IDPs), 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. DG ECHO was at the forefront of humanitarian 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 humanitarian response, with a total of EUR 82.5 million support in 2017. Principled life-saving 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.



EU humanitarian aid in Iraq, 2017 © European Union/DG ECHO

### Ukraine

After four years of conflict, humanitarian needs persist in eastern Ukraine. The conflict has affected over 4.4 million people, out of which over 3.4 million are estimated to be in need of humanitarian assistance mainly in the non-government controlled areas (NGCA) and along both sides of the contact line. This includes over 1.6 million IDPs and more than one million Ukrainian citizens who have fled to neighbouring countries. Despite the action of the humanitarian community since the beginning of the conflict, lack of humanitarian access and adverse political and security developments over the past year have led to deterioration of the humanitarian situation. The humanitarian response is challenged by a combination of factors, notably the high politicisation of the conflict and the decreased funding allocation of humanitarian donors. The EU, together with its Member States, remained one of the largest humanitarian donors, with a total of EUR 59.4 million support in 2017. DG ECHO continued to provide life-saving assistance to the most vulnerable conflict-affected population living in the most exposed conflict areas while promoting for a smooth transition to medium and long term assistance in other areas of eastern Ukraine.



EU supports humanitarian demining of Eastern Ukraine © European Union/ECHO/Oleksandr Ratushniak

### **Horn of Africa Drought crisis (Somalia, Ethiopia, Kenya)**

In addition to large scale forced displacement with both internally displaced persons and refugees, the Horn of Africa is characterised by high food insecurity, mainly triggered by the recurrence of natural and man-made disasters.

After 2016, a year marked by drought and floods caused by El Niño, 2017 saw devastating drought affecting all countries of the region, especially Ethiopia, Somalia and Kenya; this was the worst drought since 2011 (when famine was declared in Somalia, claiming over 250,000 lives).

The recurrent nature and cumulative effect of such natural disasters strongly undermined the capacity of local populations to resist, respond and survive without external assistance.

Over 19 million drought-affected people and about 6 million displaced people were estimated to be in need of humanitarian food assistance.

In response, DG ECHO allocated a total of EUR 185 Million in 2017 to respond to the most urgent needs of the population affected by the consequences of the drought in the three countries. This funding made possible the delivery of multi-sectorial live-saving assistance to amongst others, drought-related displaced persons (some 1.1 million in Somalia and nearly 500,000 in Ethiopia) and vulnerable local populations in the three countries.

While famine was averted in 2017 thanks to the unprecedented humanitarian mobilisation, the total number and relative proportion of households facing emergency levels of food insecurity has increased in all three countries over the last 6 months, and without continued humanitarian support this situation is likely to deteriorate in early 2018.



Combatting famine © UNICEF, Sari Omer

### **South Sudan crisis**

Five years into the conflict, the situation in South Sudan has further deteriorated. Fighting continues to be reported in numerous parts of the country between the government and various anti-government forces, amidst an increasing fragmentation of belligerents, forcing thousands of civilians to flee within and outside the country. The continuous deterioration of the political and security situation has further disrupted access to basic services, livelihoods and markets, leading to a dire food security situation affecting half of the population, with thousands of people facing famine conditions, and malnutrition levels above the emergency threshold. Famine was declared from February until May 2017, triggering an unprecedented mobilisation of humanitarian assistance in the affected counties.

In total over a quarter of the population (i.e. nearly 4 million people) was displaced inside the country or in the region while some 7.5 million people were in need of assistance. In response, DG ECHO implemented in 2017 a total of EUR 122 million worth of humanitarian projects<sup>36</sup> to respond to needs in South Sudan. This funding enabled DG ECHO to deliver multi-sector life-saving assistance to - among 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 famine and hunger affecting nearly half of the population.

To support humanitarian organisations, the European Commission has also pursued 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 2017 to help the countries in the region cope with the huge fall out of the crisis in terms of refugee flows.

<sup>36</sup> Includes 40 million allocated at the end of year 2016 and implemented in 2017

### **The Yemen Crisis**

Even before the eruption of the conflict in March 2015, Yemen had already been the poorest country in the Arabian Peninsula, with widespread poverty, food insecurity and malnutrition. Almost three years into the conflict, the humanitarian situation has been 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 largely a forgotten crisis. In 2017, a staggering 18.8 million people were in need of humanitarian assistance and 2 million remain internally displaced. With a budget of EUR 76.7 million, DG ECHO supported the people affected by the conflict, as well as populations across the country suffering from malnutrition or facing food insecurity.

The bulk of humanitarian funding was used to provide food, water and sanitation, basic health care, shelter and household items for IDPs, refugees from the Horn of Africa and communities who are hosting uprooted people. Funding served also to stem the cholera epidemic that had reached alarming levels across the entire country.

### **Mali regional crisis**

Due to the continued insecurity in the Northern Mali in 2017, basic services were not re-established and 1.5 million vulnerable people continued to depend largely on international humanitarian aid. The conflict and insecurity have continuously spread to the centre of Mali and to neighbouring Burkina Faso, Mauritania and Niger. In total, EUR 31.6 million have been allocated to assist conflict-affected people in Mali and over 130,000 Malian refugees.

DG ECHO assistance in Mali focused mainly on health and nutrition assistance, covering 80% of the health districts in the North. Over 30 000 children under the age of five suffering from Severe Acute Malnutrition received lifesaving nutritional assistance. Some 90 000 vulnerable people requiring emergency food assistance during the lean season were supported, including through multi-purpose cash transfers.

Thousands of children benefitted from Education in Emergencies activities in Northern and Central Mali, where the impact of the conflict prevented many children from receiving basic education. The assistance to Malian refugees comprised mainly food assistance in Burkina Faso and Niger as well as food assistance and Education in Emergencies in Mauritania.

### **Sahel food and nutrition crisis**

In response to the continued food and nutrition crisis in the Sahel, in 2017, 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 14% of the food needs of the population in crisis during the lean season and supported 13% of the children who were suffering from Severe Acute Malnutrition and were in need of life-saving treatment. Treatment was provided to 455.000 children.

While addressing immediate humanitarian needs, DG ECHO was working actively on implementing the humanitarian-development nexus in order to build the resilience of the affected population, reduce humanitarian needs and to address the root causes of food insecurity and acute undernutrition.

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

The humanitarian crisis in the Lake Chad basin was Africa's biggest humanitarian and protection crisis in 2017. The violent conflict severely affected populations in Nigeria, Niger, Chad and Cameroon. Around 17 million people live in the affected areas across the four countries of the Lake Chad basin. More than 2.3 million people remained displaced, of which 1.3 million are children (within their country or in the neighbouring countries). In addition to forced displacement and related protection needs, hunger and malnutrition remained at critical level with 4.5 million people severely food insecure.

In 2017, DG ECHO substantially stepped up its assistance and allocated over EUR 110 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.

### **Central African Republic (CAR) regional crisis**

The overall security situation in CAR deteriorated in 2017, with a continued spill-over to the neighbouring countries. Fighting between armed groups, attacks against humanitarians (with 14 workers killed during the year) and atrocities spread into areas previously considered stable.

More than half of CAR's population (some 2.4 million people out of a total of 4.9 million) was considered to be in need of humanitarian aid. Over 2 million were suffering from food insecurity, and two thirds of the population had no access to basic healthcare. About one in four citizens of CAR has been forcibly displaced, either inside the country or to the neighbouring countries (notably to Cameroon, Chad and the Democratic Republic of Congo). By December 2017, some 688,000 people were internally displaced (IDPs) in CAR, compared to 384,000 in July 2016. The number of refugees rose to 560,000.

In 2017, DG ECHO allocated EUR 21.5 million to CAR itself and another EUR 5.5 million to Chad and EUR 4 million to Cameroon to address the needs of CAR refugees and Chadian returnees.

### **ECHO Flight (Africa)**

Guaranteeing fast and safe access to the field is vital to save lives in humanitarian emergencies. In contexts where there are no reliable roads, ports or other infrastructure, access to crises by land or water becomes difficult, if not impossible. Humanitarian air services are crucial to get access to remote places and reach people in need. In addition to transporting humanitarian supplies and workers, humanitarian air services also carry out medical and security evacuations.

DG ECHO operates its own humanitarian air service - ECHO Flight - with hubs in Kenya, Uganda, DR Congo and Mali. The service is free of charge for ECHO's partners and humanitarian organisations. The fleet consists of six small aircrafts: three in DRC / Uganda, one in Kenya and two in Mali.

In 2017, ECHO Flight supported the staff of more than 300 projects and transported 26,100 humanitarian aid workers and around 195 tons of humanitarian cargo. The ECHO Flight budget in 2017 amounted to EUR 16 million.

In addition the Commission supports other not-for-profit humanitarian air services. In 2017, it contributed EUR 19 million to the WFP/United Nations Humanitarian Air Service (UNHAS) and logistics operations in Sudan, South Sudan, Chad, Mauritania, Niger, Nigeria, Mali, Yemen, Ethiopia, Cameroon and the Central African Republic, and EUR 730,000 to the Afghanistan operations of Mission Aviation Fellowship (MAF).

In 2017, the combined direct contributions to humanitarian transport and logistics operations amounted to EUR 35 million.



An ECHO Flight aircraft © European Union/DG ECHO

### **Rohingya crisis (Myanmar/Bangladesh)**

Violence in Rakhine State, Myanmar, which began on 25 August 2017, resulted in a heavy death toll and significant population displacement. Over 688,000 Rohingya sought refuge across the border in Cox's Bazar, Bangladesh, bringing the total number of Rohingya refugees in Bangladesh close to one million people. The majority of refugees were hosted in the highly congested "Kutupalong" refugee camp with massive unmet needs in terms of food, shelter, WASH, health, protection and education. In Myanmar, humanitarian access to Northern Rakhine was cut off. It is estimated that some 150,000-200,000 are currently in need of assistance, adding to the 128,000 IDPs in Central Rakhine State who have been living there in confinement since inter-communal violence in 2012.

In response, a UN pledging conference on the Rohingya Refugee Crisis was organized on 23 October 2017, resulting in total pledges of USD 345 million for Rohingya refugees. With some EUR 136 million, the EU and its Member States accounted for over 50% of the total. Total EU support to the Rohingya and hosts communities in both Myanmar and Bangladesh amounted to 78 million in 2017 (of which EUR 27 million from DG ECHO). This funding enabled the delivery of multi-sector life-saving assistance to the refugees, IDPs and vulnerable host communities.

Due to a high number of diphtheria cases reported among Rohingya refugees in December 2017, the EU Civil Protection Mechanism was activated. The deployment of the UK Emergency Medical Team for infectious care was co-financed by the EU to provide treatment to patients in cooperation with the World Health Organisation.



Fleeing Rohingya refugees © WFP/Saikat Mojumder

### **Caribbean – Hurricanes Irma/Maria**

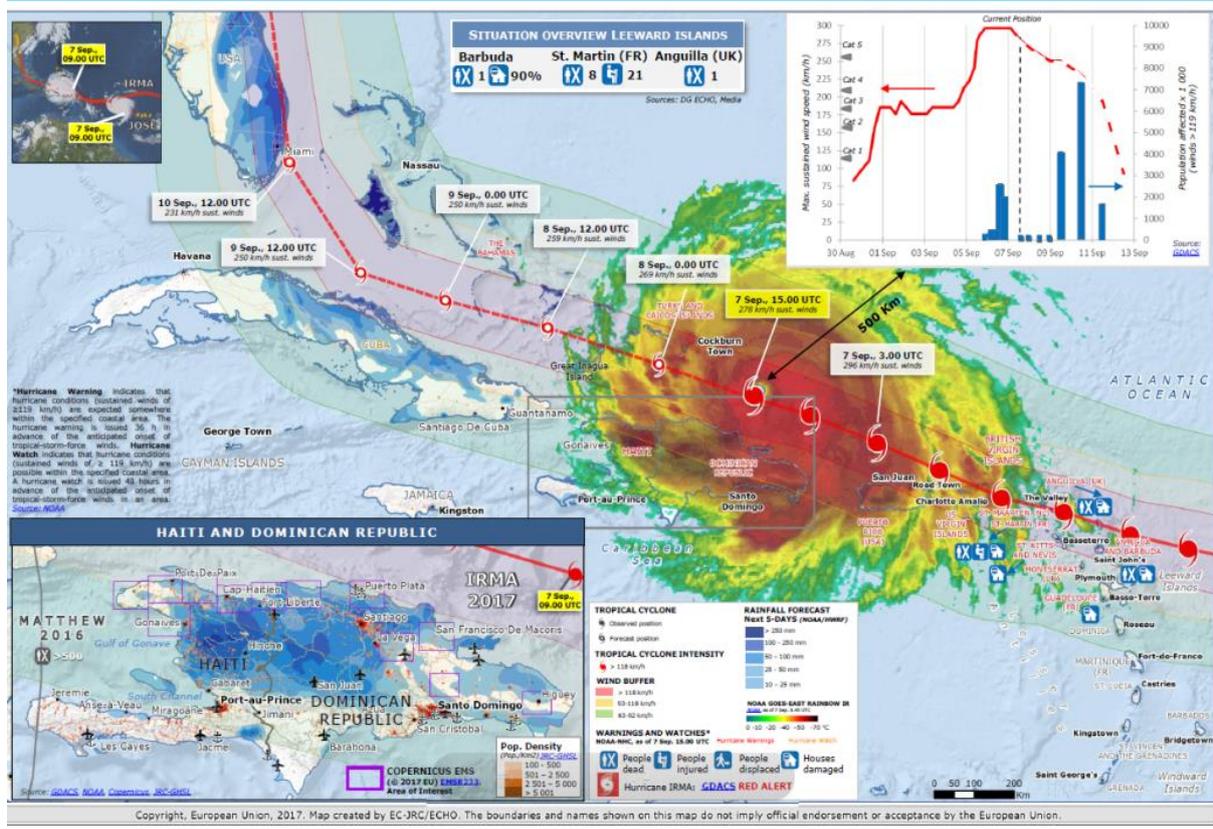
The Caribbean region was hit by two major category 5 hurricanes on 5-8 September (Hurricane Irma) and on 19-24 September (Hurricane Maria), which caused widespread devastation across the islands. In the aftermath of the hurricanes the EU intervened immediately to help those in need.

Under the EU Civil Protection Mechanism, EU Member States provided relief teams (water purification module), strategic sea transport capabilities, medical evacuations, logistical support, civil protection expertise and other in-kind assistance to Dominica and Sint Maarten, as well as consular evacuation for EU citizens stranded in Sint Maarten and consular support for EU citizens stranded in Florida.

Moreover, Copernicus satellite maps were produced for Dominica, Saint Kitts and Nevis, the British Virgin Islands, Sint Maarten, the French Antilles Islands, Florida, Puerto Rico and the US Virgin Islands, Haiti and the Dominican Republic.

DG ECHO allocated some EUR 8 million in humanitarian aid to Cuba, the Dominican Republic, Haiti, the Turks and Caicos, Sint Maarten, Antigua and Barbuda as well as Saint Kitts and Nevis, providing assistance to the most vulnerable in the sectors of shelter, food, access to safe water, resumption of basic services (health, education), and early recovery of livelihoods.

Through this coordinated response the EU brought relief to some 325,000 people affected by the disasters. A joint EU response strategy to rebuild after the hurricanes, linking relief, rehabilitation and development (LRRD) was furthermore elaborated with a view to properly articulate the first phase of the response provided by DG ECHO with DG DEVCO's longer-term recovery programmes.



## Colombia

Throughout 2017, humanitarian needs persisted in Colombia's forgotten humanitarian crisis. Access and respect for International Humanitarian Law became more challenging in some areas. Violence perpetrated against civilians by different armed groups, affecting in particular the Pacific coast and the North, caused new population displacement. Over 139,000 newly displaced people were recorded in 2017, with spill-over effects in the region. By the end of the year, there were around 350,000 Colombian refugees in neighbouring countries. In addition, the escalation of the multidimensional crisis in Venezuela pushed increasing numbers of people to flee to Colombia, escaping insecurity and/or looking for basic assistance.

Colombia is also highly prone to natural disasters. Conflict-affected municipalities are particularly at risk and provide only limited access to emergency responders. A total of EUR 3.6 million were allocated by ECHO to help conflict-affected people in Colombia and in the region, as well as people affected by natural disasters inside Colombia. Aid sectors included protection, health care, water and sanitation for the most vulnerable groups.



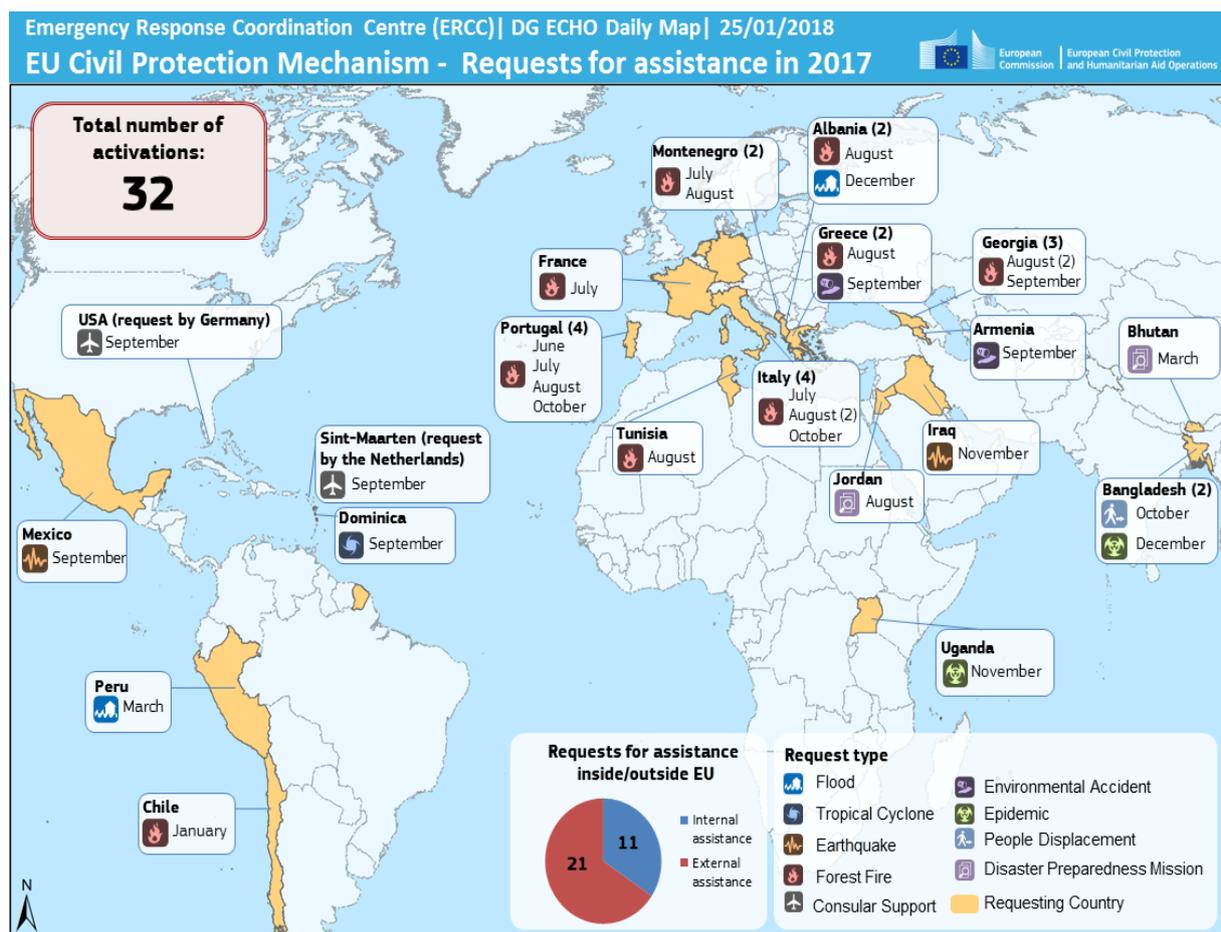
WASH action in Colombia, 2017 © Acción contra el Hambre - Colombia

## b) EU emergency response

The Union Civil Protection Mechanism (UCPM) facilitates the cooperation in disaster response among 34 European Participating 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 UCPM can also be activated in support to consular operations.

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 2017, the EU activated the Union Civil Protection Mechanism to respond to 32 emergencies, notably forest fires (with 15 related requests for assistance). It also provided assistance to third countries affected by floods, earthquakes, tropical storms, other humanitarian crises and epidemics and was activated in support of consular assistance for EU citizens (in the case of the hurricane in the USA in September 2017) and evacuation from affected territories in the Caribbean.

## EU Civil Protection Mechanism response in 2017

**20** participating states have contributed to **32** emergencies

Assests and expertise			Material assistance	
<b>484</b>	firefighters		<b>1.8 million</b>	water purification tablets
<b>51</b>	Civil Protection experts		<b>7 300</b>	lighting equipment for camps
<b>32</b>	firefighting planes		<b>4 000</b>	shelter materials (tents, sleeping bags etc.).
<b>13</b>	ERCC liaison officers		<b>2 700</b>	firefighting materials (hoses, chain saws etc).
<b>5</b>	transport capacities (vessels and airplanes)		<b>2 000</b>	hygiene kits
<b>1</b>	water purification module		<b>1800</b>	flood-related materials (boots, life vests etc.)
<b>1</b>	European mobile laboratory		<b>1280</b>	shelter kits
<b>1</b>	Emergency medical team (40 people)		<b>20</b>	pumps

#EUCivPro

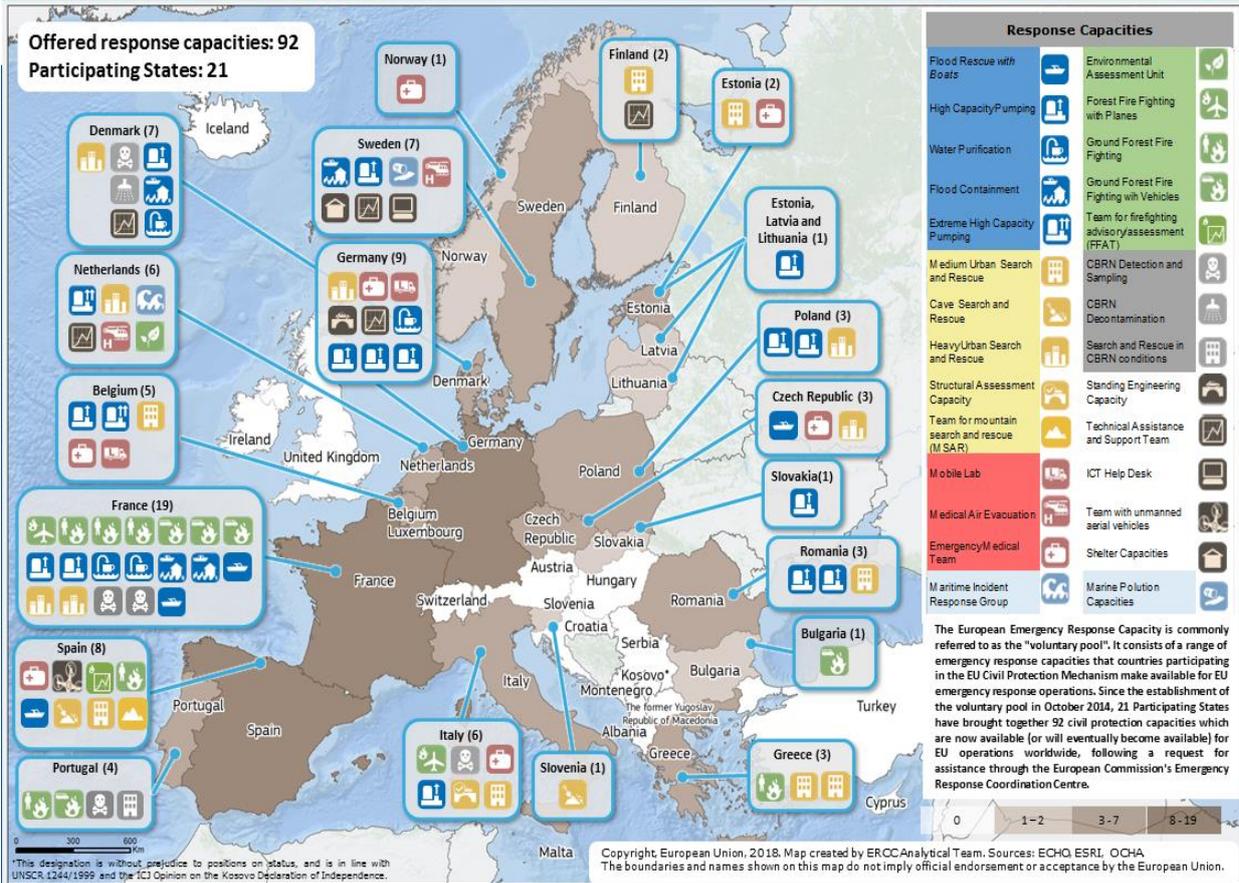


By the end of 2017, a total of 92 response capacities have been committed to the European Emergency Response Capacity (Voluntary Pool of assets) and are available for immediate deployment. Out of these, 31 resources have been certified.

In 2017, DG ECHO supported further development of the European Medical Corps (EMC) a specific part of the EERC voluntary pool of assets. The European Medical Corps (EMC) encompasses specialised response capacity that can be quickly deployed in case of medical emergencies around the world. In total 11 Member States committed 16 of their specialised teams and equipment in 2017. The EMC notably comprises medical teams, mobile laboratories, medical evacuation planes and logistical support teams. A European Mobile Laboratory led by Germany was deployed at the request of WHO in the context of a Marburg Virus Disease outbreak in Eastern Uganda in support of the Ugandan Ministry of Health.



Aerial medical evacuation capacity for highly contagious patients © Luxembourg Air Rescue



## Response to Forest Fires

The 2017 forest fire season has been the most severe and destructive of the last decade. Portugal's forest fires resulted in 112 deaths. More than 520,000 hectares were burnt, representing nearly 60 % of the total area burnt in the EU in 2017. Forest fires across southern Europe resulted in significant destruction of property and livelihoods with impacts on the economy including to network infrastructure, businesses, agricultural and forestry activities. The EU Civil Protection Mechanism responded nine times to forest fires inside the EU in France, Greece, Italy and Portugal. Assistance was also provided through the Mechanism for forest fires in Albania, Chile, Georgia, Montenegro and Tunisia.



Forest fires in Portugal, 2017 © European Union

Following the successful implementation of the 'Buffer-IT' project of 2016 to reinforce Member State aerial capacities to fight forest fires, the Commission also co-financed two aerial forest fire fighting capacities (buffer capacities) for the 2017 forest fire season. These buffer capacities were included as part of the voluntary pool and actively used for EU Civil Protection Mechanism deployments. The buffer capacity based in Italy was composed of two heavy amphibious planes and the one based in Spain consisted of two medium amphibious planes. In 2017, these buffer capacities were deployed 4 times in Europe for a total of 230 flight hours and 773 firefighting drops.



Combatting forest fires in Southern Italy © European Union

## Support by EU civil protection around the world

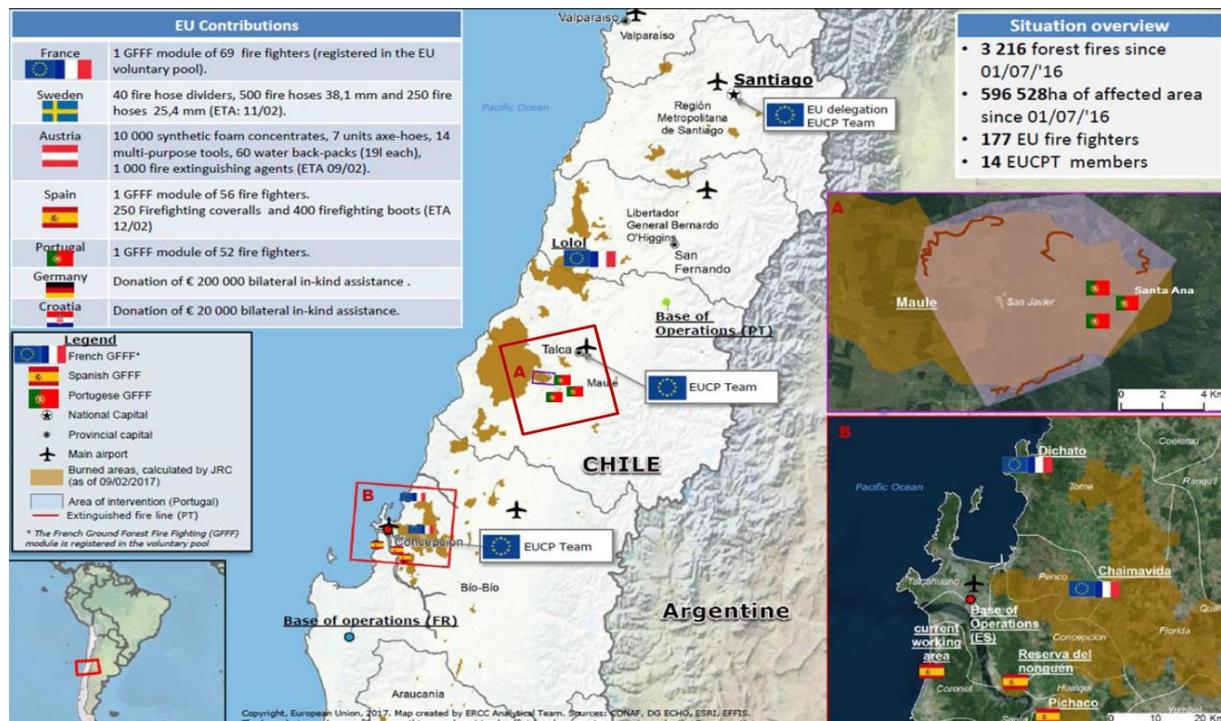
In 2017, there were 21 requests for assistance from outside the EU for sudden onset and large-scale emergencies. The Mechanism facilitated the provision of assistance to the following countries: Albania, Armenia, Bangladesh, Chile, Dominica, Iraq, Mexico, Montenegro, Peru, Tunisia and Uganda. The UCPM also provided expertise in the form of preparedness and prevention (advisory) missions to Jordan, Bhutan and Armenia. Assistance deployed included forest fire-fighting materials (Chile), shelter materials and shelter kits (Bangladesh), medical kits (Iraq), and water purification units (Dominica). EU experts provided support to the Mexican authorities on the assessment of damage to cultural heritage sites following the earthquake in Mexico in September.

The EU's Copernicus system was activated 69 times to provide satellite maps to help assess damages and provide information to assist emergency response. Over 650 maps were produced in rapid mode.



EU experts assessing damaged cultural heritage sites, Mexico 2017 © European Union

## EU CPM response to Chile forest fires 2017.



## **The Emergency Response Coordination Centre (ERCC)**

In 2017, the ERCC continued to provide important added-value through its 24/7 coordination and monitoring capabilities, which ensured real-time monitoring and immediate reaction. The ERCC facilitated the production of daily crisis information, maps and civil protection messages for a wide range of interlocutors.

It also contributed and 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>37</sup> or in cases of 'stand-alone' activations of the IPCR. In recognition of its work, in 2017 the ERCC was awarded a European Ombudsman Award for Good Administration in the "excellence in international cooperation" category.



## **Outlook for the Union Civil Protection Mechanism (UCPM)**

Special Report No. 33/2016 of the European Court of Auditors<sup>38</sup> (published on 23 January 2017) provided a positive assessment of the activities of the Union Civil Protection Mechanism and concluded that the Commission has been broadly effective in facilitating the coordination of the responses to disasters outside the EU from 2014 – 2016.

At the same time, in light of the scale and severity of recent disasters (and notably inside Europe, as mentioned above), the Commission has proposed a significant strengthening of the Union Civil Protection Mechanism, which would include reinforcing the capacities available at European level to respond to major disasters in key gap areas.

The proposal<sup>39</sup> aims to complement Member States' disaster response systems by establishing a dedicated reserve of operational capacities at Union level – rescEU – and by strengthening preparedness and prevention measures.

Concretely, it focuses on the following areas: creating the rescEU system to increase overall disaster response capacities available in the EU; strengthening disaster prevention; increasing the means available for the existing voluntary pool by allowing financing of operations; and reduction of risks notably by engaging Member States towards better assessing risks, planning for effective preparedness and promoting complementarities with other EU policies and funds.

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<sup>37</sup> Article 222 of the Treaty on the Functioning of the European Union.

<sup>38</sup> <http://www.eca.europa.eu/en/Pages/DocItem.aspx?did=40303>

<sup>39</sup> Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013 on a Union Civil Protection Mechanism (COM(2017)772 final of 23.11.2017) and Communication COM(2017)773 final - Strengthening EU Disaster Management: rescEU Solidarity with Responsibility.

In addition, a Union Civil Protection Knowledge Network, collaborating with other initiatives such as the Disaster Risk Management Knowledge Centre, will be established to support all civil protection actors across Europe.

This proposal seeks a total overall increase in the UCPM financial envelope of EUR 280 additional million for the remaining Multiannual Financial Framework period (2018-2020).

The follow-up to the legislative proposal and rapid implementation thereof is a top priority for DG ECHO.



Delivery of civil protection assistance Iraq, 2017 © European Union

## **c) Horizontal priorities**

### **Education in Emergencies**

In 2017 DG ECHO dedicated 6% of its budget to Education in Emergencies (EiE). This is well on track towards the pledge by the Commissioner for Humanitarian Aid and Crisis Management at the 2016 World Humanitarian Summit to reach 10% by the end of his mandate.

Besides the humanitarian budget, in 2017 DG ECHO also managed EiE funding through the Emergency Support Instrument in Greece and the EU Facility for Refugees in Turkey, amounting to nearly EUR 96 million support to EiE globally.

In 2017, 1.14 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, linking the work of humanitarian and development actors, and to strengthen coordination and capacity building in the sector through funding the Global Education Cluster and hosting its annual partners' meeting.

### **Cash assistance**

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 (of which the largest example is the European Social Safety Net ESN in Turkey, see below).

DG ECHO improved its ability to gather data according to delivery modality and has reached its Grand Bargain target of 35% of all DG ECHO assistance to be delivered through cash transfer based activities.

DG ECHO issued a Cash Guidance note in November 2017 with the aim of boosting the effectiveness and efficiency of large-scale cash transfer operations. The approach has already resulted in more effective and efficient cash transfer programmes in DG ECHO funded operations in Somalia, Iraq, Lebanon, Greece and Turkey. Efficiency ratios<sup>40</sup> of 85:15 are already being achieved and DG ECHO will continue to seek even greater efficiencies.

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<sup>40</sup> For large scale cash operations, the Total Cost to Transfer Ratio (TCTR) is a standard way of measuring efficiency, defined as the proportion of the value of transfers received by beneficiaries. An efficiency ratio of 85:15 means that 85% of the total value is transferred to final beneficiaries.

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

In 2017, DG ECHO continued to implement the Emergency Social Safety Net (ESSN) and has provided in total, since 2016, EUR 998 million through two separate grants. The Emergency Social Safety Net (ESSN) is a single card social assistance scheme that by the end of 2017 had reached over 1.2 million of the most vulnerable refugees in Turkey to meet their most pressing basic needs.

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 highly efficient way of providing humanitarian assistance, and also injects funds into the local economy.

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



The infographic on the left features a woman and a child. Text boxes provide details: 'An innovative way of delivering humanitarian aid' (ESSN combines humanitarian know-how with government services), 'Budget: € 998 million' (ESSN provides monthly cash transfers to a debit card), and 'Total number of beneficiaries: more than 1.2 million refugees throughout Turkey'. Logos for the EU, Turkey, WFP, and the European Commission are at the bottom. To the right, a photo shows a young girl in an orange shirt holding a red ESSN debit card.

**An innovative way of delivering humanitarian aid:**  
The ESSN combines humanitarian know-how and principles with government services to support refugees to meet their daily needs in a cost-efficient manner. It is the first humanitarian social assistance scheme of its kind.

**Budget: € 998 million**  
The ESSN provides monthly cash transfers to a debit card that enable families to buy what they need most. This ensures dignity of refugees and helps the local economy.

**ESSN is a cost efficient project with national coverage**

**Total number of beneficiaries: more than 1.2 million refugees throughout Turkey**

Started in September 2016

Logos: European Union, Turkey, WFP, European Commission

Emergency Social Safety Net (ESSN) © European Union

## Conditional Cash Transfer for Education (CCTE)

The CCTE is complementary to the ESSN in that it provides a cash transfer for education. So far, a total of EUR 84 million has been contracted in total under the CCTE under two separate grants. It seeks to ensure that children who would not attend school are given the opportunity to do so. By the end of 2017, the CCTE has supported over 167,000 children and their families.

## Other activities

Other multi-sectoral activities in particular in the areas of health, protection and education in emergencies, for a total amount of EUR 291 million, are also being supported in 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 requires increased coordination – leading to joint humanitarian-development approaches and collaborative implementation, monitoring and progress tracking.

DG ECHO and DG DEVCO<sup>41</sup> continued to step up their cooperation in 2017 based on a common approach to resilience-building, which aims to ensure greater coherence with other EU-funded projects, better complementarity with local systems and EU development co-operation, and a clearer portrayal of the EU's added value.

DG ECHO works closely with DG DEVCO from the start to ensure that the emergency response is accompanied by preparedness actions and followed by strengthening of the long-term food security and resilience-building in the most affected countries.

DG ECHO further advanced its global Disaster Risk Reduction (DRR) efforts. All Humanitarian Implementation Plans incorporated an analysis of options and priorities for preparedness, early action and DRR. DRR activities were mainstreamed in 65 % of all humanitarian operations in 2017, up from 57% in 2016.

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.

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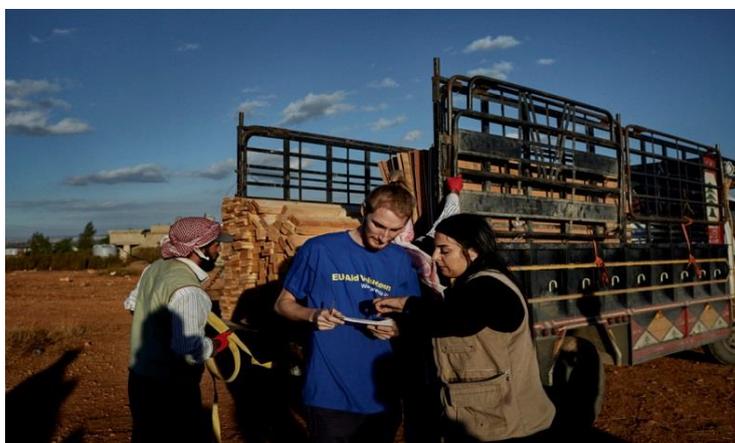
<sup>41</sup> Directorate-General for International Cooperation and Development.

## EU Aid Volunteers: supporting resilient communities

The EU Aid Volunteers Initiative<sup>42</sup> started at the end of 2014 bringing 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. A mid-term evaluation of the programme, carried out in 2017, assessed its relevance, coherence, EU added value, effectiveness and efficiency supported by an external study<sup>43</sup>.

As of December 2017, DG ECHO has funded a total of 496 benefitting organisations<sup>44</sup> 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 56 third countries and technical assistance in 26 EU countries with a total assistance of more than EUR 18 million. Activities included, for example, improving volunteer management, complying with EU Aid Volunteers certification standards, linking networks to improve collaboration and mutual learning, and capacity building in areas such as gender policy, preparedness, improving livelihoods, community-based protection, and strengthening local engagement in volunteering.



EU Aid Volunteer in Lebanon © European Union

To support the implementation of this programme, DG ECHO continued operating the EU Aid Volunteers Platform<sup>45</sup>. The Platform provides a space for the publication of volunteering vacancies, a discussion forum for volunteers, volunteer sending organisations and local host organisations, and the publication of stories from the field. It supports partnerships and collaboration between projects, houses the online volunteering activities and allows organisations to manage the learning and development, the mentoring and the creation of certificates for EU Aid Volunteers.

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<sup>42</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).

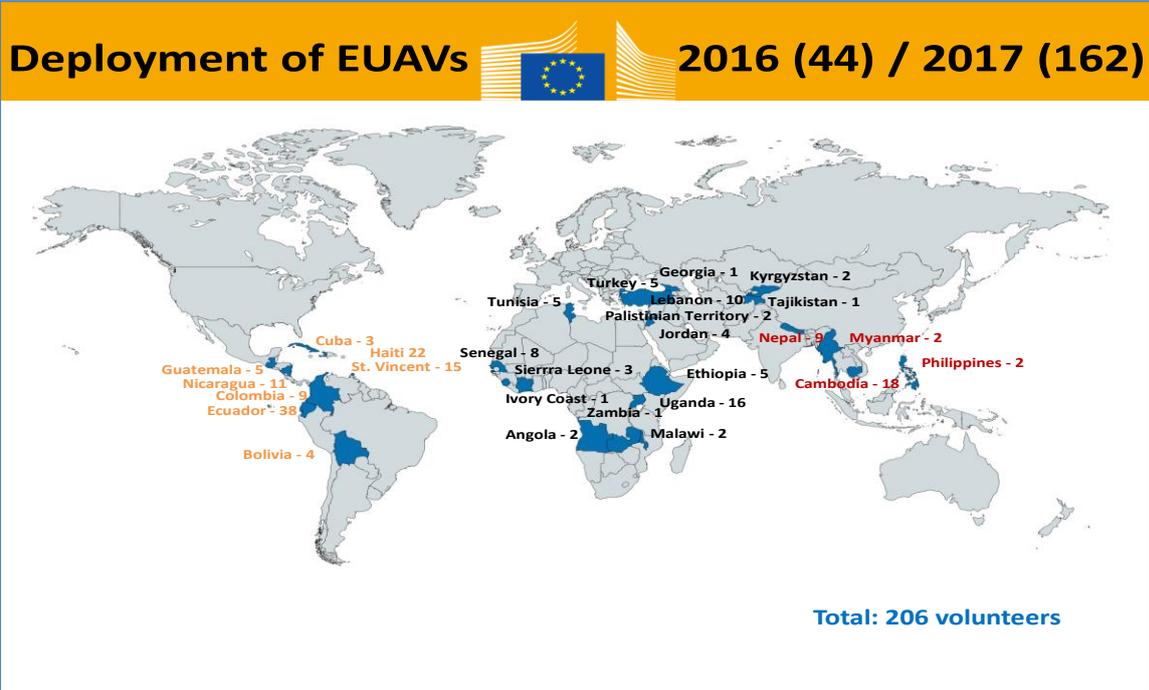
<sup>43</sup> [https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations\\_en](https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations_en)

<sup>44</sup> Of which 242 in capacity building, 66 in technical assistance, 188 in deployment projects. Some organisations participated in several of these projects.

<sup>45</sup> [https://webgate.ec.europa.eu/echo/eu-aid-volunteers\\_en/](https://webgate.ec.europa.eu/echo/eu-aid-volunteers_en/)

The number of proposals selected for funding in 2017 following the two calls for proposals was 24 and resulted in a much higher budgetary consumption than in the previous years (80% vs. 46% in 2016). DG ECHO will continue its outreach and communication activities to promote this initiative in order to achieve higher rates of participation in the calls in the future.

As a result of the 2017 calls, 175 vacancies for volunteers will be published in the course of 2018. As of December 2017, 275 candidate volunteers went through the EU Aid Volunteers training. This enabled the deployment of 206 EU Aid Volunteers in third countries as shown in the map below:



## **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**

There were more than 65 million forcibly displaced people in 2017. Most of them were hosted in developing countries with limited resources. Protracted displacement, i.e. lasting five or more years, has become the norm. Forcibly displaced people rely for years on humanitarian assistance. However, humanitarian assistance 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-reliance and sustainable livelihoods.

Throughout 2017, DG ECHO was closely engaged in the thematic consultations feeding into the formal consultation process for the adoption of the Global Compact on refugees and of the Global Compact for migration by the end of 2018. DG ECHO also actively followed the process at field level, especially the roll-out of the Comprehensive Refugee Response Framework (CRRF) in focus countries in the Horn of Africa and in the Northern Triangle in Central America.

Throughout 2017, DG ECHO continued to implement the Commission's approach to protracted forced displacement outlined in the Communication "Lives in Dignity: from Aid-dependence to Self-reliance"<sup>46</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. 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.

In 2017, DG ECHO continued to engage with other Commission services and the EEAS to further disseminate and implement the Communication including through six guidance notes (on coordination, protection, first response, basic services, self-reliance/livelihood and durable solutions) and joint work on focus countries via training and field workshops for example in Tanzania, Uganda, Chad and Sudan, exchange of best practices with EU Member States at headquarter and country level.

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

In 2017 the Commission continued to implement 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.

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<sup>46</sup> COM (2016) 234 of 26.4.2016.

## **Refugee and migration crisis**

### **Instrument for Emergency Support within the EU**

2017 has been the second year of activation of the Emergency Support Instrument (ESI), put in place in 2016 for the management of the humanitarian impact of the refugee and migration crisis inside the EU<sup>47</sup>.

The EU continued facing the humanitarian consequences of a refugee and migration crisis on its own territory. At the beginning of 2017, around 60,000 refugees and migrants still remained in Greece, according to Greek Government statistics, and UNHCR declared that at the end of 2017, over 45,000 refugees and migrants were still stranded in the country.

During 2017, the ESI catered for up to 40,000 of these beneficiaries, as per the "Financial Planning 2017" communicated by the Greek Government to the Commission. The ESI was allocated EUR 198 million in 2017 for the provision of needs-based emergency support in Greece. This funding complements the efforts of the Greek authorities, as well as the support provided to Greece by other EU instruments.

The actions, always in coordination with the Greek authorities, have been carried out by 15 humanitarian organisations, and their implementing partners. The partners that were contracted during 2017 were the International Organization for Migration (IOM), the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Rescue Committee (IRC), the Danish Refugee Council (DRC), OXFAM, United Nations High Commissioner for Refugees (UNHCR), Arbeiter-Samariter-Bund (ASB), Save the Children (STC), Médecins du Monde Belgium and Greece (MDM), Norwegian Refugee Council (NRC), United Nations Children's Fund (UNICEF), Care International (CARE), Mercy Corps (MCE) and Terre des Hommes (TDH).

The ESI met the basic needs of people of concern in Greece, through the provision of multi-sectorial support, increasingly using cash as the basic modality: basic needs assistance; food assistance; shelter, through the flagship ESTIA programme for rental accommodation, site planning and site management; protection, including for unaccompanied minors; educational services; healthcare, including psychosocial support and mental health; water, sanitation and hygiene; and preparedness for and response to unforeseen events related to the migration crisis.

### **Main outcomes during 2017**

2017 was a transitional year for the implementation of the ESI as the approach shifted from a first emergency operation to a more normalised intervention. Two ways of implementing humanitarian aid in Greece were scaled up: (1) a shift from catering to a cash-based system for food in camps, and (2) a progressive shift from shelter in camps to a rental accommodation scheme. These two policy initiatives resulted in the ESTIA programme.

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<sup>47</sup> Regulation (EU) 2016/369.

## **ESTIA – Emergency Support to Integration and Accommodation**

The EU's flagship Emergency Support to Integration and Accommodation (ESTIA) programme was implemented throughout 2017. It helps refugees live more secure and normal lives and better integrate them into the local economy and society.

Thanks to the programme, refugees and their families can stay in rented urban accommodation and obtain regular cash assistance. The ESTIA programme had a budget of over EUR 151 million in 2017, and has been implemented by UNHCR together with other implementing partners.

In December 2017, 37,597 people have benefitted from the cash assistance scheme, with an average of 35,000 people since July 2017. This system establishes a basic social safety net for asylum seekers and refugees in Greece by providing them with pre-defined monthly cash allocations through a dedicated card. It aims to enable refugees to meet their basic needs in a dignified manner. The allocations are consistent across the country, and pegged to the Greek emergency social safety net, as well as being based on the refugees' family size. At the same time, this assistance is re-injected into the local economy, family shops and service providers.



Emergency Support to Integration and Accommodation @ European Union

The project aims at improving living conditions of refugees by providing up to 22,000 urban accommodation places. The bulk of apartments are rented in cities and towns on mainland Greece and local landowners receiving a stable and reliable income for these apartments. A number of municipalities in Greece are also formally part of this project.

Further to the ESTIA programme, DG ECHO continued to operate in camps on the mainland in 2017, at a decreasing scale while new places were created in the rental scheme, covering infrastructure and services (shelter, wash, healthcare, protection, education) and including running costs (cleaning, transport and waste). All 21 permanent camps on the mainland have been fully winterised.

During the 1st semester of 2017, ESI covered the management of around of 1,000 places for unaccompanied minors (UAMs) in dedicated shelters. As of August, the Greek authorities have taken over the funding of these shelters. ESI has also created 24/7 safe zones for UAMS in sites when needed.

In 2017, EUR 13 million was provided for educational activities. In 2017, approximately 3,100 children accessed formal education on a monthly basis. This was facilitated with ESI funding. Approximately 2,400 children and adults accessed non-formal education.

Every month in 2017, more than 12,000 refugees and migrants benefitted from protection activities such as legal aid, case management, support in case of Gender-based violence. Primary health care consultations and referrals to hospitals are available in all camps where needed, as well as in Athens and Thessaloniki. An average of 8,500 primary health and 1,200 mental health consultations are provided every month on mainland Greece.

A clear distribution of responsibilities between the Greek authorities and the relevant Commission services (as delineated in the Financial Plan 2017<sup>48</sup>) was key in providing support in 2017 in the most efficient way, and also avoided overlap with other EU funding sources. DG ECHO intervention was focused primarily on the mainland, whereas the Greek islands were covered mainly by funding from DG HOME.

2018 will be the last full year of implementation for the ESI in Greece. A progressive phase-out started being discussed during 2017.

## **Turkey**

The EU Facility for Refugees in Turkey<sup>49</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 2017, humanitarian assistance in Turkey amounted to EUR 789 million (EUR 145 million from the EU budget and EUR 634 million from the assigned revenues of the Member States). The Humanitarian Implementation Plan (HIP) for Turkey was the largest contribution to any humanitarian crisis by the EU.

By the end of 2017, the full EUR 1.4 billion humanitarian leg of the Facility had been contracted through 45 projects with 19 partner organisations, covering the response to basic needs, protection, education, health, food and shelter. To date over EUR 1.1 billion has been disbursed under the humanitarian leg of the Facility.

DG ECHO's intervention in Turkey focused on (i) launching the biggest cash transfer programme ever – the Emergency Social Safety Net (ESSN), (ii) providing protection assistance to refugees, (iii) improving access to quality specialised 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.

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<sup>48</sup> Financial Plans were developed in close cooperation between the relevant Greek authorities, and the Commission Services. They provide the main elements of the approach to be implemented during the financial year, the main needs and areas to be covered, an indicative budget breakdown per relevant actor and per EU funding instrument, as well as the Guiding Principles of the ESIs actions..

<sup>49</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).



Education programmes for young people in need © European Union

### **EU added value**

The EU played a key donor role through its allocation of EUR 1.4 billion in humanitarian funding for refugees in Turkey. The humanitarian leg of the EU Facility for Refugees in Turkey helped improve the living conditions of refugee populations in Turkey on a large scale. By the end of December more than 1.18 million refugees had received support through the Emergency Social Safety Net (ESSN), and the families of over 167,000 children had received support through the Conditional Cash Transfer for Education (CCTE). The ESSN and CCTE are flanked by other humanitarian projects which focus on health, education and protection needs. The nexus with development assistance has been in place since the outset, given that the Facility combines budget lines under the remit of DGs NEAR and DG ECHO, as well as coordination with FPI/EEAS.

### **Western Balkans**

The EU has been the most important donor of humanitarian aid to support refugees and migrants with almost EUR 28 million allocated in 2015-17 for the Western Balkans region. In 2017, DG ECHO's activities 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, and distribution of non-food items, basic health care, shelter, and protection activities targeting the minors. With the funds allocated to the region, DG ECHO supported in 2017, via its humanitarian partners, the Government of Serbia's winterisation plan, food distribution, protection, health and education related activities in the Reception Centres. DG ECHO funded support to refugees and migrants will be handed over to the EU Regional Trust Fund "MADAD"<sup>50</sup> by Summer 2018.

<sup>50</sup>[https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eutf\\_syria\\_factsheet-english.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eutf_syria_factsheet-english.pdf)

## 2. 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**

The European Union aims to promote the well-being of citizens, which means contributing to their security. It has played a key role in protecting citizens against natural disasters in the past year, and must continue to do so. The European Union Civil Protection Mechanism is evidence of European solidarity both inside and outside the Union borders.<sup>51</sup>

In 2017, the European Commission continued to show strong commitment to the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030 and to its own Action Plan<sup>52</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 took part actively in the negotiations at UN level on a set of common indicators and terminology, which were endorsed by the UN General Assembly on 2 February 2017<sup>53</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 also played an active role in coordinating the European Union's engagement in the fifth session of the Global Platform for Disaster Risk Reduction (Cancun, Mexico), a key milestone to take stock of the Sendai Framework implementation.

In 2017, the Commission decided to propose to strengthen the Mechanism, through inter alia the establishment of a dedicated reserve of EU assets - rescEU, in order to ensure that the Union can provide better crisis and emergency support to EU citizens with maximum efficiency.



Aerial fire fighting aircraft, one of the critical assets for disaster response in Europe  
© DGSCGC MRI, France



EU co-financed high capacity pumping module 'BaltFloodCombat' © European Union

<sup>51</sup> Annex 12 provides a comprehensive reporting on the related performance indicators and outputs. Further indicators and a complete listing of the expenditure-related outputs can be found in the Programme Statements of the relevant spending programmes annexed to the EU budget.

<sup>52</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>53</sup> UN General Assembly Resolution A/71/L.54.

The current Mechanism has proved to be a good tool to mobilise and coordinate the assistance provided by the Participating States to respond to disasters inside and outside the Union. The extent of the disasters in 2017 and the response provided by existing structures, have however shown that it has reached its limits.

Building on these strengths, the above mentioned proposal aims to reinforce the provisions of the current framework to enhance the collective capacity of Member States to respond to disasters. The proposal expressly allows the Commission to acquire operational capacities, and to set up arrangements for ensuring rapid access to those capacities. This new reserve capacity, as well as higher co-financing rates for the European Civil Protection Pool (currently known as European Emergency Response Capacity, EERC) will contribute to addressing structural and emerging critical gaps in disaster response.



rescEU: Commissioner Stylianides proposes a new approach for preventing, preparing for and responding to disasters in the EU © European Union

*"The tragedies of last summer and the past few years have shown that our current disaster response system has reached its limits in its existing voluntary format. The challenges we face have evolved, and so must we. It is a matter of solidarity and shared responsibility at all levels. This is what European citizens expect from us and I now look to European governments and the European Parliament to embrace this proposal."*  
Christos Stylianides, Commissioner for Humanitarian Aid and Crisis Management, Brussels, 23 November 2017<sup>54</sup>

The proposal further enhances the links between prevention, preparedness and response by better connecting risk assessments to risk management planning and by supporting Member States in enhancing prevention and preparedness planning

The proposal also promotes synergies and complementarities with other EU policies and funds in the area of disaster risk management. Future scenario-planning should be based on risk assessments and capacity deployments, creating a stronger real link between prevention, preparedness and response.

<sup>54</sup> [http://europa.eu/rapid/press-release\\_IP-17-4731\\_en.htm](http://europa.eu/rapid/press-release_IP-17-4731_en.htm)

In addition, the creation of a Union Civil Protection Knowledge Network to support all civil protection actors across Europe is proposed.

In 2017, DG ECHO continued to support Member States in the assessment of their risk management capability and in the preparation of national risk assessments and continued to promote cooperation between Member States in sharing good risk management practices and tools, including risk communication practices.

The second cross-sectoral overview of natural and man-made disaster risks the Union may face<sup>55</sup> was published by the Commission in 2017. The overview was developed using the results of national assessments of the main risks of natural and man-made disasters across the EU 28 Member States and the six non-EU countries participating in the UCPM.

The current Union Civil Protection Mechanism legislation provides for an allocation of the 2014-2020 financial envelopes by percentages between prevention, preparedness, and response.

For prevention actions, a 20% spending target is defined with a flexibility of +/- 8 percentage points. The legislator recognises that prevention actions are the best way to achieve the necessary protection of populations and economic assets at risk of disasters.

DG ECHO implements these prevention actions in a variety of ways, financial and non-financial. Prevention and preparedness projects contribute through their dissemination and replication capacity to an increased public awareness and preparedness for disasters.

In 2017, DG ECHO continued to ensure the implementation of such high quality projects including large and small scale exercises and training and by promoting the joint design, planning, development and implementation of innovative civil protection activities among Participating States of the UCPM, including procedures, techniques, tools, etc.



European civil protection modules exercise (MODEX), Sweden 2017 © European Union

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.

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<sup>55</sup> SWD (2017)176 final

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.



European Civil Protection Exercise (CBRN), France © European Union / DG ECHO / YD

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 2017, DG ECHO produced 40 analyses on major disasters around the world, including 18 deployment plans and 22 analytical brief, and a total of 845 maps, including 424 situation maps, 248 daily maps and 173 base maps. It also provided maps for other Commission services and Member States in the Council.

## 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 Authorizing Officers by Sub-delegation (AOSD) managing DG ECHO budget appropriations;
- the reports from Authorising Officers in other services managing budget appropriations in direct delegation, in particular regarding the management for funds devoted to EU Aid Volunteers program by EACEA<sup>56</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.

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<sup>56</sup> EACEA: Education, Audiovisual and Culture Executive Agency, which is entrusted with the management of the EU Aid Volunteers program.

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

Increasingly, extreme operating environments such as those prevailing in besieged areas in Syria, are making the delivery of humanitarian assistance even more difficult, with humanitarian organisations on the ground facing particularly challenging obstacles. In this context, DG ECHO had witnessed that partners were unable to apply certain standard procedures while delivering life-saving support in besieged areas, leaving hundreds thousands people without the essential humanitarian assistance. To respond to the humanitarian imperative while continuing to comply with the Financial Regulation with regard to legality and regularity, DG ECHO may implement a framework of specific procedures and verification methods to minimise the risk for EU funds during the implementation of actions subject to Exceptional Extreme Operational Constraints (EEOCs)<sup>57</sup>. These specific procedures are aligned with the Financial Regulation and corroborated by the European External Action Service as well as the relevant services of the European Commission<sup>58</sup>; they were shared with the European Parliament and the European Court of Auditors.

## 2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives<sup>59</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 2017, the execution for commitments and payments broken down by area of expenditure:

COMMITMENTS					
Chapter	Initial Budget	Final Budget	Implementation	Unused	% used
Humanitarian aid	936 200 000	2 232 104 352	2 232 103 943	409	100%
<i>Including:</i>					
<i>EDF appropriations</i>		141 000 000			
<i>External assigned revenue</i>		695 238 888			
EU Aid Volunteers	20 972 000	16 394 237	16 361 075	33 162	99.8%
Civil protection	51 736 000	44 127 575	41 731 610	2 395 695	94.6%
Emergency support in the EU	198 000 000	198 000 000	198 000 000	0	100%
Support expenditure	12 268 000	10 874 207	10 616 854	257 353	97.6%
<b>Total</b>	<b>1 219 176 000</b>	<b>2 501 500 371</b>	<b>2 498 813 482</b>	<b>2 686 889</b>	<b>99.9%</b>

<sup>57</sup> Applies only to individually authorized operations responding to IASC Level 3 emergencies, e.g., to date, Syria or Yemen.

<sup>58</sup> SG, DG BUDG and the LS

<sup>59</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 (FR Art 32).

The EU budget for humanitarian aid, in commitments, amounted in 2017 to EUR 2,232 million (-5% compared to 2016) and has remained high, 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 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, Horn of Africa and the Rohingya refugees in Bangladesh are worth mentioning.

The unused amounts at the end of the year are very limited representing 0.1% of final budget. To be noted that unused funds include EUR 0.8 million, which are automatically carried over to the 2018 budget.

In 2017, operations were implemented through 1,373 agreements/contracts (1,523 in 2016), of which 34% under<sup>60</sup> direct management (DM) and 66% under indirect management (IM).

Humanitarian operations and Emergency Support in EU were implemented by partners, which are NGOs (31%), UN agencies (63%) and other international organisations (6%). Civil Protection and EU Aid Volunteers were exclusively implemented through direct management.

## PAYMENTS

Chapter	Initial Budget	Final Budget	Implementation	Unused	% used
Humanitarian aid *	1 136 580 853	2 260 520 864	2 259 756 631	764 233	100%
EU Aid Volunteers **	22 678 550	15 970 942	15 541 610	429 332	97.3%
Civil protection ***	51 752 707	43 107 725	33 764 183	9 343 542	78.3%
Emergency support in the EU	217 000 000	217 000 000	216 999 974	26	100%
Support expenditure****	12 268 000	10 874 207	5 177 919	5 696 288	47.6%
<b>Total</b>	<b>1 440 280 110</b>	<b>2 547 473 737</b>	<b>2 531 240 317</b>	<b>16 233 420</b>	<b>99.4%</b>

\* including EDF appropriations (EUR 148M), & external assigned revenue (EUR 625M).

\*\* including payments implemented by EACEA executive agency (EUR 15.3M)

\*\*\* including NEAR/ECHO appropriations (EUR 0.47M).

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

The budget for 2017 in payments amounted to EUR 2,547 million (EUR 2,490 million in 2016) 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 EU trust funds managed by other Commission's services:

<sup>60</sup> Value terms

	Commitments	Payments
EU TF Africa (DEVCO)	10 000 000	10 000 000
EU TF Colombia (DEVCO)		2 000 000
<b>Total</b>	<b>10 000 000</b>	<b>12 000 000</b>

In terms of payments, the EU Humanitarian Aid budget (chapter 23.02) has been implemented at 100%. The amount of unused re-assigned revenue (EUR 0.8 million) is automatically carried over to 2018.

Payment appropriations available under the Emergency Support Instrument (chapter 18 07) were also disbursed at 100%.

The EU Aid Volunteers programme (chapter 23 04) has been implemented at 97%.

With respect to Civil Protection (chapter 23 03), out of the unused EUR 9.3 million, EUR 0.7 million are automatically carried over to 2018 as related to re-assigned revenue. There are different reasons for the underspending, in general late submission of final reports by beneficiaries or claimed expenditure lower than committed. In any case, the carryover to 2018 of EUR 6.4 million has been already approved in order to cover pre-financing payments of new grant agreements which could not be finalised in 2017.

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;
- 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>61</sup>;
- Evaluation and review programs.

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

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

DG ECHO has put in place a set-up of internal control processes aimed 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.

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<sup>61</sup> Field audits are conducted on projects under implementation and HQ audits are carried out after finalisation of projects

Additionally, ECHO has in place procedures to ensure legality and regularity of underlying expenditures even incurred in operations characterised by being implemented either under Exceptional Extreme Operational Constraints<sup>62</sup> or Remote Management. These procedures include clear requirements to be respected by our partners before and during the implementation of these operations as well as at reporting stage. Therefore, ex ante and ex post controls apply equally to such operations.

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.

Ex-post controls are ensured by the implementation of DG ECHO audit strategy. This audit strategy ensures that every partner organisation is selected for audit on average every four years. A broad sample of grant and contribution agreements with each selected partner is then selected for audit. The grants sample to be included in the Annual Audit Plan is designed in order to take into account criteria such as the relative amount of agreements, the type of management mode used, the complexity of activities and risk analysis (grants 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.

In order to increase transparency and accuracy, DG ECHO consolidates the practice introduced in 2016 of presenting, where appropriate, figures related to expenditure implemented under direct management (DM, i.e. grant agreements to NGOs) separated from those related to under indirect management (IM, i.e. contributions to International Organisations and UN agencies). For coherence's sake, cumulative tables in this AAR exceptionally do not present a second comparison year (i.e. 2015), for which DM/IM figures were not available.

The value of the indicators is the following (in EUR million):

Indicator	Cumulative	2017		2016		Expenditure Coverage*
		IM	DM	IM	DM	
Detected ineligible expenditure by ex-ante controls	11.9	0.52	6.94	0.7	3.7	100%
Detected ineligible expenditure by ex-post audits	10.4	0.08	5.86	0.8	3.7	98.7%
Residual error rate	%	0.09%	0.98%	0.54%	1.29%	98.7%
Recovery orders following ex-ante controls and ex-post audits	19.6	6.43	9.20	0.9	3.1	99.9%
Cashed in/Offset	18.5	6.43	8.50	0.9	2.7	100%

\* Expenditure  
Indirect Management : IM.  
Direct Management : DM

<sup>62</sup> Applies only to individually authorized operations responding to IASC Level 3 emergencies, e.g., to date, Syria or Yemen.

In 2017 a total of EUR 7.4 million (EUR 4.4 million in 2016) of ineligible expenditure has been detected and corrected following ex-ante controls; of which EUR 6.9 million (EUR 3.7 million in 2016) related to expenditure implemented under direct management and EUR 0.5 million (EUR 0.7 million in 2016) under indirect management.

The implementation of the Annual Audit Plan resulted in the detection of ineligible expenditure totalling EUR 5.94 million, where EUR 5.86 million are related to expenditure implemented under direct management and EUR 0.08 million under indirect management (in 2016, EUR 3.7 million non-eligible expenditure had been paid under direct management and EUR 0.8 million under indirect management).

The value of recovery orders issued following audits amounted to EUR 15.6 million in 2017 (EUR 4.0 million in 2016): an amount of EUR 9.2 million (EUR 3.1 million in 2016) related to expenditure implemented under direct management and EUR 6.4 million (EUR 0.9 million in 2016) under indirect management.

EUR 14.9 million have been cashed in 2017, representing 96 % of the total value of recovery orders (EUR 3.6 million, and 89%, 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 2016-17 amounts to 1.08% and covers 98.7% of all payments executed during the year<sup>63</sup>.

	Cumulative	2017	2017		2016	
			IM	DM	IM	DM
A) Detected ineligible expenditure in audited expenditure*	10.4	5.94	0.08	5.86	0.8	3.7
B) Value of expenditure audited	826.7	467.42	82.87	384.55	127.0	232.3
C) Representative detected error rate	<b>1.26%</b>	<b>1.27%</b>	<b>0.09%</b>	<b>1.52%</b>	<b>0.6%</b>	<b>1.6%</b>
D) Payments	4,865.9	2,498.52	1,626.74	871.78	1,357.4	1,010.0
E) Value of expenditure audited	<u>-826.7</u>	<u>-467.42</u>	<u>-82.87</u>	<u>-384.55</u>	<u>-127.0</u>	<u>-232.3</u>
F) Outstanding unaudited expenditure	4,039.2	2,031.10	1,543.87	487.23	1,230.4	777.7
G) Uncorrected detected ineligible items	1.7	1.18	0.08	1.10	-0.1	0.6
H) Amount at risk**	52.7	26.98	1.5	8.5	7.4	13.0
Residual error rate***	<b>1.08%</b>	<b>1.08%</b>	<b>0.09%</b>	<b>0.98%</b>	<b>0.55%</b>	<b>1.29%</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), then added with 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 2 498.5 Million plus EUR 12 Million EUTF plus EUR 15.4 million implemented by EACEA plus Support Expenditure to be paid in 2018 equal to EUR 2 531 million (see p. 47).

<sup>63</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.

The Multi-annual residual error rate for the period 2016-2017 is 1.08%, which remains below the set materiality threshold of 2%. In detail, the error rate in 2017 for expenditures in direct management was 0.98%, while in indirect management it was 0.09%.

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.

	Payments made	<i>minus</i> new pre-financing	<i>plus</i> cleared pre-financing	<b>Relevant expenditure</b>	Average Error Rate ( <i>weighted AER</i> ; %)	Estimated overall amount at risk <i>at payment</i>	Average Recoveries and corrections ( <i>adjusted ARC</i> ; %)	Estimated future corrections	<b>Estimated overall amount at risk at closure</b>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ECHO	2 370*	1 980	1 147	<b>1 536</b>	1.08%	16,7	0.4%	6.2	<b>10,5 0,7%</b>
EUTF Bekou	0		0.6	<b>0.6</b>					
EUTF Africa	10	10	5.9	<b>5.9</b>					
EUTF Colombia	2	2	0.2	<b>0.2</b>					

\* EUR 2 370 plus EUR 150 million (EDF) plus EUR 15.4 million (EU Aid Volunteers, implemented by EACEA) plus EUR 0.5 million (EU Civil Protection, implemented by NEAR) minus Support Expenditure to be paid in 2018 equal to EUR 2 531 million (see p. 47).

The estimated overall amount at risk at payment for the 2017 payments made is EUR 16.7 million. This is the AOD's best, conservative estimation of the amount of *relevant expenditure* (EUR 1 548 million) during the year not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

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<sup>64</sup>. The conservatively estimated future corrections for those 2017 expenditure made are EUR 6.2 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 10.5 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.

<sup>64</sup> The level of the average recoveries and corrections appear to be stable over the years and the figure provided by DG BUDG may be still considered as the best conservative estimate for the future ex post corrections.

DG ECHO has produced an estimation of the costs of the main control processes<sup>65</sup>. 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.

- **Cost-effectiveness of controls**

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

Indicator	2017	2016	Expenditure Coverage
Average cost of audits	0.013	0.015	98.7%
Estimated cost of controls	42.1	41.4	100%
% of cost of control over payments	1.6%	1.7%	100%
Estimated quantifiable benefits	13.7	10.6	100%

The average cost per audits (including ex-ante field audits and ex-post audits/UN verifications) was EUR 13,500. The cost of audit assignments undertaken by audit firms for outsourced audits amounted to EUR 1.7 million in 2017 (EUR 1.6 million in 2016). A new Framework Contract was signed in May 2017.

The estimated cost of the control<sup>66</sup> strategy represents 1.1% of the indirect management 2017 budget and 0.6% of the direct management 2017 budget; the estimated total absolute value amounts to EUR 42.1 million (EUR 41.4 million in 2016). In particular, the following table shows the segmentation of the estimate costs (in EUR million and percentage of the budget):

	IM	DM
ex ante	24.56	14.57
	0.98%	0.58%
ex post	1.95	1.01
	0.12%	0.11%

<sup>65</sup> In addition, as stipulated in the FAFA agreement between the Commission and Entrusted Entities, DG ECHO contributes to their overall management. See Annex 5, stage 3.

<sup>66</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 main components of this indicator are:

- 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 1.7 million for contracts with external audit firms.

The estimated quantifiable benefits resulting from the implementation of the control strategy represent an amount of EUR 0.8 million for the indirect management and EUR 13.0 million for the direct management. This figure includes the detection and correction of ineligible items through ex-ante controls plus audits, including audits of ongoing grants. Note that detected ineligible expenditure as results of audits on ongoing grants in the field 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 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 28.3 million, representing 1.2% of the 2017 budget (1.6% of the 2016 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.

- ***Control efficiency***

The following indicators support the analysis of control efficiency:

Indicator	2017	2016	Budget Coverage*
Average time to pay	30.5 days	30.2 days	100%
Payments within legal time	77.7%	80.2%	100%
Consumption rate of payment appropriations <sup>67</sup>	99.4%	94.4%	100%
Financial assessment of partners (DM)	100%	100%	34%
Monitoring of actions	94.2%	93.0%	98%

\*Payments

- The average time to pay was 30.5 days. This is in-line with current DG ECHO's engagement to fulfil the requirements of the Financial Regulation in terms of payment deadlines. The lower percentage of payments within legal time can be due to the continuous increase in the number of operations managed by DG ECHO in 2017 as well as a change in the financial circuits of payments in March 2017 that has required an adaptation process. DG ECHO has put in place since the last quarter of 2017 a monitoring system to follow up the payment deadlines.
- The consumption rate of payment appropriations has been done at a high level, with an increased rate compared with 2016.

DG ECHO performs regular assessment of partner NGOs. The process starts with the assessment of non-governmental organisations who apply to sign a Framework Partnership Agreement (FPA) with DG ECHO, in order to become partner. In 2017, 59 non-governmental organisations applied for the signature of the FPA with DG ECHO. In the same year, 14 organisations were granted partnership following assessment of their applications while 28 applications were rejected. 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. 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.

In 2017, substantial work started to prepare for the new 2020 Framework Partnership Agreement (FPA).

- 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 (i.e. DG ECHO's Field Network<sup>68</sup>). According to the data available on January 2018, 721 actions were monitored in the field out of 773<sup>69</sup>, representing

<sup>67</sup> Excluding externally assigned revenues

<sup>68</sup> DG ECHO performed in 2017 a full check of the fitness for purpose of the field network set-up to ensure its cost-efficiency, particularly in time of budget constraints.

<sup>69</sup> As monitoring is effected generally at an advanced stage of the project lifecycle, only operations terminated in 2017 have conventionally considered for the computation. For information, the total contracted amount in case of these non-monitored actions was EUR 51,9 million out of EUR 1,980.9 million considered in the statistic.

coverage of 93.3% (93% in 2016). Conventional monitoring may not be possible in some cases due to punctual problems of access, security and other constraints: in particular, 3.8% of actions were not visited due to security constraints. For actions which have been granted under the modalities Remote Management (RM) or Exceptional Extreme Operational Conditions (EEOCs), it is considered that the security and access issues are globally inhibiting any presence of ECHO staff and alternative procedures are then foreseen to ensure that the actions are adequately performed and monitored.

- **Conclusion**

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**

DG ECHO has developed and implemented its own anti-fraud strategy since 2013, elaborated on the basis of the methodology provided by OLAF. It has been updated in June 2016.

The Anti-Fraud Strategy (AFS) 2016-2020 has been 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 line with the AFS 2016-2020 action plan, DG ECHO has organised training sessions for staff aimed at raising fraud awareness; these sessions took place during the Middle-East, the African and the Asian 2017 Regional Seminars as well as during the 2018 Field Management Days.

In the 2017 Audit Plan, fraud risk was included as a sampling criterion in the selection of actions and partners to be audited.

A new internal document defining internal procedures, both in terms of information flow and decision-making process, to be followed in case of fraud allegations has been adopted in December 2017. This document further clarifies how anti-fraud and risk management should be mainstreamed in the whole cycle of DG ECHO actions.

Throughout 2017 DG ECHO Audit & Control sector has been involved in the revision of several DG ECHO Policies (e.g. Cash, Aid Diversion, Remote Management, 2019 FPA) in order to main-stream anti-fraud and fraud risk management in all policies.

In 2017, 72 allegations have been reported. The number of allegations has considerably increased with regard to those reported in 2016 (41). This should not be perceived as a deterioration of the capacity of partners to prevent fraud but on the contrary as an improvement of their capacity to detect potential situations of fraud as well as an increase on transparency vis-à-vis DG ECHO.

DG ECHO has taken all necessary measures to protect the financial interests of the Union through the analysis of financial, operational and reputational risks, suspending operations, contracting and payment, where appropriate, and close liaison with field experts, partners and, where relevant, competent authorities.

Based on the results of the analysis of prima facie evidence, 30 cases have been transmitted to OLAF (13 in 2016), of which 2 in the same context and 6 relating to investigations opened by OLAF in 2016. 12 cases led to the opening of investigative activities, 6 are still being considered by OLAF to determine whether opening an investigation would be warranted, while the remainder has been dismissed. During 2017, OLAF closed 1 investigation for a case opened in 2016.

No cases were transmitted to the Commission's Investigation and disciplinary Office (IDOC) in 2017.

Considering the proportion of DG ECHO funds impacted by fraud, irregularity or any other wrongdoing, especially in light of the financial prejudice for DG ECHO funds established by OLAF at the end of its investigations, 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 2017 are detailed by control body.

### Internal Audit Service (IAS)

In 2017 the IAS finalised one performance audit. The objective was to assess the DG ECHO's Grant Management in response to the Syrian Crisis in the Middle East (Headquarters and Field Offices). The Report recognised the ongoing efforts made by DG ECHO to enhance the selection and management of grants in order to ensure the selection of the most relevant projects and hence, the achievement of DG ECHO's humanitarian objectives. The IAS concluded that, overall, DG ECHO effectively analyses, selects, monitors and reports on the grant proposals submitted by its partners for actions in response to the Syrian crisis in the Middle East. The auditors did find areas for further improvement and in this sense made two "important" and one "desirable" recommendations which will be implemented in an action plan which was already approved.

Regarding previous recommendations, at the end of 2017 no "critical" or "very important" recommendations were still open. One "Important" recommendation was still considered as open by the IAS at the end of 2016. It relates to increasing coordination of audit efforts and improved planning of audits over the year.

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

### 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 2017, 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 (6 Partners) as well as from the European Development Fund (5 partners). The DAS 2017 exercise is still ongoing. According to DG ECHO calculations, the DAS 2016 reported an error rate of 1.22%.

In 2017 the Court started two new performance audits. The question being assessed in the first one is: *"Is the Facility for Refugees in Turkey (FRIT) providing an effective support to the refugees in Turkey"*. The preparatory work started in July 2017 and both DG ECHO and DG NEAR are being audited. The Court performed in January 2018 a visit to Turkey (end of January 2018), with stopovers in Ankara, Gaziantep and Istanbul, including meetings with Partners and examinations of projects. The Clearing Letter with the preliminary findings has been transmitted to DG ECHO in March 2018 and the Final Report should be published before end 2018.

The question being assessed in the second performance audit is: *"Is EU funding to NGOs transparent"*. The preparatory work started in August 2017, but the Audit Planning Memorandum has been officially adopted by the Court Members only in January 2018. DGs DEVCO, ECHO, NEAR, RTD, EAC and ENV are the auditees.

The Court visited two countries in February 2018: Lebanon, where the auditors focused on DG NEAR and DG ECHO grants; and Ethiopia, where the focus was on DG DEVCO and DG ECHO grants. The Clearing Letter with the preliminary findings, if any, is expected by the third quarter of 2018 and the Final Report should be published before end 2018.

In 2017, DG ECHO was requested by the Court to provide detailed information in the framework of other three performance audits, where DG DEVCO and DG REGIO were the main audited services. The final reports are still pending and no recommendation addressed to DG ECHO is known so far.

With regards to audits performed in 2016 the corresponding action plans have been established and are in the course of being implemented and do not have any impact on quantitative or qualitative terms on the assurance to be provided with this report.

### **Education, Audio-visual and Culture Executive Agency (EACEA)**

The executive director of EACEA has entered a new reservation in his Annual Activity Report concerning internal control weaknesses relating to the selection process of beneficiaries. This issue was highlighted in an IAS audit carried out in 2017 on the grant management in Erasmus+ and Creative Europe where one critical and eight very important issues were detected. The EACEA reservation and the IAS audit conclusions involve a certain reputational risk for the parent DGs of EACEA.

DG ECHO is one of the parent DGs of EACEA since it entrusted the agency with the management of EU Aid Volunteers. As a consequence, DG ECHO is part of the Steering Committee of the agency and plays as such a supervision role over the agency. This supervision role is framed by a certain number of legal documents and guidance (the Commission Delegation act to EACEA, the Memorandum of Understanding between the DGs and the agency, the Commission Guidelines on Executive Agencies, etc.). However, the parent DGs' supervision of the work of the executive agencies shall not blur the respective responsibilities and, in particular, it shall not result in duplication or overlap with the tasks of the agency.

Extensive actions have been taken by all to ensure the weaknesses are effectively rectified:

- Two Extraordinary meetings of the EACEA Steering Committee with participation of IAS and DG BUDG;
- Rapid revision of the Creative Europe work programme to deal with issues on retroactivity;
- DG-level meetings involving all parent DGs, SG, IAS and DG BUDG;
- Weekly Audit Management Team meetings and Head of Unit group with participation of IAS;
- EACEA Working Group on the update of grant procedures;
- Participation of parent DGs in training courses on selection in March;
- Examination of best practice in other Executive Agencies;
- Multiple technical meetings on legal and compliance matters with DG BUDG.

This has ensured a close follow-up of the critical issues and close supervision will be maintained throughout the current implementation of EACEA's action plan agreed with IAS.

Even though the management of the EU Aid Volunteers programme was not subject of the IAS audit, the changes to the working methods planned by EACEA will also have an impact on it and will further improve its management.

Overall, DG ECHO considers that its supervision of the executive agency, which is authorising officer receiving delegation directly from the Commission, has been effective and sufficient in 2017. All the reports foreseen in the Memorandum of understanding

between EACEA and its parent DGs were provided and enable DG ECHO to closely monitor the implementation of the EU Aid Volunteers.

Based on the above and based on the fact that the implementation of the action plan by EACEA's Director as AOD in response to the IAS audit shows that appropriate corrective actions have been taken with the parent DGs and therefore, it is not necessary to make an additional reservation at parent DG level. Indeed DG ECHO considers that the supervision responsibilities were fulfilled and the reputational risk mitigated adequately.

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

The Commission has adopted an Internal Control Framework based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with the Internal Control Framework 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.

In order to allow the alignment with the Internal Control Framework (ICF) in 2018, DG ECHO has identified the monitoring criteria (indicators with their baselines and targets) that would be used to assess the compliance with the principles of the ICF. These indicators have been annexed to DG ECHO 2018 Management Plan as per DG BUDG instructions. The monitoring criteria are based on meaningful indicators that should allow DG ECHO to effectively monitor and assess its internal control system and, on that basis, to build on its strengths and address its weaknesses.

However, the late adoption of clear guidance for the implementation of the ICF recommended maintaining the Internal Control Standards (ICS) as reference for this year's reporting. Therefore, in 2017, the functioning of the internal control systems continued to be 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 9 non-compliance events recorded in 2017, 8 concerned situations of "*saisine à postérieure*"<sup>70</sup>. As main corrective measure, all units DG ECHO units and their managers received dedicated coaching sessions aimed at raising awareness on a number of related financial issues and on the requirements of the Financial Regulation.

In addition the following five standards were selected for review:

- ICS 2: Ethical and Organisational value (follow-up from 2016);
- ICS 6: Risk Management Process;
- ICS 9: Management Supervision;
- ICS 12: Information and Communication;
- ICS 15: Assessment of internal control systems.

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<sup>70</sup> Legal commitments signed before the related budgetary commitment – breach of Article 86 of the Financial Regulation.

To assess how effectively the selected ICS have been implemented in 2017, DG ECHO performed a desk review assessment in accordance with DG BUDG's guidance<sup>71</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 the ICSs under review are effective.

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.

In conclusion, DG ECHO considers that the internal control standards 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 constant increase of the budget, DG ECHO could confirm a stable low level of residual error rate (1.08%) with a global implementation rate of 99.4%. At corporate level, the overall amount at risk at closure has been of EUR 10.5 million. In order to address the risks related to the legality and regularity of the transactions, a value of EUR 467.4 million has been audited (auditing grants implemented in both direct and indirect management), identifying EUR 5.9 million of errors (not detectable ex-ante) necessitating a correction. It is calculated that the global cost of control corresponded in 2017 to 1.6% over payments, generating an estimated quantifiable benefit of EUR 13.7 million.

In 2017 an increased number of projects were monitored in the field compared with 2016. 3.2% (6% in 2016) of grant agreements were not monitored. Nevertheless ECHO has in place procedures to ensure legality and regularity of underlying expenditures even incurred in operations characterised by being implemented either under Exceptional Extreme Operational Constraints or Remote Management. These procedures include clear requirements to be respected by our partners before and during the implementation of

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<sup>71</sup> Which is an integral part of the Communication SEC (2007) 1341 on the revision of the ICS.

these operations as well as at reporting stage. Finally, no operation is excluded by DG ECHO's own ex-post control.

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 ECHO's internal control system worked satisfactorily and noted that no "critical" or "very important" recommendations were still open.

IAS concluded in 2017 that ECHO effectively analyses, selects, monitors and reports on the granted operations, and, while the DAS 2017 is still ongoing, it is not expected to have any impact on qualitative or quantitative terms.

Taking into account the information reported in 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 all possible 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 her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## 2.1.5 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>72</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, 28 March 2018*

*e-Signed*

*Monique PARIAT*

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<sup>72</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 2017 totalled 424 staff, of which 61% statutory and 39% non-statutory. DG ECHO employed 158 field experts and 295 local staff making a total of 455 people working in DG ECHO'S field offices at 31 December 2017.

The main achievements in 2017 related to Human Resources Management are listed below:

In 2017, DG ECHO remained fully committed to making the HR modernisation process a success against the following 3 deliverables: a) a gender-balanced Talent Management strategy, b) an attractive working environment and c) a close follow-up to the results of the 2016 staff survey.

In 2017, DG ECHO already met and surpassed the targets set in the Commission's Equal Opportunities Strategy for the end of 2019 (45%). DG ECHO paid special attention to women applicants to middle management positions, and encouraged proactively female potential candidates to apply for heads of unit posts that vacated in 2017. In April 2017, DG ECHO exceeded its objective with the second best rate of female representation in Middle Management positions in the whole Commission (53%). DG ECHO also achieved 60% female representation in its Senior Management. DG ECHO will continue motivating and supporting the career development of women with a potential and interest for a management role, notably by identifying talented and interested female staff members for the Female Talent Development Programme (FTDP) centrally organised by DG HR.

DG ECHO gave a special focus on staff well-being considering its specific operating context. Given that in the field, staff can be in dangerous and extremely challenging circumstances, security trainings and psychological support was increased by recruiting a dedicated in-house psychologist.

Following the result of the staff survey in 2016<sup>73</sup> and the reorganisation of the Directorate-General that took place mid-2016, DG ECHO set up a task force to analyse the underlying issues emerging from the staff survey and identify remedial actions.

The Task force was composed of representatives from the four Directorates and the Director-General office, and the ECHO HR Business Correspondent. The group prepared a plan made of 16 actions with 30 measurable benchmarks. By November 2017, 23 of the 30 benchmarks (77%) have been completed such as i.a. organisation of lunch-time conferences to discuss DG ECHO's mandate both internally and externally, organisation of one retreat by Directorate to strengthen team spirit and promote exchanges between peers, specific training sessions on HR topics, improved coordination between secretariats across the DG and training on DG ECHO specific core business. A DG ECHO away day took place in September 2017 for all headquarters staff with the participation of external speakers sharing their expertise on Humanitarian issues.

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<sup>73</sup> The staff engagement index for 2016 (61%) decreased compared to the score reached in 2014 (67%). DG ECHO is aware that some sources of concern from its staff go beyond the scope of its power to act. However, the measures put in place to improve staff satisfaction at work are aimed at improving the staff engagement index in the 2018 staff survey.

In 2018, the task force will continue to meet regularly to (1) check on the completion of the remaining 7 benchmarks <sup>74</sup>, and (2) test staff satisfaction along the way. In addition, a management retreat was organised in February 2017 with the objective of integrating the newly appointed management staff and brainstorming on ways to accompany DG ECHO staff in adapting to the organisational changes, all in a goal to optimize working relationships and improve motivation levels.

A dedicated internal communication strategy is currently being developed. Communication activities target DG ECHO staff at all hierarchical levels in Brussels and field offices. Through tailored activities, internal communication illustrates how work by DG ECHO staff directly supports the EU's overarching aims of promoting peace, the well-being of its people as well as its values which are respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights (Articles 2 and 3 TEU). Internal communication underlines the EU's added value in this area and shows how it makes the Commission a rapidly acting body in times of disasters and one of the most recognised humanitarian donors worldwide. EU public service principles as defined by the European Ombudsman and in terms of clear writing are also promoted.

### **2.2.2 Better regulation**

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 2017, 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**

Data, information and knowledge are strategic assets, and DG ECHO is paying particular attention to improving the way these assets are managed and used. Reporting and analytics have become an increasingly important area in DG ECHO, with enhanced analytics capabilities having been further reinforced in 2017.

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<sup>74</sup> The remaining 7 benchmarks are related to the following topics: vision and mandate, resources management, and information/knowledge management.

In 2017, workflows in the local IT systems were updated to include reading documents from Ares, and the analysis started on creating, registering and filing documents in Ares. The advantages of this integration are manifold, including a better alignment with Commission rules on document management, the use of a single repository for documents managed in the context of DG ECHO's business processes and the economies linked to the reuse of code.

DG ECHO promotes the on-line administration internally and externally. In 2017, several internal processes were automated, and paperless exchanges between DG ECHO and its partners were improved.

The paperless policy was reinforced in DG ECHO in 2017 with the launch of paperless payments (paperless workflow of signatory files for both pre-financing and liquidation activities).

## 2.2.4 External communication activities

DG ECHO's external communication took place against the backdrop of a slowly improving general support to the European project, with 40% of citizens having a positive image of the EU, 37% being neutral and 21% negative. The long-term target remains to close the gap between the EU and its citizens and to gain more popular backing for an ever closer Union.

In terms of traditional press work, DG ECHO continued in 2017 to punch above its weight highlighting once again how well EU civil protection and humanitarian aid activities lend themselves to illustrating the benefits that the EU delivers every day to its citizens and worldwide. Of all 907 press releases and press statements that the Commission spokespersons' service published in 2017, not less than 71 (7.8%) fell within the remit of DG ECHO activities. In addition, DG ECHO co-published a series of local press releases in collaboration with its humanitarian aid partners active in the field.

Concerning digital media, the DG ECHO website enjoyed high popularity and the number of page views (1.3 million) and engagement has consistently been slightly above expectations. This demonstrated the maturity of this medium which serves as a good basis for the upcoming transformation of DG ECHO web presence into the overall Commission website. In line with the general trend, social media keeps growing in importance and the publication of audio-visual productions such as photos and videos have proven to be particularly effective on our social media channels. Social media also serves as an excellent medium to create durable networks and our followers on Twitter and Facebook have increased by an impressive 20.3% and 17.5% respectively. The organisation of a *facebook* live at DG level has proven to be a very successful communication exercise, achieving a very high engagement from viewers (more than 70.000 person reached).

Due to the changeover of staff, the launch of our communication campaigns experienced some delays. Towards the end of the year DG ECHO launched a Christmas campaign on Education in Emergencies consisting of cinema advertisements, posters in public transport hubs and social media promotion creating 14 million contacts in 2017. Moreover, DG ECHO produced a range of communication products for a campaign on EU Emergency Response that will commence at the Civil Protection Forum in March 2018. We also pro-actively contribute to the preparation of DG Communication's large-scale "EU Protects" campaign that will start in 2018 as well.

Sponsoring media visits to the field in 2017 have been a highly effective tool for providing journalists with in-depth information and the possibility to experience the daily reality of EU civil protection and humanitarian aid work first hand. The same holds true for our collaboration with the TV channel Euronews on the "AidZone" magazine whose average reach per broadcast (1.7 million) exceeded initial expectations by far.

### **2.2.5 Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities of the DG.**

In 2017, the system used for the Prevention and Preparedness calls for proposals under the UCPM, was migrated from a paper-based system to the Commission standard Compass/'e-grants' management tool.

# 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>75</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, 28 March 2018*

*e-Signed*

*Chiara GARIAZZO*

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<sup>75</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 2017
35,7%	45%	53%

#### 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 2016
25%	60%	21%

#### Indicator 3: Staff engagement index

**Source of data:** Commission staff survey

Baseline 2014	Target 2017	Latest known results 2016
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 2017:

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	3 new appointments of female middle managers in 2017
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 motivation, working	- Recommendations stemming from the Staff Listening Exercise are submitted to senior	12 well-being training sessions implemented

	<p>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> </ul>	<p>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 to DG ECHO strategic priority areas which includes efficient working methods and stress management.</li> </ul>	<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 2018</p> <p>- 86 training sessions implemented in total</p>
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	<p>- Security trainings provided to staff</p> <p>- A more active participation from senior management in events/ information sessions on HR management issues.</p>	<p>- 6 security training courses (Hostile Environment Awareness Training, HEAT) for HQ and field staff,</p> <p>- 3 additional security training courses on specific topics for field staff (e.g. first aid training, safe driving, armoured vehicle driving),</p> <p>- 3 lunchtime sessions on security topics (security clearance procedure, high risk country list) for HQ staff</p> <p>- 3 staff meetings with senior management participation.</p>	<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> <p>- 1 staff meeting</p> <p>- unit meetings (17) with the presence of the Director General</p> <p>- 1 ECHO Away Day</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 2017

**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 2017

## 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 (2017)
8.75%	0%	11.69%*

**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 (2017)
91.38%	90-95%	85.52%

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

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

Baseline 2015	Target 2020	Latest known results (2017)
2.06%	5-10%	9.5%

\* This percentage includes all the active and closed unfilled documents since 2009. Since 2015, the percentage of non-filed has reached the 0% target.

\* DG ECHO manages a large number of personal files for local staff and experts as well as files involving security and operations of its fields offices.

## External Communication

Annual communication spending (based on estimated commitments):			
Baseline (2015)	Target 2017	Total amount spent	Total of FTEs working on external communication
EUR 3.33 million	EUR 3.80 million	EUR 3.75 million	18.5

**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 (2017)
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Positive: 40% Neutral: 37% Negative: 21% No opinion : 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 (2017)
152 million	170 million	Approx. 100 million direct contacts (plus an unknown number of indirect contacts enabled through press work).

**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 2017:**

Description	Indicator	Target 2017	Latest known results
Press work	<ul style="list-style-type: none"> <li>Number of press releases and statements by the Commissioner published through the European Commission's spokesperson's service</li> </ul>	n/a	71
Website outreach	<ul style="list-style-type: none"> <li>Number of DG ECHO website page views</li> <li>Number of DG ECHO website page views per visit</li> <li>Time spent on DG ECHO website per visit</li> </ul>	<p>≥ 1.2 million</p> <p>≥ 2.1 million</p> <p>2 minutes</p>	<p>1.3 million</p> <p>2.4 million</p> <p>2.5 minutes</p>
Social media outreach	<ul style="list-style-type: none"> <li>Number of social media impressions</li> <li>Number of views of videos financed by DG ECHO on digital platforms</li> <li>% increase in Twitter followers</li> <li>% increase in Facebook page 'likes'</li> </ul>	<p>≥ 30 million</p> <p>≥ 1.5 million</p> <p>≥ 20%</p> <p>≥ 30%</p>	<p>63.3 million</p> <p>5.7 million</p> <p>20.3%</p> <p>17.5%</p>
Integrated communication campaigns	<ul style="list-style-type: none"> <li>Number of contacts through communication campaign on Education in Emergencies</li> <li>Number of contacts through communication campaign on EU Emergency Response</li> </ul>	<p>40 million</p> <p>30 million</p>	<p>14 million (contrary to previous planning the campaign is not completed in 2017)</p> <p>0 (contrary to previous planning this campaign will start in 2018)</p>
Participation in relevant events <sup>76</sup>	<ul style="list-style-type: none"> <li>Civil Protection Forum</li> </ul>	500	0 (contrary to previous planning the Forum took place in 2018)
External media	<ul style="list-style-type: none"> <li>Sponsoring media visits to the field</li> <li>Humanitarian Aid TV output (Euronews)</li> </ul>	<p>100 resulting media coverage</p> <p>1 million impacts per broadcast</p>	<p>104 resulting media coverage</p> <p>1.9 million impacts per broadcast</p>

<sup>76</sup> E.g. Fairs, festivals, citizens' dialogues, cultural events organised by the EC, local events, conferences, workshops, stakeholder meetings.

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

### **Annex 3 Financial Reports - DG ECHO - Financial Year 2017 Table of Content**

**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)

<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 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 <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 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.<sup>77</sup></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>		

<sup>77</sup> As stipulated in the FAFA agreement between the Commission and Entrusted Entities, DG ECHO contributes for their overall administration/management in the broad sense with an overhead of 7% of the direct eligible costs for the projects granted in indirect management.

## 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)

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

<p><b>Main risks It may happen (again) that...</b></p>	<p><b>Mitigating controls</b></p>	<p><b>How to determine coverage, frequency and depth</b></p>	<p><b>How to estimate the costs and benefits of controls</b></p>	<p><b>Possible control indicators</b></p>
<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	15 796 079	15 348 258	15 829 237	15 796 079

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



Annex 9\_AAR  
2017.xlsx

*(Figures 2017- see Excell table inserted )*

## **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"**

Not 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>	
<p><b>Result indicator:</b> Number of beneficiaries of DG ECHO funded humanitarian aid operations<sup>78</sup> measured by number of interventions</p> <p><b>Source of data:</b> HOPE and EVA databases owned and managed by DG ECHO</p>				
<b>Baseline 2015</b>	<b>Interim Milestone 2018</b>		<b>Target 2020</b>	<b>Latest known results (2017)</b>
134 million	≥ 122 million		≥ 125 million	129 million
<p><b>Result indicator:</b> Budget is allocated to Education in Emergencies (EiE) as a priority area.<sup>79</sup></p> <p><b>Source of data:</b> Hope database, owned and managed by DG ECHO</p>				
<b>Baseline 2015</b>	<b>Interim Milestones</b>		<b>Target 2020</b>	<b>Latest known results (2017)</b>
	<b>2016</b>	<b>2018</b>		
1.25%	5.42 %	8 %	10 % (target for 2019)	6 %

<sup>78</sup> This result indicator and the related milestones and target refer to the number of interventions of a humanitarian aid nature benefitting beneficiaries, as against the total number of beneficiaries as such (as mentioned in DG ECHO Strategic Plan 2016-2020). The data for this indicator are based on the aggregation of the estimated number of 'action beneficiaries' as declared by the partners implementing humanitarian projects funded by DG ECHO. One single individual beneficiary in need of humanitarian assistance can benefit from more than one humanitarian action and from more than one project. It should be noted here that the increasing number of operations funded by the EU in the context of which multi-sector assistance is provided also has an impact on the number of interventions. DG ECHO is currently putting in place a new methodology for estimating the total aggregate number of actual beneficiaries, which should in due course replace the current indicator.

<sup>79</sup> This KPI was revised to in order to reflect more accurately what can realistically be achieved on the basis of available data.

**Result indicator:** Percentage humanitarian aid projects which integrate gender and age considerations<sup>80</sup>

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

Baseline 2015	Interim Milestone		Target 2020	Latest known results (2017)
	2016	2018		
16%	25%	37%	50%	41%

**Result indicator:** Average speed of interventions under the Union Civil Protection Mechanism (from the acceptance of the offer to deployment)

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

Baseline 2015	Interim Milestone 2017	Target 2020	Latest known results (2017)
		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	≤20.7 hours

**Result indicator:** Number of modules included in the European Emergency Response Capacity (voluntary pool)

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

Baseline 2015	Interim Milestone 2017	Target 2020	Latest known results (2017)
		Target set in the implementing Decision	
16	20	≥ 41	92

<sup>80</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.

<b>Specific objective 1.2: Resilient people and communities at risk of disasters</b>					Related to spending programmes: Humanitarian Aid, Union Civil Protection Mechanism, EU Aid Volunteers				
<b>Result indicator:</b> Number of national risk assessments prepared by IPA II and EU Neighbourhood countries									
<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> All IPA II countries + 6 PPRD countries		<b>Latest known results (2017)</b>		
1		8 (all IPA II countries)			14		6		
<b>Result indicator:</b> Number of beneficiaries reached through the EU Aid Volunteers initiative									
<b>Source of data:</b> Monitoring Framework for EUAV implemented by EACEA									
<b>Baseline 2015</b>		<b>Interim Milestone 2018</b>			<b>Target 2020</b> Target established for the 7 years of the programme based on available budget		<b>Latest known results (2017)</b>		
2862		4800			8400		Not available		
<b>Result indicator:</b> Percentage of humanitarian aid funded projects which integrate resilience <sup>81</sup>									
<b>Source of data:</b> 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> 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>82</sup>		<b>Latest known results (2017)</b>		
		2016	2018						
28%		30%	33%		35%		43%		

<sup>81</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>82</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 2017:**

Description	Indicator	Target 2017	Latest known results (situation on 31/12/2017)
Actions funded cover most pressing humanitarian needs	Initial funding allocation on the basis of INFORM, Crisis assessment, FCA and IAF:  Initial funding allocation on the basis of INFORM, Crisis assessment, FCA and IAF: <ul style="list-style-type: none"> <li>– North, West and Central Africa: € 169.72 m</li> <li>– Sudan &amp; South Sudan, Horn of Africa, Great Lakes, Southern Africa, Indian Ocean € 173.25 m</li> <li>– Middle East: € 258.50 m</li> <li>– Eastern Neighbourhood € 91.80 m</li> <li>– South Asia &amp; Pacific: € 64.375 m</li> <li>– Central &amp; South America and Caribbean: €13.550 m</li> <li>– EU Trust Fund for Africa: € 10 m</li> </ul> Complementary operations: € 29.475 m	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 2017 forgotten crises: Bangladesh, Colombia, India, Myanmar, Philippines, Algeria, Sudan, Cameroon, Chad, Pakistan, Yemen and Mali.	>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 2017 operational budget spent on education in emergencies worldwide	6% of initial adopted budget allocated to EiE	5.96%

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	35% cash transfers	35% <sup>83</sup>
Grant agreements are concluded for CP budget lines:  23 03 01 02  23 03 02 02	Calls for proposals are launched	  10 contracts  60 contracts	  5  22
Contracts are concluded for CP budget lines:  23 03 01 02  23 03 02 02	Calls for tenders are launched	  4 contracts  5 contracts	  14  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	EUR 11.5 million	EUR 7 million

<sup>83</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 2017, 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 35%. Greater accuracy will be possible in 2018, when changes made to the way data on cash-based assistance is gathered will be fully reflected in statistics.

**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 2017:**

Description	Indicator	Target 2017	Latest known results (situation on 31/12/2017)
DRR is mainstreamed in humanitarian aid operations	Percentage of humanitarian aid projects with DRR mainstreamed	50%	65%
Civil Protection projects are implemented in IPA II and EU Neighbourhood countries	Implementation of IPA II and Neighbourhood programme	6 CP projects	6 new projects: - 4 prevention and preparedness programmes under the external budget from the 2017 call. - 1 twinning programme -1 PPRD south III
Civil Protection exercises are implemented in IPA II and EU Neighbourhood countries	Implementation of IPA II and Neighbourhood programme	5 CP exercises	7 CP exercises under various modalities (grants, tenders, regional programmes) <sup>84</sup>
Volunteers are trained and deployed	Call for proposals is launched	525 volunteers trained and deployed	275 <sup>85</sup>

<sup>84</sup> Out of which 2 exercises will take place in 2018 and 2 in 2019. In addition, some exercises contracted in early years took place in 2017.

<sup>85</sup> On the reasons for the present situation, see section 1.2

## 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**

**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

<b>Baseline 2015</b>	<b>Interim Milestone 2018</b>	<b>Target 2020</b>	<b>Latest known results (2017)</b>
54 million	54 million – 60 million	54 million – 60 million	64.9 <sup>86</sup>

## Relevant general objective(s): Towards a New Policy on Migration

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

Related to spending programme:  
Humanitarian Aid

### Main outputs in 2017:

Description	Indicator	Target 2017	Latest known results (situation on 31/12/2017)
Budget is dedicated for project components targeting refugees/forced displacement situations	Budget for Syria-Iraq crises	EUR 212.5m	316.9 m
	Facility for Refugees in Turkey	EUR 80 m	145 m
	Support to refugees and migrants in Serbia and the Former Yugoslav Republic of Macedonia	EUR 1 m	5 m
	Response through Africa Trust Fund	EUR 10 m	10 m
	Emergency Support Instrument	EUR 198 m	198 m

<sup>86</sup> The data for this indicator are based on the aggregation of the estimated number of 'action beneficiaries' as declared by the partners implementing humanitarian projects funded by DG ECHO. One single individual beneficiary in need of humanitarian assistance can benefit from more than one humanitarian action and from more than one project. DG ECHO is currently putting in place a new methodology for estimating the total aggregate number of actual beneficiaries in situation of forced displacement.

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
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**Specific objective 3.1: Populations and economic assets at risk of disasters in the EU are protected** Related to spending programme: Union Civil Protection Mechanism

**Result indicator:** Number of national risk assessments submitted to the Commission  
**Source of data:** Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABAC)

Baseline 2015	Interim Milestone 2018	Target 2020	Latest known results (2017)
24	33	≥ 33	31

**Result indicator:** Number of modules included in the voluntary pool of the European Emergency Response Capacity  
**Source of data:** Common Emergency Communication and Information System (CECIS), owned and managed by DG ECHO

Baseline 2015	Interim Milestone 2017	Target 2020	Latest known results (2017)
14	20	Target in the Commission implementing Decision of the UCPM ≥ 41	92

**Relevant general objective: A new boost for jobs, growth and investment****Specific objective: Populations and economic assets at risk of disasters in the EU are protected**Related to spending programmes:  
Union Civil Protection Mechanism**Main outputs in 2017:**

Description	Indicator	Target 2017	Latest known results (situation on 31/12/2017)
Budget is allocated for disaster prevention	Percentage of Civil Protection budget contributing to disaster prevention	20% 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	17 modules for which quality and interoperability requirements are defined	17