



2017

Annual Activity Report

**European
Strategy
(EPSC)**

**Political
Centre**

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THE DG IN BRIEF

The **European Political Strategy Centre (EPSC)** is the European Commission's **in-house think tank**, established in November 2014 by European Commission President Jean-Claude Juncker, and operating directly under his authority (in accordance with the Communication C(2014) 9001 final of 6 November 2014 from the President to the Commission on the European Political Strategy Centre: Mission, Tasks and Organisation Chart).

Tasked with a mission to innovate and disrupt, the EPSC provides the President and the College of Commissioners with strategic, evidence-based analysis and forward-looking policy advice on matters related to the policy priorities as defined by the President in his political guidelines presented to the European Parliament on July 15 2014.

Among its responsibilities, the EPSC has a mandate to engage in foresight and anticipatory governance, spearheading the European Commission's involvement in the **European Strategy and Policy Analysis System (ESPAS)** – the EU inter-institutional collaboration that aims to build preparedness for upcoming challenges and opportunities. The EPSC also seeks to facilitate communication and outreach with decision-makers, think tanks and civil society at large.

Powered by its highly versatile and experienced team – the EPSC provides a unique space within the European Commission for conducting **interdisciplinary research, collaborative projects** and organising **thought-provoking seminars and events**. The EPSC staff combines a unique set of perspectives and skills: public and private sector experience, data visualisation and design, financial expertise and legal advice, social media savviness and political acumen.

In order to optimise its strategic planning and be as agile and responsive as possible to new disruptions and challenges facing the European Union, DG EPSC organises its work and knowledge creation in an innovative way, managing its human capital and skills across the organisation, cutting through silos, by projects. Part of the support staff, including the events-organising team, which represents circa 30% of the EPSC human resources, is also closely involved in policy-related tasks and projects.

In January 2018, the EPSC was listed in the top ten global 'best government-affiliated think tanks' by the authoritative Think Tanks & Civil Societies Programme (TTCSP) of the University of Pennsylvania, in its prestigious '2017 Global Go To Think Tank Index', which covers over 6,800 think tanks. In the previous edition of the index, the EPSC was awarded the title of 'Best New Think Tank 2016'.

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director-General of DG EPSC 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 takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties¹.

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

Throughout 2017, DG EPSC continued to be very closely involved in strategy development and policy design within the European Commission, underpinned by sound, evidence-based and non-conventional analysis and foresight.

Most of the outputs as set out in the 2017 Management Plan were delivered, while many others were added to the list of the DG's activities. As in past years, the central focus for the year's activities was provided by President Juncker's State of the Union (SOTU) address, as delivered on 14 September 2016.

In particular, the EPSC was requested to support the President's, Vice-Presidents' and Commissioners' cabinets in developing the forward-looking "White Paper on the Future of Europe: Reflections and scenarios for the EU27 by 2025" and the five reflection papers that followed. The DG made an important contribution to this work. In the first part of the year, the focus was particularly on analysing the key trends and challenges facing the European Union towards horizon 2025 in key areas, including social and economic trends, globalisation, security and defence, migration and new technological developments, and helping to define the scenarios and options that the Union has ahead of it. This work fed into the White Paper itself, as well as the five reflection papers. In the second half of the year, DG EPSC invested heavily in outreach activities built around the "Future of Europe", developing special publications and digital communication tools, organising tailored events with think tanks, policymakers and thought leaders, as well as civil society and citizens, and with DG EPSC staff participating in hundreds of "Future of Europe" events across Europe and beyond. The EPSC publication "The European Story – 60 years of shared progress" for the anniversary of the Rome Treaties launched the process.

Much of the work carried out in the context of the reflection papers also led towards preparing the factual contextual underpinnings to support the formulation of the main political messages reflected in the 2018 Commission Work Programme, and in particular its proposals towards 2025 and beyond. The support that DG EPSC provided on the work on the future-oriented Commission's agenda that continues in 2018 was possible thanks to its unique set of skills and expertise, e.g. in defence and in foresight.

The variety of EPSC contributions not only shows the unique added value of the Commission's think tank to the policy process, but also its agility and responsiveness to the on-demand nature of President's Cabinet's way of working, thanks to its interdisciplinary nature and close links to the political priorities. This way of working also

¹ Article 17(1) of the Treaty on European Union.

means it is difficult for DG EPSC to plan ahead comprehensively on all the outputs it will be called to deliver on. Nonetheless, the set targets were completed with full satisfaction from the Commissioners and Cabinets involved.

b) Key Performance Indicators (KPIs)

<i>Policy relevance of EPSC advice confirmed by the President, Vice-Presidents and their Cabinets</i>	No quantitative target defined		Full satisfaction of the President and his Cabinet (Difficult to measure, given that it is a qualitative evaluation by the President or his Head of Cabinet expressed orally to the DG in their regular meetings or in e-mails addressed to the Head of EPSC. No complaints were received by the Cabinet.)
<i>Timeliness and relevance of successfully delivered outreach activities (events, seminars, papers published)</i>	No quantitative target defined		Alignment of outreach activities with the timeline/calendar defined in the Commission Work Programme – ex ante activities to prepare for an adoption of a strategy/package of proposals/consultation etc.
<i>Timeliness and relevance of papers and briefings sent to the President's cabinet</i>	No quantitative target defined		Alignment of substantial outputs with the timeline/calendar of high-level events or College agenda (e.g. Summits).
<i>Sound Financial Management</i>	<i>Baseline (2014-2015)</i>	<i>Target</i>	<i>Latest value</i>
1) Execution rate of the administrative budget	64% in commitments 55 % in payments	75% in both commitment and payments	83.22% in commitment appropriations and 25.89% in payment appropriations
2) Number of days for payments' execution per year	9 days	≤ 15 days	13.04 days
3) Conclusion on efficiency and reliability	Yes	Yes	Yes (See comments on the latest known results in the part 2 Organisational Management and Internal Control)

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, (the staff of) DG EPSC 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 to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards/principles. DG EPSC has assessed the internal control systems during the reporting year and has concluded that the internal control standards/principles are implemented and function as intended. Please refer to AAR section 2.1.3 for further details.

In addition, DG EPSC 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 as Authorising Officer by Delegation has signed the Declaration of Assurance.

d) Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the DG and the President's Cabinet on management matters, also the main elements of this report and assurance declaration, have been brought to the attention of the President's Cabinet.

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

Relevant general objective(s): To help achieve its overall political objectives, the Commission will effectively and efficiently manage and safeguard its assets and resources, and attract and develop the best talents.

Specific objective: Provide strategic analysis, policy advice and foresight to the President and the College related to the ten policy areas set by the Commission

Related to spending programme(s): N/A

Throughout 2017, DG EPSC continued to be very closely involved in strategy development and policy design within the European Commission, underpinned by sound, evidence-based and non-conventional analysis and foresight. The big majority of outputs as set out in the 2017 Management Plan were delivered, while many others were added to the list of the DG's deliverables.

DG EPSC played a fundamental role in echoing and further developing the motto from the 2017 Commission Work Programme « **A Europe that protects, empowers and defends** » and its main priorities. As planned, it also supported the development of inter-institutional foresight and anticipation capabilities with events culminating around the 2017 ESPAS (European Strategy and Policy Analysis System) conference devoted to the Future of Geopolitics.

With 2017 being devoted to discussions about the Future of Europe, DG EPSC became more than ever a platform for inter-disciplinary reflection and discussion to nurture the Commission's responses to the complex challenges that will shape the Europe of tomorrow. In particular, in the first half of the year, the DG supported the development of the **"White Paper on the Future of Europe: Reflections and scenarios for the EU27 by 2025"** and the five reflection papers that followed. It provided substantial written and visual, evidence-based inputs to support the analysis of key trends underpinning the topics covered, i.e. new technologies, societal challenges, globalisation, migration, defence and security, and the future of finances. It also participated in the reflection on the five scenarios outlined in the White Paper and their translation into policy options in the subsequent reflection papers. The DG also invested heavily in outreach activities built around the "Future of Europe", developing special publications and digital communication tools, organising tailored events with think tanks, policymakers and thought leaders, as well as civil society and citizens, and with DG EPSC staff participating in hundreds of "Future of Europe" events across Europe and beyond. The EPSC publication "The European Story – 60 years of shared progress" for the anniversary of the Rome Treaties launched the process.

Much of the work carried out by DG EPSC in this context – e.g. the development of the reflection papers, but also the EPSC's contribution to the President's State of the Union, and its "Initiatives for the Second Half of the Mandate" document – also supported the formulation, in the second half of 2017, of the main political messages reflected in the President's 2017 State of the Union address, and in the 2018 Commission Work Programme, and in particular its proposals towards 2025 and beyond (**"Road to Sibiu"**). The support that DG EPSC provided on the work on the future-oriented Commission's agenda that continues in 2018, was possible thanks to a unique set of skills and expertise in the Commission, e.g. in defence and in foresight.

The non-exhaustive outputs presented below refer to the 2017 Management Plan to the extent possible and closely relate to the 10 priorities of President Juncker.

1.1 COMMISSION PRIORITY: A NEW BOOST FOR JOBS, GROWTH AND INVESTMENT

A Europe that preserves our way of life and empowers our young. The EPSC teams continued contributing to discussions on creating the right climate for innovation and investment in Europe, to help build sustainable industries and jobs, tackle societal and environmental challenges and improve people's well-being.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Europe as an Investment Destination			
- High-level conference on Investment	Organisation	Q2	High-level roundtable on "Investment for Europe". Date: 10 March 2017
- Events	Organisation	Q1-Q4	High-Level Lunch: "The Investment Plan for Europe: What's the real impact?" Date: 10 July 2017
- Policy papers	Delivery	Q1-Q3	Greenfield Investment Monitor, Issue 1: "In focus China Expansion in the EU" published on 15 May 2017 Greenfield Investment Monitor, Issue 2: "In Focus: The EU and the US: Stable Partners for Greenfield FDI Growth" published on 10 July 2017
Sustainable Finance			
- EPSC speakers series	Organisation	Q1-Q2	Strategic note 25: "Financing sustainability – Triggering Investments for the Clean Economy" published 8 June 2017 Contributions to the work of the Commission's High-Level Expert Group on Sustainable Finance
- Contribution to Commission papers	Delivery	Q1-Q2	
		Q1-Q4	

Innovation/Competitiveness			
-High-Level Conference	Organisation	Q4	High-level conference "Reinventing Convergence: Towards Resilient Economic Structures" with participation of Vice-President Dombrovskis and Commissioner Moscovici Date: 19 October 2017
- Events	Organisation	Q2	EPSC and REGIO joint high level seminar on "Globalisation: Why Regions Matter" 3 May 2017
		Q3	High-Level Policy Briefing on: "The Window of Opportunity for Europe Has Widened – Here's How We Can Seize It". Date: 6 July 2017
- Policy papers - internal and for publication	Delivery	Q1-Q4	Contribution to the preparation of Vice-President Dombrovskis keynote for the Brussels Economic Forum on 'Fighting inequality in a context of modest growth: squaring the circle?' Strategic note 27 "Reclaiming Europe's Digital Leadership" published on 28 September 2017
- Brainstorming sessions	Availability of in-house expertise outreach to relevant external experts	Throughout the year	Involvement of the EPSC leadership on regular basis to Task Forces and Inter-Service Groups

1.2 COMMISSION PRIORITY: A CONNECTED DIGITAL SINGLE MARKET

A Europe that empowers its citizens and businesses. Through the digital market agenda, DG EPSC focused particularly on the angle of European competitiveness and digitalisation of industry, as well as on matters related to artificial intelligence, big data and machine learning.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Data4Policy/Policy4data			
- Policy papers and notes	Delivery	Q2 – Q4	Strategic Note 21: "Enter the data Economy. EU Policies for a Thriving Data Ecosystem" published on 11 January 2017 Strategic Note 27: "Reclaiming Europe's Digital Leadership" published on 28 September 2017
- EPSC Speakers series on data	Organisation	Q1 - Q4	Event: "Measuring Digitalisation in Companies and Regions: the IW Digital Index". Date: 14 June 2017 Event: "Artificial Intelligence. Will Europe lead or drag?" Date: 7 June 2017 Event: "Artificial Intelligence: Anticipating the Challenges" Date: 27 October 2017 Event: "Private Data for Public Good: Redesigning Policies for Development and Progress" Date: 14 December 2017
- Ad hoc high level events	Organisation/ Availability of in-house expertise Outreach to relevant external expertise	Q2- Q4	High-Level Seminar "Opportunities and Risks from the AI Revolution, An Economic Perspective" Date: 12 December 2017

1.3. COMMISSION PRIORITY: A RESILIENT ENERGY UNION WITH A FORWARD-LOOKING CLIMATE CHANGE POLICY

A Europe that takes responsibility for delivery on promises made. With a focus on the implementation of the « Clean Energy for All Europeans Package », DG EPSC continued working towards the delivery of European commitments needed to make the modernisation of the economy a reality while ensuring a socially fair transition. In the second half of the year, analytical work was launched that will contribute in 2018 to the Commission's Communication on the Future of EU climate and energy policy, as part of the Road to Sibiu. DG EPSC's experts made substantial contributions towards "Europe on the Move – An agenda for a socially fair transition towards clean, competitive and connected mobility for all" (adopted on 31 May 2017), the "New Industrial Policy Strategy" (adopted on 18 September 2017), and "Delivering on low-emission mobility – A European Union that protects the planet, empowers its consumers and defends its industry and workers" (adopted on 8 November 2017). The team did also participate in the "One Planet Summit" in Paris in December 2017.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Energy Union and Modernisation of the Economy			
- Policy papers	Delivery	Q1- Q4	Note: "Nord Stream 2 – Divide and Impera Again" published on 27 October 2017
- Contribution to Commission's papers	Delivery Availability of in-house expertise Outreach to external expertise	Throughout the year	
- Ad hoc events	Organisation	Q1 – Q4	Throughout the year
- Experts meetings	Organisation Availability of expertise	Q1 - Q4	Discussion on "The state of play of the battery and automotive industries". Date: 18 March 2017 Ad hoc requests from the President Cabinets and from the VP in charge of the file

1.4. COMMISSION PRIORITY: A DEEPER AND FAIRER INTERNAL MARKET WITH A STRENGTHENED INDUSTRIAL BASE

A Europe that makes a strong contribution to jobs and growth and stands up for its industry. This priority is very much linked with the first one and addresses the issues from a micro and sectoral perspective. Under this heading, DG EPSC focused on competitiveness, innovation, digitalisation and industrial transformation. Measures that will help to ensure easier access to finance for business and support investment in the real economy were particularly looked at.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Sustainable Finance (see also under priority 1.1)			
- Papers	Delivery	June 2017	
- Ad hoc events	Organisation	February 2017	Workshop on "Policy applications of complexity science to financial stability and climate-finance" 22 February 2017
Future of Finance			
- Papers	Delivery	Q1-Q2	Strategic Note 26: "A Pan-European Pension Product. Filling the Pensions Gap and Refinancing the Economy" published on 29 June 2017
- EPSC Speakers series	Organisation	Q1-Q2	Event: "Blockchain in Financial Markets: Where Does Europe Stand?" Date: 06 September 2017
-Brainstorming sessions	Availability of in-house expertise Reach out to external expertise	Throughout the year	Regular, with participation of the Economics team

1.5. COMMISSION PRIORITY: A DEEPER AND FAIRER ECONOMIC AND MONETARY UNION

A Europe that protects our economies and ensures a fair playing field for workers and business. DG EPSC contributed to the reflection on the stage 2 of the EMU deepening, as a follow up to the White Paper on the Future of Europe and in the context of the Road to Sibiu.

DG EPSC contributed significantly to the Reflection Paper on the Social Dimension of Europe as a follow-up to the White Paper providing trends analysis. It continued working on the European Pillar of Social Rights and the Future of Work and Welfare and played an important role in preparing the Social Summit in Gotheborg in November 2017.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Capital Markets Union			
- Papers	Delivery	Q1 – Q4 Q4	White paper: Contribution to the Reflection Paper on the Future of Europe (Deepening of the Economic and Monetary Union) published on 31 May 2017 "Reviving Convergence – Making Member States Fit for Joining the Euro Area" published on 19 October 2017
- Events	Organisation	Q1-Q4	
Europe Pillar of Social Rights and Future of Work and Welfare			
- Contribution to Commission Papers	Delivery	Q1 – Q2	White paper: Contribution to the Reflection Paper on the Social Dimension of Europe published on 26 April 2017
- Ad hoc events	Organisation	Q1-Q2	
- Papers	Delivery	Q1-Q4	"10 Trends Transforming Education as We Know it" published on 14 November 2017 EPSC Newsletter 5: Reaffirming Social Values in Uncertain Times" published on 30 November 2017

1.6. COMMISSION PRIORITY: AN AREA OF JUSTICE AND FUNDAMENTAL RIGHTS BASED ON MUTUAL TRUST

A Europe that defends and preserves our values of freedom, democracy and the rule of law. The EPSC has built up a strong expertise in this field and continued nurturing the work on the EU security agenda, including on cyber-security and counter-radicalisation.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Security Union			
- Policy papers	Delivery	Q1 – Q4	Strategic Note 24: "Building an Effective European Cyber Shield – Taking EU Cooperation to the Next Level" published on 8 May 2017
- Contribution to Commission papers	Delivery	Q1 - Q4	
- Ad hoc events	Organisation/Availability of in-house expertise/Reach out to external expertise	Q1-Q4	Events series on cyber-security Event: Resilient Cities: A New paradigm for Progress and Preparedness" 13 October 2017

1.7. COMMISSION PRIORITY: TOWARDS A NEW POLICY ON MIGRATION

A Europe that protects our borders and delivers on a responsible migration policy. DG EPSC continued to focus on a more effective and sustainable migration management and contributed to the identification of further efforts needed. This was possible through analytical work on the trends, including in the framework of EPSAS (see section 1.9 below on horizontal projects).

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Migration management			
- Policy papers	Delivery/Availability of in house expertise	Q1 – Q4	Strategic Note 22:"Irregular Migration via the Central Mediterranean – From Emergency Responses to Systemic Solutions" published on 2 February 2017 "10 Trends Shaping Migration" published on 7 December 2017
- EPSC Speakers series on migration	Organisation	Q1 – Q4	Event "Refugee resettlement and inclusion in Canada" Date: 8 March 2017 Event on "The Global Compact on Migration: Challenges and Opportunities for Europe" Date: 21 June 2017
- Public speaking engagements and outreach	Active participation	Q1-Q4	On-going by the Foreign Affairs and the Institutional team as well as the EPSC Adviser on Demography and Migration

1.8. COMMISSION PRIORITY: EUROPE AS A STRONGER GLOBAL ACTOR

A Europe that protects also defends our interests beyond our borders. The EPSC animated debates around the European foreign policy priorities, with a particular attention on EU relations with Africa in light of high level meetings in 2017 and linked with its migration policy. It also provided an analytical underpinning to the Reflection paper on Harnessing globalisation in the context of discussions on the Future of Europe.

DG EPSC continued to play a fundamental role in all work streams towards a stronger Europe in defence, including in the implementation of the European Defence Action Plan. It contributed extensively to the Reflection paper on the future of European defence as a follow up to the White Paper on the Future of Europe.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
European Defence			
- EPSC speakers series on defence	Organisation	Q1 – Q4	A large series of internal events with external speakers under the Chatham rules with representatives of Member States, EEAS and NATO.
- Policy papers and notes	Delivery		EPSC Newsletter 4: "EU Security and Defence in a Volatile World" published on 4 June 2017 White paper: Contribution to the Reflection Paper on the Future of Europe (Future of European Defence) published on 7 June 2017 Strategic Note 28: "The Defence-Security Nexus – Securing the Collective Protection of EU Citizens" published on 18 October 2017

Foreign policy priorities

- Policy notes and papers	Delivery: EPSC policy related contribution	Q1 – Q4	Strategic note 23: "The makings of an African century, where African and European ambitions meet" published on 2 May 2017 Policy Briefing 2 : "EU-Japan: Advanced Economies Shaping the Next Stage of Inclusive Globalisation" published on 7 July 2017 G7 Fiches – a collection of 1-2 page political briefs to support the G7 meeting in Taormina on 26-27 May 2017 G20 Fiches –a collection of 1-2 page political briefs to support the G20 meeting in Hamburg on 7 and 8 July 2017 White paper: Contribution to the Reflection Paper on the Future of Europe (Harnessing Globalisation) published on 10 May 2017
- Public speaking engagements and outreach	Active participation	Q1 - Q4	On-going by all members of the Foreign Affairs team
- Experts meetings <i>Including a Speakers' Series on Africa</i>	Organisation	Q1 – Q4	Meeting on topical matters, with experts from think tanks "Time to reboot Africa –EU relations?" Date: 30 March 2017 "Africa: What to Expect from the Italian G7 Presidency?" Date: 11 May 2017 " The G20 Africa Compact: Investing in a Common Future" Date: 27 June 2017

1.9. HORIZONTAL PROJECTS

ESPAS – the inter-institutional strategic foresight project – remained the flagship activity of the EPSC thanks to the unique set of skills and expertise developed within the DG, supported by the ESPAS Young Talent Network and together with the contributing institutions.

The next **Multiannual Financial Framework** – tackled from the perspective of the Future of EU Finances in the context of the discussions on the Future of Europe combined with a reflection on the European value added – was another horizontal activity of DG EPSC that involved all resources from different teams. Both were foreseen in the 2017 Management Plan.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
ESPAS Strategic Foresight			
- ESPAS Young Talent Network - training on strategic foresight	Organisation	Q1 – Q4	Strategic Foresight Workshop Date: 13 October 2017 Inaugural EPSAS Young Talent Network Speaker Series on Sustainability Transitions and Strategic Future Thinking Date: 13 October 2017
- ESPAS Strategic Dialogues on Future Challenges to European Security	Organisation	Q1 – Q4	Activity combined with the speakers series on cyber-security under priority in section 1.6 above
- High-Level Conference on Geopolitics	Organisation	Q4	Event "Global Trends to 2030: The Making of a New Geopolitical Order?" Date: 22 November 2017

- Ad hoc (High-Level) events	Organisation	Q1 – Q4	ESPAS High-Level Discussion with Mat Burrows on the Atlantic council's Global Risk 2035 report Date: 10 January 2017 Foresight Workshop on 'The Future of Work, Future of Energy & Geopolitics and Trend Crashing" Date: 12-13 October 2017 High-Level Dinner on 'A Future of Anticipation: Using Strategic Foresight for Better Policymaking" 22 November 2017 Event "Opportunities and Challenges of a Complex Future: Latest Insights from NATO's Strategic Foresight" 5 December 2017
- Contribution to follow up to ESPAS Report on Key Trends and Game Changers	Delivery/Availability of in-house expertise	Q1 – Q4	Policy Briefing 1: "The Trump Presidency, Policy Outlook Scenarios and possible implications for the EU" published on 14 February 2017
- Policy papers and notes	Delivery/Availability of in-house expertise Paper	Q1-Q4	Strategic Foresight Primer and Shaping the Future of Geopolitics in the context of the ESPAS 2017 Conference "Global Trends to 2030: The Making of a New Geopolitical Order? published on 21 November 2017 Advice on strategic foresight for the EUISS Report. "What if..."Conceivable Crises: Unpredictable in 2017, Unmanageable in 2020?" published on 20 June 2017
- Events with ESPAS and International partners	Outreach/Organisation	Q1-Q4	ESPAS Steering Lunches 28 April 2017, 29 June 2017, 27 September
- Public speaking and outreach engagements	Active participation	Q1 – Q4	During all the year by the EPSC Adviser on Foresight

Future of the EU Budget			
- Ad-hoc (High-level) events	Organisation	Q1 – Q4	Event “New MFF and Scale-ups "Achieving More with Less"” Date: 17 May 2017
- High Level conference on the future of MFF	Organisation	Q1	Conference: "Funding the EU's future: Towards a new MFF” Date: 6 June 2017

As mentioned above, many activities were carried beyond what was planned in the 2017 Management Plan because and thanks to the mandate of DG EPSC and its flexible organisation and versatile staff. Many of them responded to the demand created by the debate on the Future of Europe following the publication of the White Paper, including on the role and functioning of the European Commission.

Brochures and Publications not foreseen in the 2017 Management Plan			
Contribution to Commission Papers	Delivery	Q1	Brochure "The European Story – 60 Years of shared progress to accompany the publication of the European white Paper published on 1 March 2017
	Delivery	Q3	"Two Visions, One Direction – Plans for the Future of Europe" following President's Juncker's State of the Union speech and President Macron's address <i>Initiative for Europe</i> published on 29 September 2017

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section answers to the question *how* the achievements described in the previous section were delivered by the DG. This section is divided in 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, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- the monthly financial reports by AOSDs;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level;
- the limited conclusion of the internal auditor on the state of control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- The analysis of the register of exceptions and non-compliance events;

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 EPSC

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.

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. 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.

DG EPSC has a portfolio of activities that are not linked to high financial risk, but the reputational risk has to be taken into consideration as it operates directly under the President's authority. The budget consists only of administrative credits (non differentiated appropriations) covering conference organisation, studies, missions and communication costs (exclusively website maintenance). The authorised budget for 2017 is equal to 642,807 euro².

The summary table below details the different types of expenditure based, in major part, on the use of public procurement procedures as well as the mission costs co-delegated to PMO. The public procurement procedures managed in EPSC are mainly linked to the use of framework contracts, in particular for events' organisation, or to the preparation of low value negotiated procedures (below the threshold of 15,000 euro) for the submission of foresight reflections papers in the context of ESPAS (the interinstitutional European Strategy and Policy Analysis System).

The total amount of payment appropriations made in 2017 is equal to 208,515 euro that cover the organisation of conferences or events, website maintenance and the reflection papers. Due to the requested change of presentation in the annex 3 of the AAR, this amount does not take into account the payment of 159,894 euro on missions (under co-delegation to PMO).

² See Annex 3 –TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €)- Draft annual accounts and financial reports

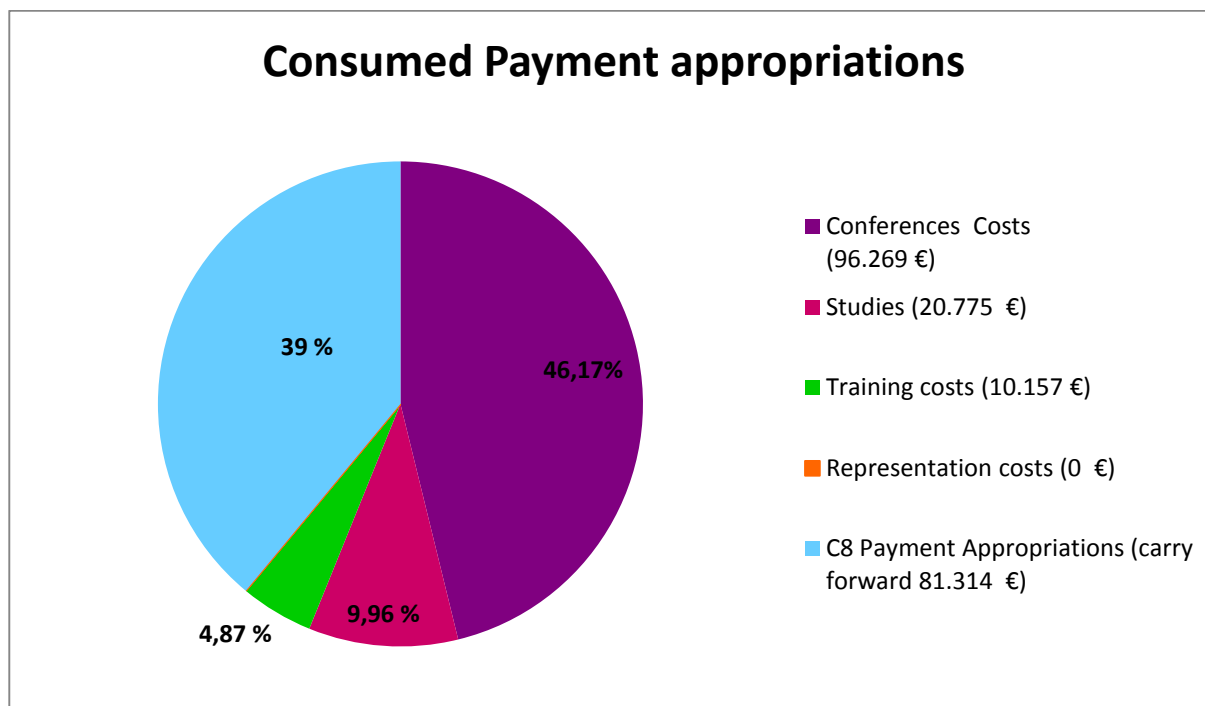
Expenditure linked to Procurement	type	Consumed Appropriations	Payments
Admin Budget		127,201	
Subtotal Procurement		127,201	
Expenditure non Procurement	type	Consumed Appropriations	Payments
Missions (subdelegation PMO)	costs	159,894*	
Ad-hoc (subdelegation PMO)	Experts	0	
Subtotal non Procurement		0	
GRAND TOTAL		127,201	
C8 Payment Appropriations carried forward		81,314	
C4 Internal assigned revenue		0	
TOTAL BUDGET 2017		208,515	

**Consumed payment appropriations for the missions are not part of the EPSC payment execution and are posted under the PMO execution*

The execution of the budget in commitment appropriations is equal to 83.24%, which is above the target described in our financial management objective for 2017 (75%).

The execution of the budget in payment appropriations is equal to 25.89%, which is below the target described in the EPSC's financial management objective for 2017 (75%). This rate does not allow, however, a comparison with the previous years due to the major change in the presentation of Annex 3 mentioned above. If indeed calculated using the methodology from the 2016 AAR, the execution in payment appropriations would be around **47.43%**, which is a more realistic figure. Closer to last year's figure of 41.84%, even if improved, the rate continues to be on the lower side mainly due to the delay in invoicing by contractors, both in the case of events and reflection papers delivered in the second half of 2017.

The chart below reflects the share of EPSC payments made by type of expenditure:



61% of the 2017 consumed payment appropriations are linked to the use of procurement procedures, mainly in the field of events' organisation (46.17 %). Also, as much as 39% of the 2017 consumed payment appropriations are linked to the payment of invoices for events which took place in the second semester of 2016 (carried-forward appropriations).

No unmitigated critical risk has been identified by management which could have a significant impact on assurance on the achievement of the internal control objectives.

The management has supported the assurance on the achievement of the relevant internal control objectives and can conclude that there is no reservation to be listed.

Coverage of the Internal Control Objectives and their related main indicators

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

DG EPSC has set up 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.

The main objective of the EPSC's internal control environment is to maintain a balance between the control of risks relating to the legality and regularity of financial transactions and the principle of cost-effectiveness of control. The control system was centralised in the Management and Resources Unit performing the operational and financial verification for all transactions and public procurement procedures.

The 100% ex-ante control of financial transactions by staff with relevant financial skills was feasible because of the limited number of transactions (74 payments in 2017), which guarantees a low risk of error. The analysis of the register of exceptions and/or non-compliance events confirms that no control weaknesses were detected in 2017.

DG EPSC is therefore able to conclude that there are no indications that procurement procedures and payment transactions were illegal and irregular.

The historic average recoveries and corrections capacity is estimated to be around 5.6%, but this figure takes into account the results of ex-ante controls by means of received credit notes sent before the payment execution and cannot be considered as a correction action. Taking also into account the absence of ex-post control, the adjusted recoveries and corrections rate is 0%.

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 consolidated.

For DG EPSC, the estimated overall amount at risk at payment for the 2017 expenditure is 1,042.58 euro. This is the AOD's best, conservative estimate of the amount of relevant expenditure during the year (208,515 euro) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

This expenditure will not be subsequently subject to ex-post controls. The conservatively estimated future corrections for those 2017 payments made are 0 euro. 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 of risk at closure of 1,042.58 euro.

Table X - Estimated overall amount at risk at closure

DG EPSC	"payments made" (FY; m€)	<i>minus</i> new prefinancing [<i>plus</i> retentions made ^b] (in FY; m€)	<i>plus</i> cleared prefinancing [<i>minus</i> retentions released ^b and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (<i>weighted</i> AER; %)	estimated overall amount at risk <i>at payment</i> (FY; m€)	Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	estimated future corrections [and deductions] (for FY; m€)	estimated overall amount at risk at closure (m€)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Programme, Budget Line(s), or other relevant level ^f	as per AAR annex 3, table 2 ^f	as per ABAC DWH BO report on prefinancing ^f	as per ABAC DWH BO report on prefinancing ^f	= (2) -/+ (3) +/- (4)	Detected error rates, or equivalent ^g estimates ^f	= (5) x (6)	<i>based on 7Y-avg historic H-ARC (as per ABAC DWH BO report on corrective capacity)^f: (5,6 %), but adjusted to 0 % become the best but conservative estimate for the current MFF</i>	= (5) x (8)	= (7) - (9)
Overall, total	208,515 €	0 €	0 €	208,515 €	0.5 %	1,042.58 €	0%	0 €	1042.58 €

Cost-effectiveness and efficiency

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

- ***Cost-effectiveness of controls***

The overall cost of control indicator, mainly linked to ex-ante verification, remains stable in the EPSC environment for all expenditure and is equal to 69,000 euro (= 0.5 FTE). The 2017 overall cost of control calculated on the basis of the Annex 3 is equal to 33.09 %. The cost of the ex-ante is equal to 69,000, as there is no ex-post control in EPSC. This very high number is mainly due to the change of presentation of funds co-delegated to PMO (missions), which are not part of the EPSC's payment execution. Nevertheless very detailed controls are still performed before and after the return of missions by the EPSC staff.

Due to the time devoted by the EPSC Management and Resources Unit for the ex-ante control of the missions' budget, before the approval of the payments by PMO, the cost-effectiveness indicator that DG EPSC realistically takes into account is based on the amount of payments authorised (**208,515 euro**) augmented by the consumed payment appropriations for the missions co-delegated to PMO (**159,894 euro**) This leads to an actual overall cost of control of 18.07% instead of 16.33% in 2016. This increase is mainly due to the fact that the consumed amount of payment appropriations is lower than last year (368,409 euro instead of 467,245 euro in 2016)

As already mentioned in the past, the quantifiable benefits are very difficult to evaluate and are more of qualitative nature due to the closeness of the service to the Commission's leadership and the potential risk of reputational damage.

- ***Control efficiency***

The 2017 average payment delay corresponds to 13.04 days, which is below the target of 20 days but is slightly superior to the one of 2016 (11.53 days). It is also important to underline that all payments were made within the time limit (no late payment).

- ***Conclusions***

The above mentioned indicators allow to draw a positive conclusion regarding the efficiency of the control system put in place to ensure the legality and regularity of procurement procedures and payment transactions submitted to the acceptance of the AOSD as well as its cost-effectiveness.

As already mentioned in the two previous AARs, DG EPSC has completely revised its financial circuits in 2015 due to the reduction of its financial staff by 50%. Its control procedures are therefore as cost-effective as reasonably possible, keeping in mind the necessary segregations of duties.

Fraud prevention and detection

DG EPSC 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 2015.

DG EPSC did not update its anti-fraud strategy this year but is continuously monitoring its two operational objectives, i.e. budget management and ethical issues, through a close assessment of its internal control system. The ethical issues are carefully scrutinised by the hierarchy due to the specific mandate of the DG to avoid any reputational risk.

No particular weaknesses were detected and no cases were transmitted to OLAF for investigation in 2017, which can lead DG EPSC to a positive conclusion on the effectiveness of its anti-fraud strategy.

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 limited conclusion 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.

During the reporting period, the Internal Audit Service (IAS) did not undertake any new audit. The IAS has been monitoring the implementation of an action plan linked to the single recommendation made during the audit on financial management in 2016, which was closed in the first semester of 2017.

Based on this result, the IAS provided the EPSC with their limited conclusion which stated that the internal control systems audited are effective.

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 EPSC 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.

Report on the previous Internal Control Standards

DG EPSC is still in the process of assessing the functioning of its internal control systems based on the previous Internal Control Standards, while beginning the implementation of the new Internal Control Framework applicable as from 01/01/2018.

In light of the sensitive nature of the files dealt with in DG EPSC, the direct and close

contacts with the President of the Commission and its Cabinet, as well as the outreach mandate of the external staff, EPSC management takes the effectiveness of the internal control very seriously.

A particular attention is devoted to the Control Standard N.2 "Ethical and organisational values", which is reflected in a continuous awareness raising, dissemination of information related to ethics through welcome pack, mandatory courses on ethics for newcomers and compulsory ethics refresher courses for all staff.

The functioning of the internal control system has been closely monitored throughout the analysis of the register of exception/ non-compliance events, the risk register, and the data extracted from the ex-ante control, in particular for the financial management.

In parallel the appointed Director in charge of Internal Control and Risk Management has supervised the definition of the new Internal Control Framework applicable to the EPSC specific environment. The main objective was the selection of tailor-made indicators linked to the daily activities and processes in place. This exercise was finalised by the selection of the new internal control monitoring criteria in relation with the 2018 Management Plan.

In conclusion, the internal control standards are effectively implemented and functioning

The DG EPSC has assessed the internal control system during the reporting year and has concluded that the internal control standards are 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 0) 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 EPSC.

DG EPSC has implemented all possible suitable ex-ante controls, to the extent that they remain cost-effective and do not affect the other policy objectives.

Results from the IAS audit during the reporting year give an overall positive feedback and did not include any critical findings.

Conclusion on the effectiveness of our anti-fraud strategy is positive.

Results from the assessment of our internal control systems prove that they are implemented and functioning.

Overall Conclusion

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 EPSC

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view³.

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 judgement and on the information at my disposal, such as the results of the self-assessment the limited conclusion of the Internal Auditor on the state of control 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 Commission .

Brussels, date 27/03/2018

Ann Mettler

(Signed)

³ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Other organisational management dimensions

2.2.1 Human resource management

DG EPSC's success continues to be driven by the competence and motivation of its staff, which is highly prioritised by the top management. While the size of the DG expanded considerably over the last year, "management by projects", introduced in 2016, continued to be relevant more than ever also in 2017 to ensure the flexibility needed to respond to unexpected requests and calls for expertise coming from the political level, as well as to tackle files of great levels of complexity.

The promotion of learning and development activities is the other important driver of the DG's success. All staff members were encouraged to participate in the EPSC's events and training activities organised within the Commission and externally. Moreover analysts meetings were often opened to all staff members to stimulate open, collaborative and inter-disciplinary ways of working. Internal training sessions and workshops were also organised by the Outreach and Communication team to inform the staff on new technologies.

2.2.2 Information management aspects

Given that DG EPSC had observed a slight increase of unfiled documents between 2015 and 2016, it consequently decided to pay particular attention to this matter in 2017. The DMO sent regular reminders about unfiled documents and ensured a necessary follow up. As a result, the number of unfiled documents decreased significantly in 2017.

DG EPSC reached its objective of 100% of mission reports being filed in ARES under the financial and political headings to reflect both aspects. The financial ones account for the management of expenses for missions whereas the thematic ones take stock of the steps undertaken in the relevant policy fields.

As far as the Sharepoint platform is concerned, it did not meet the needs or expectations of DG EPSC and it has consequently been decided not to proceed with any further developments.

The number of files in DG EPSC has increased since last year. Files have been created for the management of the service in 2017 (expenses, financial management, etc.). The number of files open to BEPA (considered as a different service as EPSC in Ares) that are still in the Administrative Retention Period has not changed. Logically, the percentage of files shared with other services has obviously decreased, since the calculation is based on a larger amount of files in total (27.86% in 2017 instead of 29.32 % in 2016)

2.2.3 External communication activities

The EPSC complements the communication efforts of DG COMM, SPP and of the Commissioners and their teams. For this reason, the EPSC Outreach and Communication team works in close contact with all the above-mentioned services and supports their work in strategic communication and at the same time concentrating on a more targeted audience, consisting mainly of think tanks, researchers and academics, opinion leaders and intellectuals.

The EPSC makes use of a broad range of communication tools to carry out its work including:

- Policy briefs – internal documents, produced for the Cabinet of the President.
- Strategic notes – external documents, produced on demand or on own initiative. They are the results of interdisciplinary research and collaborative projects on EU policy priorities, and are published in relation to key events, policy developments, etc.
- Newsletters – These are biannual external publications gathering a series of editorials, articles, data projects, visuals and other digital inputs.
- Events and conferences – the EPSC creates a unique space for thought-provoking seminars and events. These are organised on a regular basis (5-6 events per month). In 2016, around 90 events were organised. The EPSC also spearheads the European Commission's involvement in the European Strategy and Policy Analysis System (ESPAS) – the EU inter-institutional collaboration that aims to build preparedness for upcoming challenges and opportunities. In this role, it co-organises the annual ESPAS conferences, as well as a number of other events.
- The EPSC webpage is regularly updated and is managed by the EPSC digital manager.
- The EPSC also regularly experiments with new publication formats and methods, in particular making full use of a range of digital channels to expand its outreach and communicate in a more timely and open manner.

Example of economy and efficiency

Events organisation

The cost efficiency of events organisation continues to be regularly scrutinised with great detail, including by the top management, as it is one of the core business activities of DG EPSC. The involvement of the conference assistants in the entire process from the definition of the needs to the delivery of the event is essential for the cost analysis performed in close collaboration with the financial team. The "post mortem" discussions after important events also allow the different teams involved in the organisation to identify where costs can be reduced for next events.

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, I have reported my advice and recommendations to the Director-General.

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."

Date 27/03/2018

Paweł Świeboda

(Signed)

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

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

HUMAN RESOURCES MANAGEMENT

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 NA	Target 100 %	2017 100 %
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Indicator 2 : Percentage of staff who feel that the Commission cares about their well-being

Source of data: Commission staff survey

Baseline 46.7 % (2014)	Target Positive trend compared to baseline through 2016-2020 The EPSC implements the "fit@work" Commission programme, notably by promoting a flexible, inclusive and engaging workplace through innovative co-working spaces and advanced digital solutions.	No staff survey in 2017 <i>Latest available result in 2016: 74 %</i>
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Indicator 3: Staff engagement index

Source of data : Commission staff survey

Baseline 77.9% (2014)	Target: 80 % through 2016-2020 To maintain the high level of the EPSC Staff Engagement Index	No staff survey in 2017 <i>Latest available result in 2016: 84%</i>
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Main outputs in 2017:

Description	Indicator	Target	Latest known results
To maintain a very high score of staff engagement by promoting the learning and development activities to improve the performance of the individual staff members and the EPSC as a whole	Number of internal trainings followed by the staff on a yearly basis	Positive trend compared to baseline through 2016-2020	Number of trainings delivered: In 2016 : 104 In 2017: 146

INFORMATION MANAGEMENT

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

Indicator 1 (mandatory – data to be provided by DG DIGIT): Percentage of registered documents that are not filed⁴ (ratio)

Source of data: Hermes-Ares-Nomcom (HAN)⁵ statistics

Baseline 2015 3.91%	Target 0%	2017 1.20%
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Indicator 2 (mandatory - data to be provided by DG DIGIT): Percentage of HAN files readable/accessible by all units in the DG

Source of data: HAN statistics

Baseline 2015 38.85%	Target 30%	2017 44.66%
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⁴ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁵ Suite of tools designed to implement the [e-Domec policy rules](#).

Indicator 3 (mandatory data to be provided by DG DIGIT): Number of HAN files shared with other DGs

Source of data: HAN statistics

Baseline 2015	Target	2017
4.48%	30%	27.86%

Main outputs in 2017:

Description	Indicator	Target	Latest known results
To clear the backlog of mission reports only filed in financial files => to be also filed in political files	To clear the backlog of mission reports only filed in financial files => to be also filed in political files	100%	100% - All the missions reports for 2015 and 2016 have been filed in political files and financial file.
To double-file systematically mission reports in financial file (Mission expenses 2017) and political file	Number of missions reports registered in Ares compared to mission orders approved in MIPS* *except missions of EPSC General Director to Strasbourg for College meetings and cancelled missions after approval	100%	100 %
To identify systematically EPSC publications with identifiers provided by the Publication Offices, enabling not only access via other sources than the EPSC website (EU Bookshop catalogue, Library of Congress and other channels automatically updated with such identifiers) but also permanent	Number of publications published on the EPSC website	100%	100%: all publications bear identifiers from the Publications Office

conservation and access			
Design and make use of a collaborative workplace on MyIntracomm via SharePoint	Completion of the architecture of the EPSC workspace	Q4	Not implemented (see comment in point 2.2.2.Information management aspects)
Training of the core team in charge of collaborative space	End-User documentation ready for use	Q4	Not implemented (see comment in point 2.2.2.Information management aspects)

EXTERNAL COMMUNICATION

Objective (mandatory): 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 (mandatory): Percentage of EU citizens having a positive image of the EU

Source of data: Standard Eurobarometer (DG COMM Budget)

Baseline (November 2014)	Target: 2020	2017 (November)
Total "Positive": 39% Neutral: 37% Total "Negative": 22%	Positive image of the EU > 50%	Total "Positive": 40 % Neutral: 37 % Total "Negative": 21%

Main outputs in 2017:

Description	Indicator	Target	Latest known results
Coordination and support of the EPSC's overall communication	Level of stakeholder demand for cooperation	Throughout 2017	The EPSC cooperates closely with the cabinets' communications advisers, participates in topical communication meetings and monthly communication meetings with the communication network.
Digital communication: digital voting, access to monitoring services	Level of engagement with relevant stakeholders and research & think tank community		
Implementation of the Communication Strategy	Quantity and quality of participation to EPSC events		
Publish a	Feedback on EPSC events and papers, outputs and initiatives Social media and web engagement		
			EPSC and DG COMM had complementary

periodical newsletter			missions in the frame of Synergies and Efficiency linked to the future of Europe to accompany the publication of the European Commission White Paper on the "Future of Europe". The EPSC organised around 81 events and published 19 papers (8 strategic notes, 7 Policy Briefings , 2 newsletters, 2 annual trends reports in the frame of the ESPAS Conference "EU 2017: Strategic Foresight Primer and Shaping the Future of Geopolitics"
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It is very important to emphasize that EPSC has only an administrative budget covering all activities' costs described in the financial management part and therefore no specific budget for communication activities.

Annual communication spending (based on estimated commitments):				
Baseline (Year n-1):	Target (Year n):	Total amount spent	Total of FTEs working on external communication	
NA	NA	NA	2	

ANNEX 3: Draft annual accounts and financial reports

ANNEX 4: Materiality criteria

In quantitative terms:

In line with the internal guideline agreed centrally DG EPSC applies the recommended threshold of 2% of the total payment budget.

In qualitative terms:

When identifying the significance of any deficiency from a qualitative point of view, DG EPSC is taking into account the potential reputational damage due to its close relation with the President and his Cabinet.

The other elements analysed are the followings:

- the degree of effectiveness of the internal control systems in place assessed on the basis of the results of the audits performed notably by the IAS,
- the ex-ante controls,
- the analysis of the exceptions/non-compliance events reported in the register of exceptions

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

N/A