



2019

Annual Activity Report

Annexes

**Directorate General
Neighbourhood and
Enlargement
Negotiations –
DG NEAR**



Table of Contents

ANNEXES:	3
ANNEX 1: STATEMENT OF THE DIRECTOR IN CHARGE OF RISK MANAGEMENT AND INTERNAL CONTROL	3
ANNEX 2: REPORTING – HUMAN RESOURCES, BETTER REGULATION, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION	4
ANNEX 3: DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS	11
ANNEX 4: MATERIALITY CRITERIA	31
ANNEX 5: RELEVANT CONTROL SYSTEM(S) FOR BUDGET IMPLEMENTATION (RCSs)	33
ANNEX 6: IMPLEMENTATION THROUGH NATIONAL OR INTERNATIONAL PUBLIC-SECTOR BODIES AND BODIES GOVERNED BY PRIVATE LAW WITH A PUBLIC SECTOR MISSION (DG NEAR)	75
ANNEX 7: EAMR OF THE UNION DELEGATIONS	87
ANNEX 8: AOSD REPORT – REGIONAL TRUST FUND IN RESPONSE TO THE SYRIAN CRISIS	112
ANNEX 9: EVALUATIONS AND OTHER STUDIES FINALISED OR CANCELLED DURING THE YEAR	134
ANNEX 10: SPECIFIC ANNEXES RELATED TO "FINANCIAL MANAGEMENT"	137
ANNEX 11: ANALYSIS OF KEY PERFORMANCE INDICATORS	144
ANNEX 12: PERFORMANCE TABLES	193
ANNEX 13: GLOSSARY	249

ANNEXES

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

"I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

Date 31 March 2020

Mark Johnston

"Signed"

¹ C(2017)2373 of 19.04.2017.

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".

1. 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: 40% by 2019			
Source of data: SEC(2017)505			
Baseline 2016 (January)	Target 2019	Latest known results for 2019	
38%	40%	39%	
Main outputs in 2019:			
Description	Indicator	Target	Latest known result
Increase number of women appointed to first time middle management functions	Number of first time appointments	50% of HoU opportunities by end 2019. Appoint 1 woman to first time management position by end 2019	At end of 2019, the representation rate of female management was 39%. DG NEAR appointed 7 female first time appointments in 2018/2019 and surpassed the target of 2 set for DG NEAR by 5
Indicator 2 : Percentage of staff who feel that the Commission cares about their well-being			
Source of data: Commission Staff Survey 2018			
Baseline	Target	Latest known results for 2019	
January 2014 32%	Target: Commission Average (35%) in 2016 Two percentage points above Commission Average (37%) in 2018. In relation to the indicator 2 on staff well-being, DG NEAR set the target for this indicator in 2016 at the level of Commission Average (35%) for 2016 and at 2 percentage points above the Commission average in the 2018 staff survey ² .	53% for DG NEAR 52% Commission average	

² This is based on the recommendations of the DG NEAR Staff Engagement Working Group, which was established following the results of the 2014 survey. The target was approved by senior management.

Main outputs in 2019:			
Description	Indicator	Target	Latest known result
Promote an appropriate work life balance for staff	Staff request appropriate working conditions (part-time, flexitime and teleworking) to match their particular work life balance considerations	40% of colleagues in HQ teleworking by end 2019. 100% of eligible requests for part-time working validated	In 2019, 10.4% of staff had structural teleworking and 51.9% had occasional telework. All requests for part time working have been validated
Indicator 3 : Staff engagement index			
Source of data: Commission Staff Survey 2018			
Baseline 2014 65.3%	Target: Increase		Latest known results for 2019
Baseline 2014 : DG NEAR Staff engagement index = 64	Commission Average (now 65%) in 2016 Two percentage points above Commission Average (now 67%) in 2018. In 2018 DG NEAR sets the target for this indicator at 2 percentage points above the Commission average in the 2018 staff survey ³ .		69% DG NEAR 69% Commission average
Main outputs in 2019:			
Description	Indicator	Target	Latest known results
Further strengthen engagement with collective intelligence within DG for better response to organisational and policy challenges	Number of participatory events: - Team building - Preparation next Commission - Reflections around strategic organisational or policy questions	Preparation next Commission through participatory processes - At least two staff fora, brown bag lunches, thematic reflections. - At least 5 events organised by OurNEAR within DG NEAR or with EU Delegations to further strengthen capacities and working methods.	DG NEAR's fifth staff forum with the Director General took place in April 2019 and focused on preparation for the next Commission. It followed brainstorming sessions organised in March 2019 with the Centers of Technical Expertise, which focused on circular economy, education, fundamentals and trade.
Promote awareness of fit@work campaign including mental and physical health	Staff attend and participate in activities which increase staff understanding of the importance of mental	At least 6 fit@work workshops to be organised for DG NEAR on: <ul style="list-style-type: none"> Ergonomics 	In 2019, DG NEAR participated in a panel organised by HR on mental health.

³ This is based on the recommendations of a DG NEAR Staff Engagement Working Group established following the results of the 2014 survey, and approved by senior management of the DG

<p>& wellbeing activities</p>	<p>and physical health to their overall well being</p>	<ul style="list-style-type: none"> • Physical health • Nutrition • Social-psychological issues • Mental Health 	<p>In the areas of physical health, the AMC is providing various physical activities such as yoga, Pilates, etc. available to NEAR staff, which will continue to be advertised on the intranet.</p> <p>However, no workshops were organised.</p>
<p>Analyse the results of the 2018 staff survey especially in the areas highlighted in the 2016 staff survey namely:</p> <ul style="list-style-type: none"> • Shared DG NEAR vision and purpose • Effective internal communication • Managing Performance • Enhancing 'people' management skills • Working conditions & work /life balance • Career advice, career paths, opportunities & mobility • Training & training budget 	<p>Propose a 2019 Action Plan to DG NEAR Senior Management</p>	<p>Adoption of Action Plan May 2019</p>	<p>The staff Survey Action Plan was adopted as planned. It proposes actions in the areas identified. In particular, OurNEAR worked on developing a management charter expected to address issues of workload.</p>

2. Better Regulation

DG NEAR does not manage regulatory acquis.

3. Information Management aspects

Objective: Information and Knowledge in the DG is shared and reusable by other DGs. Important documents are registered and retrievable			
Indicator 1: percentage of registered documents that are not filed			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline 2015	Target 2019		Latest known results 2019
4.73%	0%		2.09%
Main outputs in 2019:			
Description	Indicator	Target	Latest known result
Electronic filing of registered documents in Ares	Percentage of registered and filed documents in Ares	100%	98,1%
Indicator 2: Number of HAN files readable/accessible by all units in the DG			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline (2015)	Target (2019)		Latest known results 2019
93.39%	93%		94,5%
Main outputs in 2019:			
Description	Indicator	Target	Latest known result
Better use of electronic workflows in Ares	Percentage of purely e-signatories in Ares	50%	57%
Indicator 3: Number of HAN files shared with other DGs			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline (2015)	Target (2019)		Latest known result (2019)
4.15%	20%		7.34%
Main outputs in 2019:			
Description	Indicator	Target	Latest known result
Shared ARES/NomCom files between HQ and EU-Delegations for all financial files	Percentage of shared files	100%	100%

4. External communication activities

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

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 budget) [*monitored by DG COMM*]

Baseline November 2014	Target 2020	Latest known results 2019
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Standard barometer November 2019: Total "Positive": 42% Neutral: 37% "Negative": 20%

Objective 1 - To increase knowledge and understanding of the European Neighbourhood Policy, including the use and objectives of EU funds for the neighbourhood

Main outputs in 2019:

Description	Indicator	Target	Latest known results 2019
Press trips for EU journalists to neighbourhood regions	Number of participants	75	21
	Number of participants who declare the event met their expectations	>60% of participants	89%
	Better understanding of the policy/related funding	>50% of participants	100% of participants
Training seminars on EU visibility and communication for beneficiaries in the neighbourhood region	Number of participants	170	330
	Event met expectations	>65% of participants	98% of participants
Neighbourhood Regional Communication Programme (OPEN): campaigns, events and polling to improve perceptions of the EU in Neighbourhood countries	Number of visits to EU Neighbours website	>800,000	1,198,292
	Number of people reached on Facebook (average reach per post)	East: 15,000 South: 10,000	East: 15,000 South: 20,294
	Number of impressions – Twitter (monthly)	50,000	99,633
	Number of subscribers to news alerts	>10,000	11,823

	Number of people reached through events	>5,000	45,000 (<i>East + South combined</i>)
	Number of young people becoming part of Young European Neighbours network	>2,500	6,242 (Facebook group) YEAs: 730
Objective 2 - To increase knowledge and understanding of the enlargement policy, including the use and objectives of EU pre-accession funds			
Main outputs in 2019:			
Description	Indicator	Target	Latest known results 2019
Press trips for EU journalists to the enlargement regions	Number of participants	75	65
	Number of participants who declare the event met their expectations	>60% of participants	91%
	Better understanding of the policy/related funding	>50% of participants	94%
Policy and outreach events (Media Days 2019, Roma Integration Award Ceremony)	Number of participants	400	600
	Event met expectations	>60% of participants	90%
	Better understanding of the policy/related funding	>50% of participants	85%
Objective 3 - Dissemination of information through DG NEAR website and social media			
Main outputs in 2019:			
Description	Indicator	Target	Latest known results
DG NEAR website	Number of visits	600,000	740,000
	Number of unique visitors	400,000	550,000
	Number of page views	1,200,000	1,235,000
DG NEAR social media (Facebook, Twitter and Instagram)	Number of people reached	Facebook / average reach by post: 60,000	Overall: 23,000,000 average reach per post 75,000
	Number of impressions	Twitter: 2,500,000 (overall)	Overall: 7,700,000 (twitter) 13,000,000 (Instagram)
	Fan engagement rate:	Facebook: 4% Twitter: 2%	Facebook 8% Twitter 4.4% average number of engagements by post: Facebook: 1,900 Twitter: 65 Instagram: 93

Annual communication spending (based on estimated commitments):				
Baseline (Year 2016):	Target (Year 2019):	Total amount spent	Total of FTEs working on external communication	
EUR 22,950,000	EUR 7,795,000	EUR 7,152,352	15	

Amounts in the table are without EU Delegations. The total target including EU Delegations (based on estimated commitments) amounted to EUR 20,585,000 in 2019, whereby the total amount spent was EUR 19,942,352.

ANNEX 3: Draft Annual accounts and financial reports

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

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Mio €) for DG NEAR					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,00	0,00	
Total Title 02			0,00	0,00	
Title 07 Environment					
07	07 02	Environmental policy at Union and international level	0,00	0,00	0,00 %
Total Title 07			0,00	0,00	0,00 %
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0,05	0,05	100,00 %
	13 03	European Regional Development Fund and other regional operations	0,00	0,00	0,00 %
	13 04	Cohesion Fund (CF)	0,00	0,00	0,00 %
	13 07	Aid Regulation	0,00	0,00	0,00 %
	13 08	Structural Reform Support Programme - Operational technical assistance	0,70	0,00	0,00 %
Total Title 13			0,75	0,05	7,14 %
Title 15 Education and culture					
15	15 02	Erasmus+ programme	0,00	0,00	
Total Title 15			0,00	0,00	
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0,23	0,00	0,00 %
Total Title 19			0,23	0,00	0,00 %
Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	0,00	0,00	
	21 02	Development Cooperation Instrument (DCI)	0,00	17,13	
	21 04	European Instrument for Democracy and Human Rights	0,00	24,60	
	21 08	Development and cooperation worldwide	8,20	2,50	30,49 %
Total Title 21			8,20	44,23	539,45 %

Title 22 Neighbourhood and enlargement negotiations					
2 2	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	82,49	1,99	2,41 %
	22 02	Enlargement process and strategy	2.695,26	1.752,68	65,03 %
	22 04	European Neighbourhood Instrument (ENI)	2.684,32	770,47	28,70 %
Total Title 22			5.462,07	2.525,14	46,23 %
Total DG NEAR			5.471,25	2.569,42	46,96 %

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

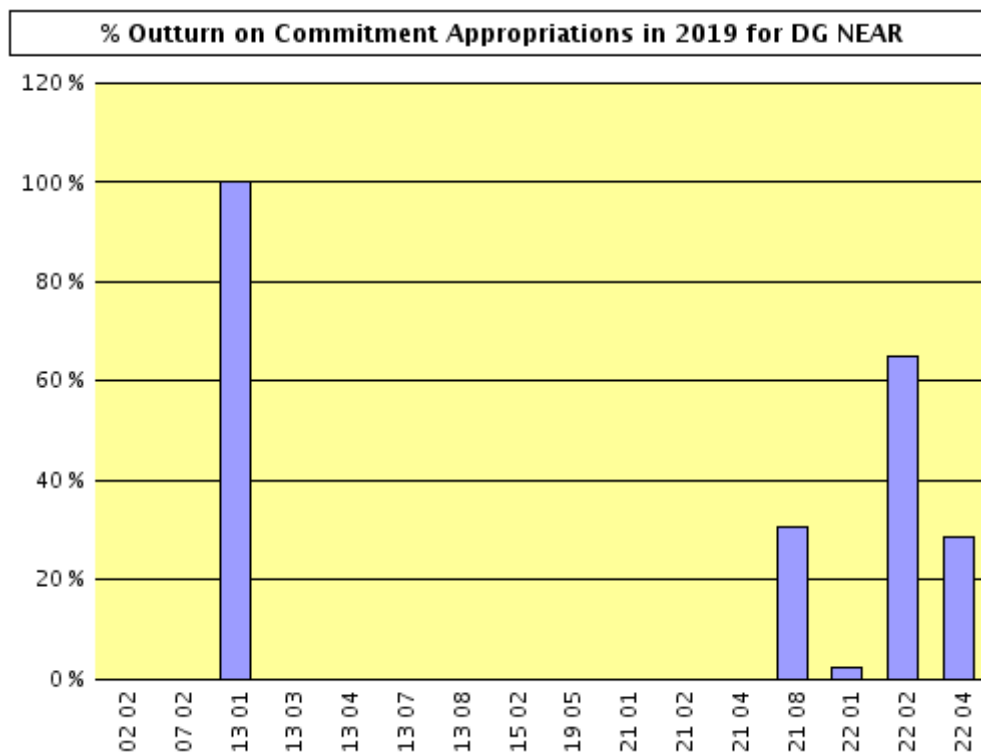


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2019 (in Mio €) for DG NEAR					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 07 Environment					
07	07 02	Environmental policy at Union and international level	0,41	0,41	100,00 %
Total Title 07			0,41	0,41	100,00%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0,05	0,04	79,15 %
	13 03	European Regional Development Fund and other regional operations	0,27	0,27	100,00 %
	13 04	Cohesion Fund (CF)	0,11	0,11	100,00 %
	13 07	Aid Regulation	1,34	1,34	100,00 %
	13 08	Structural Reform Support Programme - Operational technical assistance	1,24	1,24	100,00 %
Total Title 13			3,02	3,01	99,63%
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	1,08	0,85	79,11 %
Total Title 19			1,08	0,85	79,11%
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)		28,77	
	21 04	European Instrument for Democracy and Human Rights		29,63	
	21 08	Development and cooperation worldwide	4,06	4,86	119,59 %
Total Title 21			4,06	63,26	1.556,37%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	82,98	5,48	6,60 %
	22 02	Enlargement process and strategy	1.591,89	1.329,96	83,55 %
	22 04	European Neighbourhood Instrument (ENI)	2.007,37	1.992,97	99,28 %
Total Title 22			3.682,24	3.328,41	90,39%
Total DG NEAR			3.690,81	3.395,94	92,01 %

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

% Outturn on Payment Appropriations in 2019 for DG NEAR

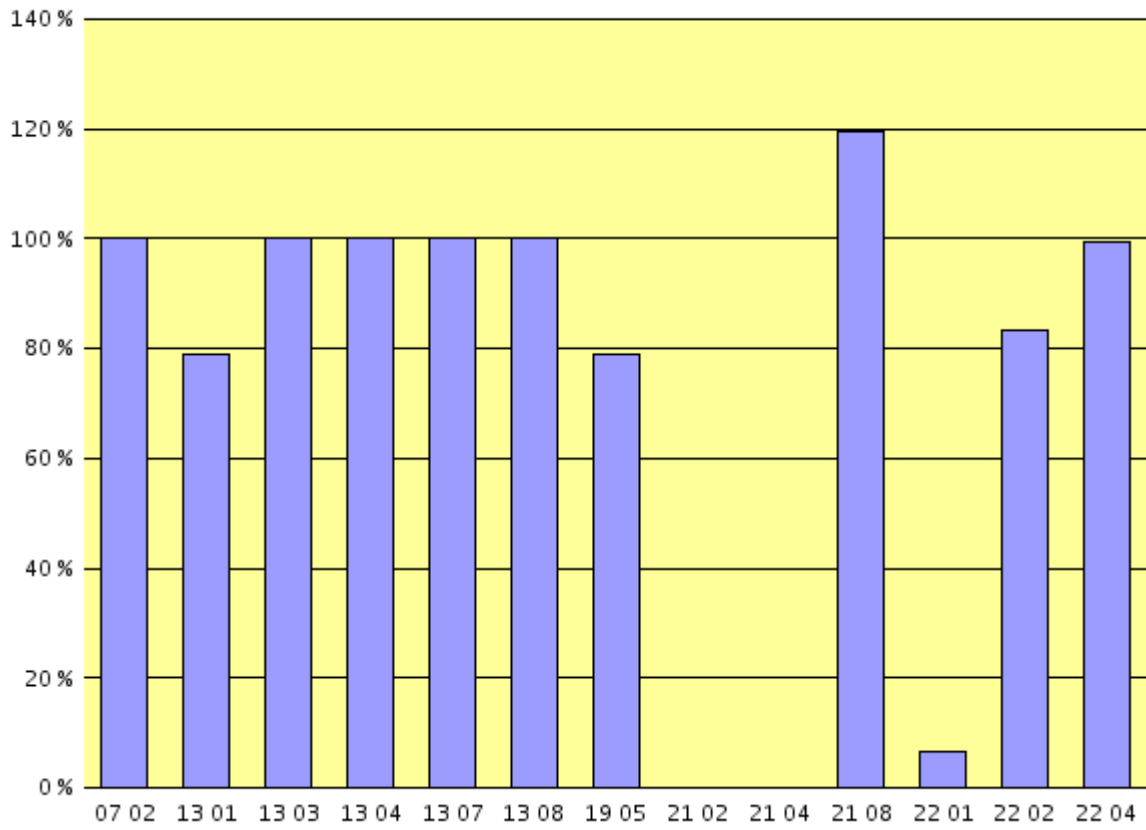


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,00	0,00	0,00	0,00%	0,61	0,61	0,61
Total Title 02			0,00	0,00	0,00	0,00%	0,61	0,61	0,61

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 02	Environmental policy at Union and international level	0,00	0,00	0,00	0,00%	0,20	0,20	0,61
Total Title 07			0,00	0,00	0,00	0,00%	0,20	0,20	0,61

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0,05	0,04	0,00	10,16%	0,00	0,00	0,00
	13 03	European Regional Development Fund and other regional operations	0,00	0,00	0,00	0,00%	0,73	0,73	0,99
	13 04	Cohesion Fund (CF)	0,00	0,00	0,00	0,00%	0,42	0,42	0,54
	13 07	Aid Regulation	0,00	0,00	0,00	0,00%	2,23	2,23	3,58
	13 08	Structural Reform Support Programme - Operational technical assistance	0,00	0,00	0,00	0,00%	0,66	0,66	1,89
Total Title 13			0,05	0,04	0,00	10,16%	4,04	4,04	7,00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 02	Erasmus+ programme	0,00	0,00	0,00	0,00%	0,05	0,05	0,05
Total Title 15			0,00	0,00	0,00	0,00%	0,05	0,05	0,05

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0,00	0,00	0,00	0,00%	1,52	1,52	2,37
Total Title 19			0,00	0,00	0,00	0,00%	1,52	1,52	2,37

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
	21 02	Development Cooperation Instrument (DCI)	17,13	1,16	15,97	93,20%	87,75	103,72	116,43
	21 04	European Instrument for Democracy and Human Rights	24,60	2,69	21,91	89,05%	47,84	69,75	78,02
	21 08	Development and cooperation worldwide	2,50	0,00	2,50	99,92%	13,17	15,67	18,39
Total Title 21			44,23	3,86	40,38	91,28%	148,76	189,13	212,84

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG NEAR									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	1,99	2,23	-0,24	-0,12	0,05	-0,19	4,05
	22 02	Enlargement process and strategy	1.752,68	92,29	1.660,39	0,95	4.879,51	6.539,90	6.314,47
	22 04	European Neighbourhood Instrument (ENI)	770,47	276,26	494,21	0,64	5.772,21	6.266,42	7.881,91
Total Title 22			2.525,14	370,78	2.154,35	0,85	10.651,77	12.806,13	14.200,42
Total for DG NEAR			2.569,42	374,68	2.194,73	0,85	10.806,94	13.001,67	14.423,89

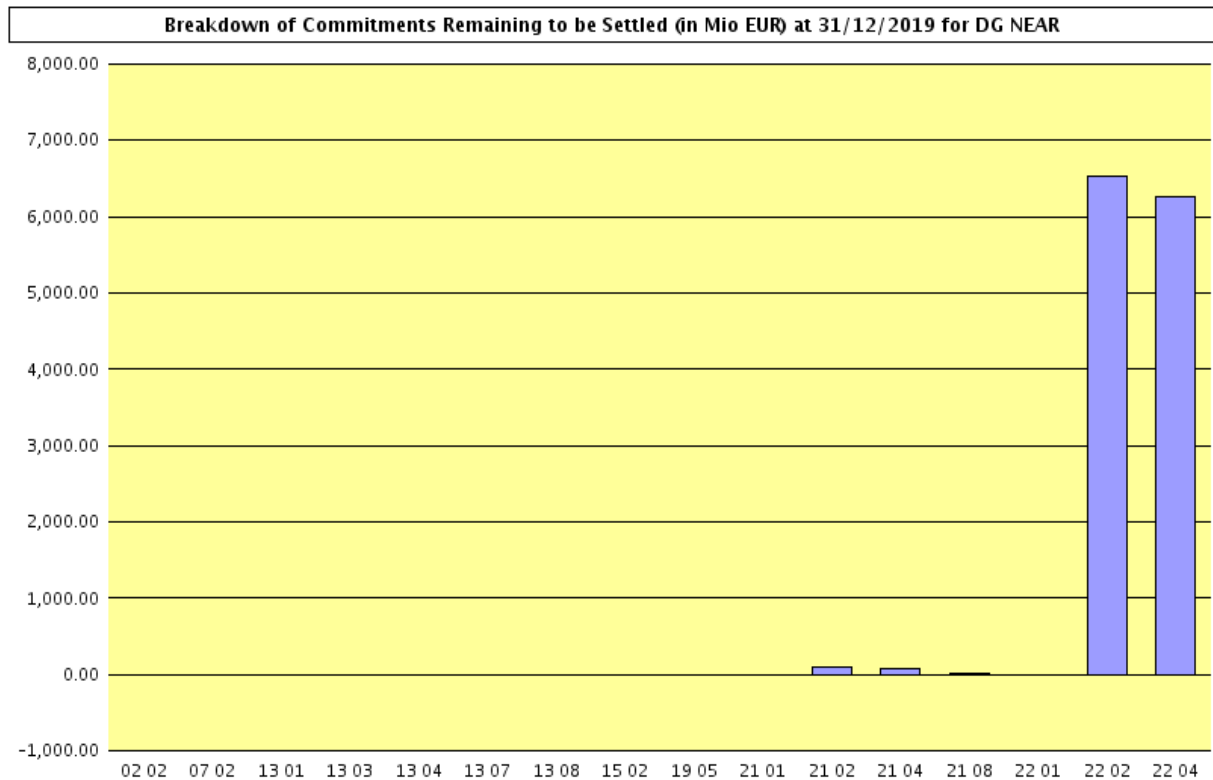


TABLE 4 : BALANCE SHEET for DG NEAR

BALANCE SHEET	2019	2018
A.I. NON CURRENT ASSETS	1.039.914.056,67	796.462.385,21
A.I.4. Non-Current Financial Assets	449.394.199,77	366.159.696,32
A.I.5. Non-Current Pre-Financing	588.991.284,54	428.698.488,89
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	1.528.572,36	1.604.200,00
A.II. CURRENT ASSETS	2.066.009.550,45	1.976.425.337,85
A.II.1. Current Financial Assets	16.686.560,63	37.900.357,60
A.II.2. Current Pre-Financing	1.757.920.644,63	1.598.596.165,26
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	41.610.775,75	42.566.654,91
A.II.6. Cash and Cash Equivalentents	249.791.569,44	297.362.160,08
ASSETS	3.105.923.607,12	2.772.887.723,06
P.I. NON CURRENT LIABILITIES	-20.507.034,62	-10.865.933,00
P.I.2. Non-Current Provisions	-18.486.895,00	-9.210.356,00
P.I.3. Non-Current Financial Liabilities	-2.020.139,62	-1.655.577,00
P.III. NET ASSETS/LIABILITIES	-61.218.380,24	-57.210.365,83
P.III.1. Reserves	-61.218.380,24	-57.210.365,83
P.II. CURRENT LIABILITIES	-1.055.452.325,47	-1.138.502.883,21
P.II.2. Current Provisions	-46.844.621,38	-33.635.894,11
P.II.4. Current Payables	-317.847.857,87	-228.449.450,64
P.II.5. Current Accrued Charges & Defrd Income	-690.759.846,22	-876.417.538,46
LIABILITIES	-1.137.177.740,33	-1.206.579.182,04
NET ASSETS (ASSETS less LIABILITIES)	1.968.745.866,79	1.566.308.541,02

P.III.2. Accumulated Surplus/Deficit	13.076.555.730,68	10.024.336.507,55
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Non-allocated central (surplus)/deficit*	-15.045.301.597,47	-11.590.645.048,57
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TOTAL DG NEAR	0,00	0,00
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG NEAR

STATEMENT OF FINANCIAL PERFORMANCE	2019	2018
II.1 REVENUES	-25.629.349,16	-44.589.143,91
II.1.1. NON-EXCHANGE REVENUES	-17.146.040,48	-21.970.632,59
II.1.1.5. RECOVERY OF EXPENSES	-14.847.820,60	-19.087.238,70
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-2.298.219,88	-2.883.393,89
II.1.2. EXCHANGE REVENUES	-8.483.308,68	-22.618.511,32
II.1.2.1. FINANCIAL INCOME	-7.625.940,69	-10.883.439,02
II.1.2.2. OTHER EXCHANGE REVENUE	-857.367,99	-11.735.072,30
II.2. EXPENSES	2.958.830.432,10	3.096.808.367,04
II.2. EXPENSES	2.958.830.432,10	3.096.808.367,04
II.2.10. OTHER EXPENSES	45.936.335,16	30.609.296,55
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	27.391.075,00	12.843.366,04
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	1.624.735.162,58	1.757.236.344,73
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	1.048.627.928,92	925.309.284,37
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	206.453.593,28	361.102.763,31
II.2.8. FINANCE COSTS	5.686.337,16	9.707.312,04
STATEMENT OF FINANCIAL PERFORMANCE	2.933.201.082,94	3.052.219.223,13

Explanatory Notes (facultative):

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

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

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

TABLE 5bis : OFF BALANCE SHEET for DG NEAR

OFF BALANCE	2019	2018
OB.1. Contingent Assets	186.409.965,33	185.298.892,70
GR for other		0,00
GR for performance	31.733.422,43	32.542.920,81
GR for pre-financing	135.534.693,22	139.959.289,47
OB.1.3. CA Other	19.141.849,68	12.796.682,42
OB.2. Contingent Liabilities	-30.893.454,09	-19.811.552,88
OB.2.1. Guarantees given for EU FI	-17.717.793,46	-15.228.623,00
OB.2.7. CL Legal cases OTHER	-13.175.660,63	-4.582.929,88
OB.3. Other Significant Disclosures	-14.651.564.003,03	-13.281.941.815,23
OB.3.2. Comm against app. not yet consumed	-14.651.564.003,03	-13.281.941.815,23
OB.4. Balancing Accounts	14.496.047.491,79	13.116.454.475,41
OB.4. Balancing Accounts	14.496.047.491,79	13.116.454.475,41
OFF BALANCE	0,00	0,00

Explanatory Notes (facultative):

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

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

TABLE 6: AVERAGE PAYMENT TIMES in 2019 for NEAR

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
21	2	2	100,00 %	19,00			
30	1.340	1.231	91,87 %	12,49	109	8,13 %	63,75
45	146	85	58,22 %	25,63	61	41,78 %	292,40
46	1	1	100,00 %	15,00			
56	7	7	100,00 %	41,29			
60	1.654	1.565	94,62 %	32,33	89	5,38 %	95,13
90	1.255	1.152	91,79 %	45,97	103	8,21 %	134,40
120	1	1	100,00 %	72,00			

Total Number of Payments	4.406	4.044	91,78 %		362	8,22 %	
Average Net Payment Time	38,27			30,05			130,10
Average Gross Payment Time	56,21			44,91			182,45

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	48	1.532	34,77 %	4.406	833.327.269,47	26,86 %	3.101.928.394,48

Late Interest paid in 2019			
DG	GL Account	Description	Amount (Eur)
NEAR	65010000	Interest expense on late payment of charge	144.393,53
NEAR	65010100	Interest on late payment of charges New F	39.607,13
			184.000,66

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2019 for DG NEAR

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
40	MISCELLANEOUS TAXES AND DEDUCTIONS	907,00	0,00	907,00	907,00	0,00	907,00	0,00
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	1.192.970,95	619.022,81	1.811.993,76	362.429,19	1.703,57	364.132,76	1.447.861,00
63	CONTRIBUTIONS UNDER SPECIFIC AGREEMENTS	1.875.142,31	0,00	1.875.142,31	1.875.142,31	0,00	1.875.142,31	0,00
64	CONTRIBUTIONS FROM FINANCIAL INSTRUMENTS	15.781.307,82	4.503.821,67	20.285.129,49	15.781.307,82	4.503.821,67	20.285.129,49	0,00
66	OTHER CONTRIBUTIONS AND REFUNDS	40.091.016,44	36.649.972,12	76.740.988,56	25.365.034,21	8.553.155,62	33.918.189,83	42.822.798,73
90	MISCELLANEOUS REVENUE	0,00	276.753,90	276.753,90	0,00	0,00	0,00	276.753,90
Total DG NEAR		58.941.344,52	42.049.570,50	100.990.915,02	43.384.820,53	13.058.680,86	56.443.501,39	44.547.413,63

**TABLE 8 : RECOVERY OF PAYMENTS in 2019 for DG NEAR
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2019	Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context(incl. non- qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2003							1	20.979,30		
2005							2	43.853,97		
2006	1	2.637,99	1	4.241.507,00	2	4.244.144,99	4	6.397.715,51	50,00%	66,34%
2007	1	8.999,20	1	1.907.250,00	2	1.916.249,20	3	2.450.925,30	66,67%	78,18%
2008	3	16.345,56	1	1.197.055,86	4	1.213.401,42	4	1.213.401,42	100,00%	100,00%
2009	4	14.634,12			4	14.634,12	8	877.439,05	50,00%	1,67%
2010	11	191.836,45			11	191.836,45	16	1.132.016,19	68,75%	16,95%
2011	18	340.387,29			18	340.387,29	23	1.610.975,38	78,26%	21,13%
2012	20	303.094,19			20	303.094,19	27	1.684.344,09	74,07%	17,99%
2013	36	1.278.973,02			36	1.278.973,02	70	21.375.707,75	51,43%	5,98%
2014	34	745.064,31			34	745.064,31	79	6.342.231,24	43,04%	11,75%
2015	18	8.320.554,01	1	60.360,00	19	8.380.914,01	69	11.709.150,68	27,54%	71,58%
2016	7	465.674,91	2	159.666,62	9	625.341,53	31	1.532.134,27	29,03%	40,82%
2017	4	289.201,37			4	289.201,37	21	2.253.943,69	19,05%	12,83%
2018	2	71.217,54			2	71.217,54	6	330.748,12	33,33%	21,53%
No Link	10	540.056,36			10	540.056,36	16	3.312.704,36	62,50%	16,30%
Sub-Total	169	12.588.676,32	6	7.565.839,48	175	20.154.515,80	380	62.288.270,32	46,05%	32,36%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non- qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES	1	24.001,26			1	24.001,26	3	134.423,15	33,33%	17,86%
NON ELIGIBLE IN COST CLAIMS	250	129.881.472,50			250	129.881.472,50	298	137.096.671,12	83,89%	94,74%
CREDIT NOTES	207	2.893.407,24			207	2.893.407,24	273	4.837.680,40	75,82%	59,81%
Sub-Total	458	132.798.881,00			458	132.798.881,00	574	142.068.774,67	79,79%	93,48%

GRAND TOTAL	627	145.387.557,32	6	7.565.839,48	633	152.953.396,80	954	204.357.044,99	66,35%	74,85%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2019 for DG NEAR

	Number at 01/01/2019	Number at 31/12/2019	Evolution	Open Amount (Eur) at 01/01/2019	Open Amount (Eur) at 31/12/2019	Evolution
2002	1		-100,00 %	129.024,98		-100,00 %
2005	2	2	0,00 %	267.184,00	267.184,00	0,00 %
2006	2	1	-50,00 %	771.200,00	300.000,00	-61,10 %
2007	6	5	-16,67 %	681.183,07	644.073,07	-5,45 %
2008	2	2	0,00 %	108.498,53	108.498,53	0,00 %
2009	1	1	0,00 %	82.866,00	82.866,00	0,00 %
2010	2	2	0,00 %	150.352,30	144.160,20	-4,12 %
2011	7	4	-42,86 %	1.887.009,29	1.568.697,49	-16,87 %
2012	10	9	-10,00 %	1.307.172,19	1.054.716,79	-19,31 %
2013	12	11	-8,33 %	3.014.836,19	3.000.408,49	-0,48 %
2014	21	17	-19,05 %	2.534.160,89	2.449.465,40	-3,34 %
2015	19	16	-15,79 %	6.088.222,13	4.341.489,78	-28,69 %
2016	19	14	-26,32 %	4.179.222,85	2.253.261,12	-46,08 %
2017	36	29	-19,44 %	8.322.996,80	7.250.314,14	-12,89 %
2018	110	41	-62,73 %	12.815.190,18	5.810.902,86	-54,66 %
2019		77			15.572.423,99	
	250	231	-7,60 %	42.339.119,40	44.848.461,86	5,93 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2019 for DG NEAR

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
0	3233190058	3241112835	-116.000,00	Private Companies		
1	3233190081	3241208500	-252.455,40	Private Companies		
2	3233190117	3240800789	-471.200,00	Private persons		
3	3233190123	3240409692	-129.024,98	Private Companies		

Total DG NEAR	-968.680,38
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Number of RO waivers	4
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There are 18 waivers below 60,000.00 € for a total amount of -282,666.70 €

3233190058: Waiver of Recovery Order SCR.REC.2011.028271 due to bankruptcy of debtor authorised with Commission Decision adopted under ref. PE/2019/948

3233190081: The debtor no longer exists and neither its liquidator, nor its guarantor can be held liable for the debt, the Legal Service recommended to waive the recovery on the basis of Article 91 1. (b) of the Rules of Application of the Financial Regulation

3233190117: C(2019) 4105 final - debt can't be recovered due to age of the amount receivable and insolvency of the debtor

3233190123: Waiver Recovery Order number 3240409692 issued against Associazione Piemontese Conzorsi Esportazione (APCE)

TABLE 11 :Negociated Procedures in 2019 for DG NEAR

External Procedures > € 20,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	5	7.266.198,00
Annex 1 - 11.1 (c) - Extreme urgency caused by unforeseeable events not attributable to the contracting authority	10	5.806.322,13
Annex 1 - 11.1 (d) - Service contract following a design contest	1	196.600,00
Annex 1 - 11.1 (e) - New services/works consisting in the repetition of similar services/works	2	553.780,00
Annex 1 - 11.1 (f) (ii) - Supplies of products manufactured for research, experimentation, study or development purposes	1	574.979,00
Annex 1 - 39.1 (a) - Services entrusted to public-sector bodies or non-profit institutions or organisations	9	7.719.114,00
Annex 1 - 39.1 (b) - Tender procedure unsuccessful	4	6.869.435,00
Annex 1 - 39.1 (c) - Early termination of existing contract	4	2.383.414,50
Art. 266.1(b) (External Actions) Tender procedure unsuccessful	1	1.178.920,00
Art. 266.1(f) (External Actions - Service) Technical reasons connected with the protection of exclusive rights	1	21.000,00
Total	38	32.569.762,63

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	2	299.881,60
Annex 1 - 11.1 (e) - New services/works consisting in the repetition of similar services/works	1	499.700,00
Total	3	799.581,60

TABLE 12 : Summary of Procedures in 2019 for DG NEAR

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Competitive procedure with negotiation (Annex 1 - 12.1)	3	632.182,98
(Ext. act) Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	1	1.178.920,00
(Ext. act) Service - Competitive Negotiated Procedure with at least three candidates without pub. (Art. 265.1(b) & 3 RAP)	4	950.000,00
(Ext. act) Service - Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	1	21.000,00
(Ext. act) Service - International Restricted Procedure with prior publication (Art. 265.1(a)(i) & 2 RAP)	37	101.498.353,93
(Ext. act) Supply - International Open Procedure after publication of a contract notice (Art. 267.1(a) RAP)	2	1.042.291,40
Local open procedure - Supplies between EUR 100 000-300 000 - Works between EUR 300 000-5 000 000 - (local) publication (Annex 1 - 38.1 (c))	9	7.210.252,82
Negotiated procedure without prior publication (Annex 1 - 11.1)	19	14.397.879,13
Negotiated procedure with single tender (Annex 1 - 39.1)	17	16.971.963,50
Open procedure - As provided for in FR 164(1)(a) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (b))	42	31.335.779,49
Restricted procedure - As provided for in FR 164(1)(b) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (a))	52	182.663.360,00
Simplified procedure - Services/Works < EUR 300 000 - Supplies < EUR 100 000. Legal services as in Annex 1 - 38.6. (Annex 1 - 38.1 (d))	37	6.685.993,88
Total	224	364.587.977,13

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	799.581,60
Open procedure (FR 164 (1)(a))	2	6.467.243,88
Restricted procedure based on a call for expressions of interest - Preselection of candidates (Annex 1 - 13.3 (a))	1	497.000,00
Total	6	7.763.825,48

Additional Comments:

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TABLE 13 : BUILDING CONTRACTS in 2019 for DG NEAR

Legal Base	Procedure subject	LC/FW?	Contract/FW Number	Contractor Name	Contract/FW Subject	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2019 for DG NEAR

Legal Base	Procedure subject	LC/FW?	LC Contract/Grant type or FW type	LC Date	Contract/FW Number	Contractor Name	Contract/FW Subject	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG NEAR

None of your FPA (if any) exceeds 4 years



ANNEX 4: Materiality criteria

The criteria used by DG NEAR to determine the materiality of potential weaknesses have been established in line with the Standing Instructions for the 2019 AAR. These instructions propose a standard quantitative materiality threshold of maximum 2% for the authorized payments of the reporting year, but also allow a multi-annual approach. Because of their multiannual nature, the effectiveness of DG NEAR's control strategy can only be fully measured and assessed once all audits, checks and controls have been fully implemented and systematic errors have been detected and corrected.

The question of being on track towards the control objective of legality and regularity is reassessed annually, taking into account both the frequency and importance of the errors found as well as a cost/benefit analysis of the effort needed to detect and correct them. Notwithstanding the multiannual span of DG NEAR's control strategy, its Director-General is required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as expected.

The identification and potential correction of internal control weaknesses (and in particular errors with financial impact), the criteria for making a decision on whether there is material error in the expenditure of the DG and the question of whether to make a reservation in the AAR, will therefore be based on the full range of internal controls described in this AAR and on the level of error identified in the RER Studies on a multi-annual basis and in the Annual Reports by the ECA.

In quantitative terms

DG NEAR ensures that the RER, i.e. the level of errors that remain undetected and uncorrected, does not exceed 2% by the end of the management cycle. DG NEAR considers that a weakness is quantitatively significant and deserves to be disclosed as a reservation to the Declaration when the value of the transactions affected by this weakness represents more than 2% of all the transactions of the same nature (instrument, management mode) closed during the period under review (01/09/2018 – 31/08/2019).

In qualitative terms

DG NEAR considers issuing a reservation if (i) significant errors, taking into account their frequency of occurrence, or (ii) significant weaknesses in the Internal Control have been identified.

The identification of significant weaknesses in the Internal Control system comes from various sources, such as the annual assessment of internal controls (ICAD), the conclusions from reports issued by the various control bodies (ECA, IAS) and major issues that have been outlined by the various controlling bodies or situations where a significant reputational risk may occur (e.g. major fraud cases or decisions with a significantly negative political impact).



De minimis' threshold for financial reservations

As from 2019⁴, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

⁴ Agreement of the Corporate Management Board of 30/4/2019.

ANNEX 5: Relevant Control System(s) for budget implementation (RCSs)

1. Direct Management

Under Direct Management, funds are channelled to the final recipients through contracts signed directly by the Commission as contracting authority. Under Direct Management, the control environments are Grants in Direct Management (RCS 1); Procurement in Direct Management (RCS 2); Budget Support (RCS 3); in addition the Pegase mechanism to channel Direct Financial Support to the Palestinian institutions includes a specific set of controls which has been reviewed in recent years by the ECA.

Grants in Direct Management (RCS 1)

Grants are financial contributions awarded as donations to third parties in order to co-finance actions intended to help achieve a Union policy objective (action grants), or the functioning of a body which has an objective forming part of, and supporting, a Union policy (operating grants). Grants are based on the reimbursement of eligible costs actually incurred by the beneficiaries, or on financing not linked to the costs of the relevant operations, on unit costs, on lump sums, on flat-rate financing, or on any combination of these forms. Whatever the form of the grant, the latter aims at co-financing the cost of the activities carried out by the beneficiaries for implementing the concerned actions or work programmes. The results of the action remain the property of the beneficiaries.

Stage 1: Prior to Contracting

Grants are subject to the publication of work programmes on the Commission websites⁵ and implemented principally through calls for proposals⁶. Calls for proposals are based on a standard template and regularly updated in accordance inter alia with the changes in the Financial Regulation and relevant case law. Applicants are expected to present proposals for actions that correspond to stated objectives and fulfil the required conditions set in each call. All applications are examined and assessed on the basis of eligibility and evaluation criteria (selection and award) that were clearly announced in the calls for proposals. This includes an assessment, by an Evaluation Committee composed in majority of DG NEAR staff, of the technical and financial capacity of the applicant, as well as of the relevance, impact, sustainability and cost effectiveness of the proposals. In order to prevent any potential conflict of interest, each member of the Evaluation Committee must sign a declaration of impartiality and confidentiality. At the end of the evaluation process, DG NEAR notifies all applicants to inform them of the final decision concerning their proposals. Grants may also be concluded following a direct award.

⁵ The Action Documents annexed to the Commission Implementing Decisions adopting Annual Action Programmes constitute the work programmes and the publication consists therefore on making available on Commission website the Action Documents. Additionally, calls for proposals may be announced on the concerned Delegations websites for those that concern the corresponding countries.

⁶ Part of the grants portfolio is made of grants concluded following direct award, in accordance with the relevant legal provisions (Article 190 of the Rules of Application of the Financial Regulation). The RCS1 described in this report also applies *mutatis mutandis* to those grants directly awarded.



A – Identification and formulation of action to be co-financed including choice of instrument and implementation modality

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality & regularity) and ensures the proper type of support and modalities specific to each partner country

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.</p>	<p>Quality Review</p>	<p>100%</p>	<p>Economy: Estimation of cost of controls of grant operations up to the identification and formulation, including staff costs. External costs of control are based on values of respective contracts and related disbursements</p>

B - Preparation, adoption and publication of the Annual Work Programmes and Calls for proposals

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)

<p>Main risks <i>It may happen (again) that...</i></p>	<p>Mitigating controls</p>	<p>Coverage, frequency and depth of controls</p>	<p>Possible Cost effectiveness indicators (3Es)</p>
<p>The annual work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p>	<p>Hierarchical validation within the authorising department</p> <p>Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>Centralised checklist-based verification</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular, inadequate and/or ineffective. Possible impact 100% of budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions identified.</p>	<p>Effectiveness: Number of calls published and grants awarded.</p> <p>Efficiency: Time to prepare and adopt calls and time for publication. Number of clarifications needed</p> <p>Economy: Estimated cost of controls of grant preparation adoption and publication.</p>

C - Selecting and awarding: Evaluation, ranking and selection of proposals

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p>	<p>Assignment of staff (e.g. programme officers) and/or Selection and appointment of expert assessors Transparent publication of calls</p>	<p>100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion)</p>	<p>Effectiveness: Number of requests of clarification or corrigendum regarding the call. Errors identified during RER exercise and/or DAS sampling.</p> <p>Efficiency: Time to grant, time to inform, need to relaunch.</p> <p>Economy: Estimation of cost of controls of grant selection.</p>
	<p>Redress procedure</p>	<p>100% of contested decisions are analysed by AOSD services</p>	

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

DG NEAR establishes and signs contracts with successful applicants. For this, proposals (description of the action and the budget) are reviewed in order to remove possible arithmetical errors and ineligible costs, and in order to bring clarifications and minor corrections where relevant. A standard grant contract model is used for all EU-financed grant contracts for external actions.

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)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>Project Officers implement evaluators' recommendations, including elimination of ineligible costs and arithmetical errors in budgets in a dialogue with the selected applicants during the contract preparation stage. Hierarchical validation of proposed adjustments. Validation of beneficiaries (operational and financial viability). Signature of the grant agreement by the AO. In-depth financial verification and taking appropriate measures for high risk beneficiaries. Reinforce financial and contractual circuits.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth may be determined after considering the type or nature of the applicant (e.g. large internationally recognized NGOs or local organizations multiple co-applicants, and/or of the modalities (e.g. part of human resources or equipment compared to the total cost of the action) and/or the total value of the grant.</p>	<p>Effectiveness: Final eligible costs accepted, need for riders to facilitate implementation</p> <p>Efficiency: budget savings, reallocation to next ranked proposals</p> <p>Economy: Estimation of cost of controls related to contracting.</p>

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

All payment requests and related reports are verified and approved by DG NEAR staff (ex-ante controls). Before any transaction (payment, rider,...) is authorised, the operational and financial aspects are initiated and verified by two different (operational/financial) entities. This is the "four eyes" principle of the Financial Regulation, which DG NEAR, taking into consideration the specific high risk environment of external aid actions, reinforces by requiring controls by two separate agents for each of these two stages. Checklists and types of controls are regularly updated in accordance with the results of the risk analyses as well as changes in the regulatory environment or feedback from field users.

The first pre-financing payment, which covers either 80% of the amount of the contract or 100% of the EU's part of the first annual budget for the first year of implementation, is paid after both parties have signed the contract. For multi-annual actions, an interim report (technical and financial) and payment request are sent once a year. The balance is paid on approval of the final report. If it appears that actual eligible costs are lower than anticipated or declared, the grant is reduced proportionately and any unused amount is recovered.

When required by the grant contract, payment requests or final reports are accompanied by an expenditure verification report of an independent external auditor contracted by the grant beneficiary. DG NEAR has developed standard Terms of Reference including a reporting model for expenditure verifications that are part of the standard annexes of the standard grant contracts. They reinforce the verification of compliance with the contract terms including those relating to procurement by the beneficiary. These templates are reviewed on a regular basis to ensure the highest efficiency as well as compliance with changes in the relevant legal framework (e.g. Financial Regulation).

Expenditure verifications are compulsory for:

- Any request for payment of the balance in the case of grants of more than EUR 100,000;
- Any request for further (annual) pre-financing payments in case of grants of EUR 5,000,000 or more.

Additional audits to be carried out by external auditors can be contracted by DG NEAR as part of DG NEAR's annual audit plans based on risk analyses or as deemed appropriate by the AOSD.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<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. Transaction authorisation by the AO For riskier operations, ex-ante in-depth and/or on-site verification.</p>	<p>100% of the projects are controlled, including only value-adding checks. Riskier operations subject to in-depth and/or on-site controls. The depth depends on risk criteria.</p>	<p>Effectiveness: Delivered output, sustainability.</p> <p>Efficiency: KPI on Ineligible amount detected through ex-ante controls, number of contracts suspended, amount of penalties, monitoring missions and projects' visits.</p> <p>Economy: Estimation of cost of controls related to monitoring of implementation.</p>
	<p>For high risk operations, reinforced monitoring Risk assessment to identify potential ROM, evaluations and on-the-spot (OV and/or FV) monitoring visit. Earmark projects for <i>risk-based</i> system audits (during the first phase of implementation of the project) and financial audits (after receiving at least one interim payment or at the end of the project) : (see below <i>annual control plans</i>)</p>	<p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, unstable co-applicants set-up requesting many amendments, Early Detection and Exclusion System (EDES), etc.</p>	
	<p>If needed: application of Suspension/interruption of payments, Penalties. Referring grant to OLAF</p>	<p>Depth: depends from results of controls.</p>	
	<p>Expenditure verification accompanying</p>	<p>Coverage: > 10% of ongoing or</p>	

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
	<ul style="list-style-type: none"> • Any request for payment of the balance in the case of grants of more than EUR 100,000; • Any request for pre-financing payments per financial year in case of grants of EUR 5.000,000 or more. <p>Annual Control Plans: Audits and expenditure verifications are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified or audited are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.</p>	very recently closed operations	<p>Efficiency: KPIs on implementation of audit plans, and on ineligible expenditure detected through ex post controls</p> <p>Economy: Estimation of cost of controls related to audits and verifications.</p>

Stage 4 - Ex-Post controls and Follow-up

Payments for grants in direct management are included in the population of the RER study undertaken each year for DG NEAR on a representative sample of closed contracts. Findings from the risk based audits and from the RER study are systematically followed up by DG NEAR, taking the necessary actions for the recovery of non-eligible expenditures where appropriate.

A - Reviews, audits and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of residual errors.</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of the pyramid of controls put in place by the DG.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR</p> <p>Economy: Estimation of cost of RER controls of grant operations</p>
	<p>Supervision missions to Delegations by</p>	<p>Size and composition of sample are determined in</p>	

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
	independent staff not involved in the operational and financial circuits	accordance with the cooperation portfolios managed by the visited Delegations.	<p>Effectiveness: number of supervision mission, number of SMART recommendations accepted and described in an action plan</p> <p>Efficiency: Time to prepare supervision missions</p> <p>Economy: Estimated cost of supervision missions</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)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	<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>	Coverage: 100% of final audit results <i>with a financial impact.</i>	<p>Effectiveness: All RER detected are recorded in the audit module, followed up and closed</p> <p>Efficiency: time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions.</p> <p>Economy: Estimation of cost of follow up of financial recommendations on grant operations.</p>

Procurement in Direct Management (RCS 2)

Procurement contracts are commercial contracts concluded in writing between economic operators and one or more contracting authorities in order to obtain the execution of works, the supply of goods or the provision of services. In direct management, procurement contracts with third parties are awarded and managed directly by DG NEAR in accordance with the applicable rules and procedures.

There are three types of procurement contracts: service contracts (fee based or global price), supply contracts and works contracts.

Stage 1: Prior to Contracting

The basic means of awarding contracts is competitive tendering. All contract awards must obey the principles of transparency, proportionality, equal treatment, non-discrimination and sound financial management. Standard tender procedures are used according to predefined thresholds per type of contract. The selection of the contractor is made by an evaluation committee composed of DG NEAR staff (and possibly one voting member from the beneficiary country) based on pre-defined eligibility, capability (selection) and award criteria. In order to prevent any potential conflict of interest, each member of the Evaluation Committee must sign a declaration of impartiality and confidentiality. At the end of the evaluation process, DG NEAR notifies all tenderers of the final decision concerning their offers.

A – Identification and formulation of action to be financed including choice of instrument and implementation modality

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality & regularity) and ensures the proper type of support and modalities specific to each partner country

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.	Quality Review	100%	Economy: Estimation of cost of controls of procurement operations up to the identification and formulation, including staff costs. External costs of control are based on values of respective contracts and related disbursements

B - Planning the procurement

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

Overall cost efficiency indicator: total cost of controls of process / total expenditure executed during the year

<p>Main risks <i>It may happen (again) that...</i></p>	<p>Mitigating controls</p>	<p>Coverage, frequency and depth of controls</p>	<p>Possible Cost effectiveness indicators (3Es)</p>
<p>The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives</p> <p>Discontinuation of the services or of works provided, or of the delivery of supplies due to a late contracting (poor planning and organisation of the procurement process)</p>	<p>Validation by AO(S)D of justification (economic operation) for launching a procurement process.</p> <p>Publication of intended procurements</p>	<p>100% of the forecast procurements</p>	<p>Effectiveness: Number of planned tenders that were cancelled.</p> <p>Efficiency: Time to prepare and adopt calls and time for publication. Number of clarifications and corrigendum needed</p> <p>Economy: Estimated cost of controls of the planning and publication of procurement operations</p>

C - Needs assessment, selection of the offer & evaluation

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity). Prevention of Fraud (Anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The best offer/s are not submitted due to the poor definition of the tender specifications	AOSD supervision and approval of specifications	100% of the calls for tenders including the technical specifications are verified ex-ante by Commission staff	<p>Effectiveness: Number of requests of clarification regarding the tender. Number of complaints. Number of litigation cases filed. Errors identified during RER exercise and/or DAS sampling.</p> <p>Efficiency: Time to identify the best offer, time to inform, need to relaunch.</p> <p>Economy: Estimation of cost of controls of the supervision of specifications and procurement selection.</p>
	Call for tenders which are technically complex are elaborated by external experts contracted through service contracts and then verified by Commission staff.		
The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	Formal evaluation process: Opening committee and Evaluation committee	100% of the offers analysed. and all documents transmitted	
	Opening and Evaluation Committees' declaration of absence of conflict of interests	100% of the members of the opening committee and the evaluation committee	
	Exclusion decisions documented	100% checked and required documents provided are consistent	

Stage 2 - Contracting: Transformation of selected offers into legally binding contracts

DG NEAR establishes and signs contracts with successful tenderers using standard contract models.

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)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The contractor lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>Validation of substantiating documents and experience provided and declared by contractors</p> <p>Signature of contracts by the AO.</p> <p>Financial and contractual circuits.</p>	<p>100% of tenders are scrutinised.</p>	<p>Effectiveness: Final eligible costs accepted, need for riders to facilitate implementation</p> <p>Economy: Estimation of cost of controls related to contracting.</p>

Stage 3 – Monitoring Implementation / Financial transactions

All invoices and related documents (reports, certificates, guarantees etc.) are verified and approved by DG NEAR staff (ex-ante controls). Before any transaction is authorised, the operational and financial aspects are initiated and verified by two different (operational/financial) entities. This is the "four eyes" principle of the Financial Regulation, which DG NEAR, taking into consideration the specific high risk environment of external aid actions, reinforces by requiring controls by two separate agents for each of these two stages. Checklists and types of controls are regularly updated in accordance with the result of risk analyses as well as changes in the regulatory environment or feedback from field users.

Disbursement of pre-financing is subject to contractual conditions (e.g. if an advance exceeds a specified threshold, the contractor must provide a financial guarantee for the full amount of the pre-financing payment; performance and retention guarantees may also be required above certain thresholds for supply and works contracts). The release of intermediary and final payments is subject to verification/validation of expenditure⁷:

- **Service contracts:** All invoices must be accompanied by an interim or final report. All invoices for a fee-based contract must also be accompanied by an up-to-date financial report. Before payments are made for a fee-based contract, an external auditor, contracted by the contractor must examine and verify the invoices and the financial reports sent by the contractor to the Commission. DG NEAR has developed standard Terms of Reference including a reporting model for expenditure verifications which are part of the standard annexes of the standard service contracts.
- **Supply contracts:** The supplies are not accepted until the prescribed verifications and tests have been carried out. The supplies are taken over by the beneficiary when they have been delivered in accordance with the contract, have satisfactorily passed the required tests, or have been commissioned, and after a certificate of acceptance has been issued and has been endorsed by the contracting authority project manager, i.e. the legal or natural person responsible for monitoring the execution. Origin of the supplies is also verified prior to payment where relevant.
- **Works contracts:** The works are not accepted until the prescribed verifications and tests have been carried out. The works are taken over by the partner country beneficiary authorities when they have satisfactorily passed the tests on completion and a certificate of acceptance has been issued or is deemed to have been issued by the Supervisor i.e. the legal or natural person responsible for monitoring the execution of the contract on behalf of the Contracting Authority.

Additional audits to be carried out by external auditors can be contracted by DG NEAR as part of DG NEAR's annual audit plans based on risk analyses or as deemed appropriate by the AOSD.

⁷ These invoices may be subject to additional ex-ante audits contracted as part of NEAR's annual control plans by the Commission as deemed appropriate by the Authorising Officer by Sub-delegation.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The services/supplies/ works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions. Business discontinues because contractor fails to deliver</p>	<p>Operational and financial checks in accordance with the financial circuits. Transaction authorisation by the AOSD For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For high risk operations, reinforced monitoring Risk assessment to identify potential ROM, evaluations and on-the-spot (OV and/or FV) monitoring visit. Earmark projects for <i>risk-based</i> system audits (during the first phase of implementation of the project) and financial audits (after receiving at least one interim payment or at the end of the project) : (see below annual control plans)</p>	<p>100% of the projects are controlled, including only value-adding checks. Riskier operations subject to in-depth and/or on-site controls. The depth depends on risk criteria.</p> <p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, Early Detection and Exclusion System (EDES), etc.</p>	<p>Effectiveness: Delivered output, Number of riders, amount of liquidated damages, sustainability.</p> <p>Efficiency: KPI on Ineligible amount detected through ex-ante controls, number of contracts suspended, amount of penalties.</p> <p>Economy: Estimation of cost of controls related to monitoring of implementation</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
	<p>If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring procurement contract to OLAF</p>	<p>Depth: depends from results of controls.</p>	
	<p>Expenditure verification accompanying most service interim and final invoices (following contractual conditions); acceptance certificates for supplies; role of supervisor on works monitoring; Annual Control Plans: Audits and expenditure verifications are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified or audited are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.</p>	<p>Coverage: > 10% of ongoing or "recently" closed operations</p>	<p>Efficiency: KPIs on implementation of audit plans, and on ineligible expenditure detected through ex post controls</p> <p>Economy: Estimation of cost of controls related to audits and verifications.</p>

Stage 4 – Ex-Post controls

Tender procedures and payments for procurement contracts in direct management are included in the population of the RER study undertaken each year for DG NEAR on a representative sample of closed contracts. Findings from the risk based audits and from the RER study are systematically followed up by DG NEAR taking the necessary actions for the recovery of non-eligible expenditures where appropriate.

A - Reviews, audits and monitoring

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous tender procedures, payments or attempted fraud.</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of the pyramid of controls put in place by the DG.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR</p> <p>Economy: Estimation of cost of RER controls of grant operations</p>
<p>The ex-post controls focus on the detection of residual errors.</p>	<p>Supervision missions to Delegations by independent staff not involved in the operational and financial circuits</p>	<p>Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.</p>	<p>Effectiveness: number of supervision mission, number of SMART recommendations accepted and described in an action plan</p> <p>Efficiency: Time to prepare supervision missions</p> <p>Economy: Estimated cost of supervision missions</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>Main risks <i>It may happen (again) that...</i></p>	<p>Mitigating controls</p>	<p>Coverage, frequency and depth of controls</p>	<p>Possible Cost effectiveness indicators (3Es)</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. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>. Findings of systemic errors are considered for corrections of non-audited projects by the same contractor, taken into account for future projects.</p>	<p>Effectiveness: All RER detected are recorded in the audit module, followed up and closed Efficiency: time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions. Economy: Estimation of cost of follow up of financial recommendations.</p>

Budget Support in Direct Management (RCS 3)

Budget support is the transfer of financial resources from the Commission to the National Treasury of a partner country, following the fulfilment of jointly agreed conditions for disbursement. The financial resources received become part of the global resources of the partner country, and are consequently used in accordance with the public financial management system of the partner country.

As it contributes to financing the totality of a country's budget and not a specific subset of budgeted expenditures, Budget Support is accompanied by a dialogue on the overall approach of budget policy and the functioning of public financial management in a context of harmonisation and alignment. This dialogue frequently leads to agreement on capacity development measures.

The Commission implements budget support directly and performs most control functions. However the assessment of the achievement of disbursement conditions is generally performed by external experts contracted by the Commission.

Stage 1: Identification and formulation

In line with the legal framework, Commission communication COM(2011) 638/2 ('The Future Approach To EU budget support To Third Countries') sets the four main budget support eligibility criteria as follows:

- a stability oriented macro-economic policy;
- a credible programme to improve public financial management;
- a well-defined national development policy (supported by the EU); and
- transparency and oversight of the budget.

When designing budget support programmes, DG NEAR relies on a framework based on clear policy objectives of the partner country, priorities and results to be achieved, their consistency with budgetary allocations, and the capacity of the partner to implement them. This framework is the basis for the policy dialogue with the partner country and the assessment of performance which ultimately trigger disbursements.

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality & regularity) and ensures the proper type of support and modalities specific to each partner country

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>- The Commission supports partner countries which do not meet the criteria on fundamental values and/or the 4 eligibility criteria</p> <p>- The programme is wrongly formulated to meet the general objectives for budget support programmes.</p> <p>- The programme's specific objectives and indicators are not aligned with partner countries own development policies, are not coordinated with other aligned donors, are not consistent with EU development policy or will have no impact on the on-going reforms.</p>	<p>Quality Review in HQ to analyse the identification fiche of the project (FIP).</p>	<p>100% of BS FIP</p>	<p>Economy: Estimation of cost of controls of identification and formulation.</p>
	<p>Quality Review in HQ to analyse the action document of the project and the draft Financing agreement (FA).</p>	<p>100 % of BS FAs</p>	
	<p>DG NEAR step by step financial circuit for level one commitments in budget support operations.</p>	<p>100 % of BS FAs</p>	
	<p>RISK assessment framework for budget support operations: Implemented by the Delegation and reviewed in the FAST⁸ for substantial or high risk BS programmes. Political dialogue with partner countries authorities donor coordination by EU Delegation, internal coordination inside the Commission (Delegation, DG NEAR, Line DGs) and involvement of EEAS.</p>	<p>Substantial or high risk BS FAs</p>	

⁸ Financial Assistance Steering Committee.

Stage 2 – Contracting

DG NEAR concludes standard Financing Agreements (FA) with partner countries benefitting from budget support. These FA include objectives, expected results, main activities, financing plan/budget, implementation modalities, monitoring of performance and criteria for disbursement.

Main control objectives: Ensuring that the main parameters of the budget support transaction are correctly encoded in the contract database.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
Important parameters relevant for disbursements under budget support operations are wrongly encoded.	DG NEAR step by step financial circuit for level two commitments in budget support operations.	100% of parameters	Economy: Estimation of cost of controls of staff verifying the main parameters.

Stage 3 – Monitoring of the implementation – operational, financial and reporting aspects.

Disbursements only take place once agreed measurable results (e.g. policy reforms or service delivery targets) have been achieved and the above mentioned budget support eligibility criteria and indicators are met. Thus, the ex-ante transactional checks performed by Commission staff at the point of payment claims on continuing eligibility and fulfilment of disbursement performance criteria are fundamental to the budget support control structure. In case of partial or weak fulfilment of disbursement conditions, the Commission may withhold or reduce disbursements, often in a co-ordinated manner with other donors, until corrective measures are undertaken by the partner government and agreed conditions are finally fulfilled.

Senior management level governance over budget support is ensured by the **FAST (Financial Assistance Steering committee)**, which is an internal DG NEAR committee chaired by the Director-General. A key tool for the FAST to maintain strategic oversight over budget support are country specific strategic discussions, which are conducted in low/medium risks beneficiaries. In 2018, such strategic discussions were held for 7 out of the 14 budget support beneficiaries (Morocco, Tunisia, Armenia, Albania, Kosovo*, Serbia and Montenegro). These discussions cover the ongoing portfolio with disbursements, as well as the outlook for the new operation together with the context, challenges, opportunities and key benefits of budget support in the country. In addition, the FAST reviewed two payments for Ukraine, discussed the conditions for possible disbursements in Moldova, Azerbaijan and Egypt, and approved a disbursement for Egypt. Risk Management Frameworks (RMFs) for the 14 budget support beneficiaries (Albania, Algeria, Armenia, Azerbaijan, Egypt, Georgia, Jordan, Kosovo*, Moldova, Montenegro, Morocco, Serbia, Tunisia, Ukraine) were validated in the FAST, and 2018 Budget Support Report and the internal 2018 FAST Committee report were adopted.

A **risk management framework** is also part of DG NEAR's decision-making process regarding budget support operations. Building on an identification of major risks and ways to mitigate them, the risk management framework systematically informs the policy dialogue with partner countries on the strategic level, as well as focussing on key issues.

Eligibility criteria have to be met both prior to and throughout the subsequent life of a budget support programme. The continuous assessment of the eligibility criteria enables the Commission to ensure the legality and efficiency of the programmes, from commitments through to disbursements.

Main control objectives: Ensuring that the operational results meet the conditions, objectives and expected results (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>1. The Commissions fails to identify a significant deterioration of fundamental values and/or wrong assessment on the 4 eligibility criteria before BS payments are released.</p> <p>2. The Commission makes a wrong calculation of the amount to be disbursed for the variable tranches</p> <p>3.- Risk that transfer of funds into the Treasury account has not respected the terms of the financing Agreement on exchange rate and treasury credit delay</p>	<p>Policy structured dialogue On eligibility, risk assessment framework and policy performance framework;</p> <p>DG NEAR step by step financial circuit for payments in BS operations;</p> <p>Clear and unambiguous calculation methods for variable tranches are introduced in the financing agreements (e.g. amounts paid in proportion of the fulfilment of criteria and objectives set in a policy matrix).</p> <p>RISK assessment framework Implemented by the Delegation and reviewed in the FAST for substantial or high risk BS programmes</p> <p>Beneficiary's obligation to confirm date of credit and exchange rate used</p>	<p>100% of BS payments</p> <p>100% of BS payments</p> <p>Substantial or high risks BS payments</p>	<p>Economy: Estimation of cost of controls of monitoring.</p>

Stage 4 – Ex post controls

Payments for budget support are included in the population of the RER study undertaken each year by DG NEAR on a representative sample of closed contracts. Findings from the RER study are systematically followed up by DG NEAR, taking necessary actions for the recovery of non-eligible amounts where appropriate.

A – Ex-post controls and follow-up

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex- ante controls fail to prevent, detect and correct erroneous disbursements or fraud.	Residual error rate study.	BS payments are included in the scope of the RER study (MUS sample).	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR</p> <p>Economy: Estimation of cost of RER controls of grant operations</p>
The ex-post controls focus on the detection of residual errors.	Review of sample transactions during supervision missions to Delegations.	Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.	<p>Effectiveness: number of supervision mission, number of SMART recommendations accepted and described in an action plan</p> <p>Efficiency: Time to prepare supervision missions</p> <p>Economy: Estimated cost of supervision missions</p>

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the results from ex-post controls lead to appropriate corrective measures (legality & regularity; anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The deficiencies, errors, and irregularities detected through ex-post controls are not addressed (timely).</p>	<p>Systematic registration of ex-post control outcomes to be implemented. Authorisation by AOSD.</p>	<p>Coverage: 100% of ex-post control outcomes <i>with a financial impact</i>. Findings of systemic errors might be extended to non-audited BS schemes with the same partner country.</p>	<p>Effectiveness: All RER detected are recorded in the audit module, followed up and closed Efficiency: time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions. Economy: Estimation of cost of follow up of financial recommendations.</p>

2. Indirect Management

Indirect management is a management mode under which the final recipient receives EU funds through an agreement concluded with an intermediary entity to which the tasks of selecting the final recipients and managing the resulting contracts have been entrusted by the Commission. The recipient is either an Indirect Management Entrusted Entity (IMEE) such as an International Organisation or a Member State Agency; or an Indirect Management with Beneficiary/partner Country (IMBC). It is important to mention that under the ENI instrument, the entrustment to a beneficiary country is only partial as payments are still made directly by the Commission (except for limited imprest accounts schemes), while under the IPA instrument the entrustment is full, including payments. The significant control environments identified and described below are those of IMBC in the IPA zone (RCS 4) and IMEE (RCS 5).

Indirect management with IPA beneficiary countries (RCS 4)

Under IPA II IMBC, the entities designated by IPA II beneficiary countries are entrusted by the Commission with the implementation of the IPA II assistance. The Commission remains ultimately responsible for the EU budget, in line with Article 317 TFEU and informs the European Parliament and the Council of the operations carried out by the entities and persons in charge. This management mode relies on the (pre-assessed) conditions and systems of the third countries (complemented since 2016 by the RER) and the efficiency of these systems depends on the state of development of administrative capacity in the country concerned.

All IPA beneficiary countries implementing the budget under indirect management are required to respect some ground rules such as ensuring the absence of conflict of interest, the respect of the principle of transparency and the setting up of an effective and efficient internal control system when implementing the EU budget. In addition, they shall provide to the Commission an annual management declaration, implementation reports and annual accounts followed by an audit activity report and opinion.

Stage 1 – Programming, evaluation and selection of proposals

In order to safeguard the financial interests of the Union, the IPA II beneficiary countries shall:

- a) set up and ensure the functioning of an effective and efficient internal control system;
- b) use an accounting system that provides accurate, complete and reliable information in a timely and regular manner clearly distinguishing costs accepted and payments made;
- c) provide for the structures and authorities referred to in Article 10(1) and (2) of the IPA II Framework Agreement being subject to an independent external audit, performed in accordance with internationally accepted auditing standards by an audit authority functionally independent of the structures and authorities concerned;
- d) apply appropriate rules and procedures for providing financing from IPA II assistance through grants, procurement and financial instruments.

Before the Commission entrusts the implementation of IPA II assistance, it reviews the request by the National Authorising Officer and the established structures and authorities referred to in Article 10 of the IPA II Framework Agreement and, for the purposes of the ex-ante assessment pursuant to Article 61(1) of the Financial Regulation 966/2012, obtains evidence that the requirements set out in points (a) to (d) of Article 12(3) and those of Annex B to the IPA II Framework Agreement are fulfilled. This review may include on-the-spot verifications by the Commission. Moreover and as a rule, all contracts must be awarded and implemented in accordance with the procedures and standard documents laid down by the Commission for its external operations, in force at

the time of the launch of the procedure in question (with ex-ante control by the Commission).

Ex-ante control means that the EU delegations must carry-out controls at regular steps during the procedure (on the tendering of contracts, launch of calls for proposals and the award of contracts and grants) and give their approval at all important stages in a contract award procedure, as detailed in the Practical guide to contractual procedures for EU external actions (PRAG). This represents an important mitigating element in the overall assessment of the functioning of IPA management, control and supervision systems in the IPA beneficiary countries. In case where the approval cannot be granted, the corresponding activities are not eligible for IPA II funding.

A - Preparation, adoption and publication of the Programming decision(s) (including choice of management mode), publication evaluation and selection of proposals/offers

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Decision(s) do not adequately reflect the policy objectives, priorities;</p> <p>For IPA, the establishment (or prolongation) of the mandate of the beneficiary country is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity);</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>Systems audits and/or verification missions (for indirect management under IPA): systematic and standard desk-review and risk-based field visit verification</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: systematic control of the necessary requirements</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - findings following verification by the Commission - Consumption rate of commitment credits <p>Economy: Cost of control for the programming phase.</p>

B - Selecting and awarding: Evaluation and selection of proposals/offers

Main control objectives: Ensuring that the most promising proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness) by IPA II beneficiary countries; Compliance (legality & regularity) and prevention of fraud (anti-fraud strategy) by IPA II beneficiary countries

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The evaluation, ranking and selection of proposals/offers 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 Decisions and subsequent calls for proposals/tenders.</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers;</p>	<p>Assignment of staff (e.g. Task Managers).</p>	<p>100%</p>	<p>Effectiveness: Appropriate planning of selection and award of contracts within the deadlines</p> <p>Efficiency: Rejection rates⁹</p> <p>Economy: Cost of control for the evaluation phase.</p>

Stage 2 - Contracting: Transformation of selected proposals / offers into legally binding grant agreements / contracts

The national Contracting Authority establishes and signs agreements with the organisations assessed and identified under stage 1. Standard agreement models are used for all EU-financed operations under IMBC. The endorsement of a contract by the Commission prior to its conclusion by the Contracting authority signals the Commission's agreement to the financing of the contract. In the event of a failure to comply with the procedures, the Commission may refuse its approval for a given transaction and thereby refuse EU funding for the transaction in question.

⁹ Ratio between the number of rejections of tender, evaluation, and contracts documents submitted by National Implementing Agencies (IAs) for the Commission's ex ante control and the absolute number of submissions of documents for approval in the reporting year.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The description of the action in the grant agreement /contracts 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 recipient /contractor does not meet eligibility criteria or lack financial capacity to carry out the actions</p>	<p>Assignment of staff (e.g. Task Managers).</p> <p>Standard and systematic verification missions.</p>	<p>100% of the selected proposals / offers and recipients / candidates are scrutinised.</p> <p>Coverage: 100% of draft grant agreements / contracts.</p>	<p>Effectiveness: Contracting rates within the D+3 deadline.</p> <p>Efficiency:</p> <ul style="list-style-type: none"> - Rejection Rates - Derogations, prior approvals and other exceptions authorised <p>Economy: Cost of control for the contracting phase.</p>

Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the projects following the principles and using the controls foreseen in the framework agreements.

At IPA II beneficiary countries level, the summary of the daily control framework is the following:

- The **Contracting Authority** performs management verifications before declaring expenditure to the National Fund, ex ante documentary checks on all payment claims and on the spot checks on sampled transactions;
- The **National Authorising Officer**, supported by the Management Structure, analyses the documentation and reports from the previous level of verification before certifying the legality and regularity of expenditure declared to the Commission. He/she takes steps to satisfy him/herself that adequate controls have been made by the Contracting Authority, including carrying out his/her own checks (such as monitoring missions and risk based on the spot checks) when deemed necessary;

The **Audit Authority** has the responsibility to design an audit strategy in order to perform audits of the management, control and supervision systems and ex post audits of representative samples of operations, as well as complementary audits on high risk operations where necessary. The Audit Authority provides the Commission an Annual Activity Report and an annual audit opinion on the functioning of the management, control and supervision systems, and in particular, of the quality and effectiveness of the verification by contracting authorities and the management structure, and the error rate resulting from its audit of sampled transactions and the assurance provided by the NAO.

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)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).	Operational monitoring in accordance with the responsibilities of the Commission For high/very high projects this may include on the spot missions If needed: application of interruption of payments or penalties. Referring contractors to OLAF and management of reported cases of irregularities.	100% of the projects are monitored; Verification mission by Commission staff Depth: depends on results of ex ante controls / risk assessment.	Effectiveness: Delivered output, sustainability. Efficiency: Irregularities reported by the National authorities; Verification recommendations by the Commission and audit findings by the NAO and Audit Authority. Economy: Cost of control for the monitoring phase

Stage 4 - Ex-Post controls¹⁰

Closed contracts of operations in IPA IMBC are included in the population of the RER study of the DG.

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 of ex-ante controls (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	Specific statistically representative RER study for IMBC	Methodology developed by an external auditor.	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR</p> <p>Economy: Estimation of cost of RER controls of grant operations</p>
The audit strategy focus on the detection of external errors (e.g. made by recipients) and do not consider any internal errors made by staff or embedded systematically in the own organisation	Audit Authority to establish an audit strategy, performed by independent staff not involved in the operational and financial circuits	The representative sample enables drawing valid conclusions about the entire population.	<p>Effectiveness: substantiated audit opinion by the audit authority.</p> <p>Economy: Estimation of cost of controls to review AA structure design and operating effectiveness.</p>

¹⁰ As of year 2019, contracting in all IPA IMBC countries is also subject to full ex-ante control.

B - Implementing results from ex-post audits/controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits and Authorisation by the relevant AOSD	Coverage: Final audit results with a financial impact.	<p>Effectiveness: All RER detected are followed up and closed</p> <p>Efficiency: time to close audit module RER entries, amount recovered</p> <p>Economy: Estimation of cost of follow up of financial recommendations.</p>

Indirect management with entrusted entities (RCS 5)

Under indirect management with entrusted entities, the implementation of the budget is entrusted by the Commission to this type of entity in the form of programmes or actions. Entrustment to EIB and EIF are also included in this RCS. Candidate entities to be entrusted with budget-implementation tasks (the candidate delegatee) must demonstrate a level of financial management and protection of the EU financial interests equivalent to that required when the Commission manages European Union funds. This is verified by carrying out an ex-ante assessment ("pillar assessment") for which the entities concerned must have been assessed positively.

Stage 1 – Prior to Contracting

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p>	<p>Ex-ante pillar assessment, conditional to granting budget autonomy</p> <p>Hierarchical validation within the authorising department</p> <p>Requiring justification and prior consent for any deviating financial rules</p> <p>Postponing the budget autonomy</p> <p>Obligation to notify any subsequent changes embedded in Board proceedings</p>	<p>Coverage/frequency: 100% of entrusted entities/once</p> <p>Depth may be determined after considering the <u>type or nature</u> of the entrusted entity and/or the <u>value</u> of the budget concerned.</p>	<p>Effectiveness: All pillar assessments finalized when opportunity and legal checks are validated.</p> <p>Efficiency: Time to assess the pillars of an entity</p> <p>Economy: Estimation of cost of controls implemented by DG NEAR staff.</p>

B - Identification and formulation

Main control objectives: Ensuring that the Commission selects the most appropriate instrument in its cooperation with partner countries in line with the policy objectives (effectiveness); compliance (legality & regularity) and ensures the proper type of support and modalities specific to each partner country

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.	Quality Review	100%	Economy: Estimation of cost of controls in the identification and formulation phases.

Stage 2 – Contracting (i.e. Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement” / etc)).

DG NEAR establishes and signs agreements with the organisations assessed and identified under stage 1. A standard agreement model is used for all EU-financed operations under indirect management with entrusted entities. Where relevant, specificities of eligible entities are addressed in framework agreements and in some specific cases through the use of separate templates (e.g. World Bank Group).

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p>	<p>The establishment of the agreements concerned (PAGoDAs, Delegation Agreements, Contribution Agreements etc.) is submitted to hierarchical validation within the authorising department and to Inter-service consultation, including all relevant DGs.</p>	<p>Coverage: 100% Frequency: once If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>	<p>Economy: Estimation of cost of controls cost of controls of the mandate.</p>
<p>The Commission has not sufficient information from independent sources on the entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of reporting.</p>	<p>Agreements specify the control, accounting, audit, publication, etc. related requirements in strict observance of the EU Financial Regulation</p> <ul style="list-style-type: none"> -ad hoc clauses in framework agreements - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	<p>Coverage: 100%</p>	

Stage 3 – Monitoring the implementation

All payment requests and related reports are verified and approved by DG NEAR staff (ex-ante controls). Before any transaction is authorised, the operational and financial aspects are initiated and verified by two different (operational/financial) services.¹¹ This is the "four eyes" principle of the Financial Regulation, which DG NEAR, taking into account the specific high risk environment of external aid actions, reinforces by requiring controls by two separate agents for each of these two stages. Checklists and types of controls are regularly reviewed and updated to respond to feedback from risk analyses and from field users as well as changes to the regulatory environment.

Additional verification missions to be carried out by external auditors can be contracted by DG NEAR on the basis of a risk analysis.

A - Operations: monitoring, supervision, reporting ("representation" / "control with or around the entity").

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

¹¹ These payment requests may be subject to additional ex-ante verifications contracted as part of NEAR's annual audit plans by the Commission as deemed appropriate by the Authorising Officer by Sub-delegation.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>Agreement specifying the control, accounting, audit, publication, etc related requirements – <i>incl. the <u>modalities on reporting back relevant and reliable control results</u></i></p> <p>Monitoring or supervision of the entrusted entity (e.g. 'regular' monitoring meetings at operational level; <u>review of reported control results and any underlying mngt/audit reports</u>; representation and intervention at the board, scrutiny of annual report, etc).</p> <p>Management review of the supervision results.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - reinforced monitoring of operational and/or financial aspects of the entity - intervention, e.g. via own audits on-the-spot, by IAS - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	<p>Coverage: 100% of the entities are monitored / supervised.</p> <p>Frequency: meetings take place regularly depending on the delegated activities and delegated entities, reports submitted at least annually (depending of contractual provisions).</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<p>Economy: Estimation of cost of controls related to monitoring of implementation of operations.</p>

B – Commission contribution: payment or suspension/interruption.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Agreement specifying the control, accounting, audit, publication, etc. Related requirements – incl. reporting back</p> <p>Management review of the supervision results.</p> <p>Ex-ante OV and FV, 'in-depth' if need be</p> <p>Hierarchical validation of contribution payment and recovery of non-used operating budget subsidy</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p>Coverage: 100% of the contribution payments.</p> <p>Frequency: usually annually but can be more frequent depending on the contractual provisions.</p> <p>The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<p>Efficiency: KPIs on implementation of audit plans, and on ineligible expenditure detected through ex post controls</p> <p>Economy: Estimation of cost of controls related to audits and verifications.</p>
	<p>Annual Control Plans: Verification of expenditure are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.</p>	<p>Coverage: > 10% of ongoing or "recently" closed operations</p>	

Stage 4 - Ex-Post controls and Follow-up

Payments for operations in Indirect Management with entrusted entities are included in the population of the RER study undertaken each year for DG NEAR on representative sampling of closed contracts. Findings from the risk based audits and from the RER study are systematically followed up by DG NEAR, which takes necessary actions for the recovery of non-eligible expenditures where appropriate.

A - Reviews, audits, verifications and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of residual errors.</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of ex-ante controls.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>Effectiveness: Residual error rate below tolerable threshold.</p> <p>Efficiency: time to deliver RER results, on time for the assurance of the AAR</p> <p>Economy: Estimation of cost of RER controls of grant operations</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
	Supervision missions to Delegations by independent staff not involved in the operational and financial circuits	Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.	Effectiveness: number of supervision mission, number of SMART recommendations accepted and described in an action plan Efficiency: Time to prepare supervision missions Economy: Estimated cost of supervision missions

B - Implementing results from ex-post controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Possible Cost effectiveness indicators (3Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.	Coverage: 100% of final audit results with a financial impact. Findings of systemic errors are considered for corrections of other projects by the same organisation, taken into account for future projects	Effectiveness: All RER detected are recorded in the audit module, followed up and closed Efficiency: time to close audit module RER entries, amount recovered and time to implement action plans following supervision missions. Economy: Estimation of cost of follow up of financial recommendations.

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

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area	Programmes concerned (Instrument)	Entity in Charge	Delegatio n in Charge	Benefitti ng zone	LC Type	LC Type description	BMT Implemented by Code	Implemente d by	LEF	Complete Name	contract EC Signature	Contractor	Signature	Start date	End date	Accepted	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.373015.01	373015	Appui au renforce ment du secteur culturel tunisien	BGUE	ENI	NEAR B 03	Tunisi a	Tuni sia	DAG	Delegation agreement	IM PM	Private law bodies with a public service mission	6000069973	THE BRITISH COUNCIL ROYAL CHARTER	18-05-2016	06-06-2016	12-03-2019	06-06-2016	30-11-2021	5000000,00	Know how, permanent commitment in the cultural sector and leverage effect (network, competency, commitment)	BC was one of the very few pagodees within EUNIC Tunisia Cluster, In 2015-2016, BC was also the president of EUNIC Tunisia Cluster.	Managment of the whole project on behalf of EUNIC Cluster Tunisia. (call of proposals, studies, institutional, capacity building, networking).

Com L2 Local key	Contract Number	Contract Title	Financial Management Area Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefiting zone	LC Type	LC Type description	BMT Implemented by Code	Implemented by	LEF	Complete Name	contract EC Signature	Contractor Signature	Start date	End date	Accepted	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	
SCR.CTR.402475.01	402475	Better Commercial Law and Legal Practice in Georgia	BGUE ENI_CBC	NEAR C 01	Georgia	Georgia	DAG	Delegation agreement	IM PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	11-12-2018	19-12-2018	27-02-2019	01-01-2019	31-10-2020	436,30	Good cooperation with GIZ in many areas in Georgia; joint implementation between EU and MS Agencies is ongoing in Georgia	GIZ possesses high and specialized technical and managerial capacity, extensive experience in developing civil, administrative and commercial legal frameworks in Georgia and high reputation and engagement with the beneficiary institutions, gained significantly through its long term programme entitled "Legal approximation towards European standards in the South Caucasus", a part of which has been supported by the European Union under a project entitled "Support to the Development of Private and Administrative Law System in Georgia".	Grants, procurement and/or hiring external experts.

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SCR.CTR.405074.01	405074	Learning Together	BGUE	ENI	NEAR SGUA	Ukraine	Ukraine	CON	Contribution Agreement	IM	PL	Public law bodies	6000005308	SUOMEN TASAVALT A	31-05-2019	05-06-2019	31-05-2019	27-07-2018	26-07-2022	2000000,00	Joint implementation with EUMS, complementarity with the ongoing Ukrainian School Reform programme managed by Finland	Specific sector expertise (education), experience in teaching national language to minorities, contribution to a component of Ukrainian School Reform programme managed by Finland	Integration of Ukrainian language instruction among the national minorities in three clusters of Educational School Reform programme in a cross-cutting manner

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SCR.CTR.405347.01	405347	European Union for Private Sector in Libya (EU4PSL)	BGUE	ENI	NEAR B 03	Headquarters	Libya	CON	Contribution Agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	17-04-2019	26-04-2019	17-04-2019	01-02-2019	31-01-2023	7000000.00	In the context of the ongoing crisis in Libya, indirect management with Expertise France was considered the most efficient implementation modality. Expertise France is Pillar Assessed and indirect management was the most adequate implementation modality.	Expertise France has a proven successfully their capacity in the country, with its ongoing operations in the field of MSME development and access to finance. Working with Libyan counterparts, notably with the national institutions requires the development of excellent relations of confidence and trust. Such a relation has already been established between Expertise France and existing Libyan institutions and stakeholders. Expertise France has the capacity to deploy local staff with permanent presence in Libya, which enhances the effectiveness of the project.	This implementation entails the following budget-implementation tasks: a) mobilisation of expertise for the preparation of an implementation plan during the inception phase, b) recruitment of a long-term project team operating frequently and if possible permanently from Libya, c) mobilisation of EU, regional and Libyan short-term experts for missions, d) contracting of supplies and works related to project set-up and operation, e) contracting of services related the implementation of components of the action where external expertise is necessary, f) financial contribution to third parties.

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SCR.CTR.405828.01	405828	Preparatory measures for the participation of IPA beneficiaries in the European Food Safety Authority 2019-2022	BGUE IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM PL	Public law bodies	6000005188	EUROPEAN FOOD SAFETY AUTHORITY	23-05-2019	28-05-2019	09-12-2019	01-06-2019	31-05-2022	750000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, the transport sector, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.406079.01	406079	Support of Integration of the Ukrainian Power Grid into the Synchronou s Area Continental Europe (CESA)	BGUE ENI	NEAR SGUA	Ukraine	Ukraine	CON	Contribution Agreement	IM PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	16-12-2019	17-12-2019	16-12-2019	18-12-2019	17-06-2028	8950000,00	Funded under Neighbourhood Investment Platform - blending facility merging EU grants and IFI loans	Technical assistance accompanies the investment component managed by KFW (investment component - EUR 36.3 million)	Provide support in developing necessary regulatory framework and preparing the market for investment measures in transmission infrastructures, support implementation, monitoring and management of investment measures

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SCR.CTR.406306.01	406306	Interest accrued due to late payment of Invoice Header SI2.1620137 concerning contract ENI/2017/391-454-SUPPORTING INCLUSIVE CONSULTATION PROCESSES AMONG LOCAL ACTORS - Technical Invoice SI2.1625830	BGUE ENPI	NEAR B 01	Syria	Syria	DAG	Delegation agreement	IM PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	22-07-2019	30-07-2019	16-04-2019	01-10-2017		999,82	Delegation agreement with Member State agency (GIZ) as identified in the Decision ENI/2016/039-594	GIZ being best-placed in terms of Syria-specific technical and partnership capacity, geographical reach of programmes and operational management capacity. Partnership with Member State agencies was also politically important at this time and juncture in the Syria context	Full implementation of the Action, together with DE co-financing. A. A calibrated combination of stakeholder analysis, conflict monitoring, and opinion polling including focus groups discussions is conducted to increase the understanding of local dynamics in areas selected for non-humanitarian support; B. Community-based communication processes are implemented among local stakeholders regarding community needs and priorities for assistance. These local dialogues seek to build trust among local stakeholders, clarify roles and responsibilities, enhance transparency and predictability of service delivery and thereby contribute to the legitimacy of civilian administration entities and an enhancement of civilian space.

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SCR.CTR.406479.01	406479	Stepwise integration of the IPA beneficiaries in the activities of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and the REITOX network	BGUE IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000005171	EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION	26-06-2019	01-07-2019	04-12-2019	01-07-2019	30-06-2022	1000000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.406508.01	406508	Technical assistance to support the rule of law programme in Jordan	BGUE	ENI	NEAR B 01	Jordan	Jordan	DAG	Delegation agreement	IM	PL	Public law bodies	Not available	25-04-2019	25-04-2019	25-04-2019	26-04-2019	25-10-2022	5500000,00	The incorporation of AFD as Member States agency was seen as added value of this project due to AFD's sectoral expertise as well as the ability to provide the sectoral link between justice, rule of law and the security sector	This implementation is justified in light of the AFD's previous involvement in the sector reforms in the country which is also strengthened by the presence of a long term resident judicial expert.	running the public procurement and grant award procedures, concluding and managing the resulting contracts, including making of the related payments.
SCR.CTR.406663.01	406663	Renforcement des organisations de la société civile usagères des forêts et de leurs produits	BGUE	ENI	NEAR B 03	Morocco	Morocco	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	19-04-2019	18-05-2019	19-04-2019	01-06-2019	31-05-2021	1100000,00	Après l'échec du lancement de l'appel à propositions en gestion indirecte par le Département des Eaux et Forêts (DEF), lors de la phase I du programme PAPFM, ce Département souhaitait néanmoins adresser la problématique des associations et coopératives usagères des forêts dans la phase d'extension mais sans être impliqué directement dans la gestion.	La proposition de la GIZ vient directement du DEF suite à une bonne expérience dans l'encadrement par la GIZ des coopératives en aquaculture.	Il s'agit du renforcement de capacité à la gouvernance et à la gestion opérationnelle des associations et coopératives (R1). Appui à l'amélioration des techniques de production et de conservation (R2). Appui à la mise en marché (R3).

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SCR.CTR.406888.01	406888	EU For Women Empowerment (EU4WE)	BGUE	ENI_CBC	NEAR B 01	Lebanon	Lebanon	CON	Contribution Agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	03-07-2019	09-07-2019	03-07-2019	01-10-2019	30-09-2022	2474931,00	This contract targeting women empowerment has been decided for implementation to a trusted EU Member States Agency (Expertise France) with experience in the field	This implementation is justified because Expertise France guarantees the technical knowledge alongside with the understanding of the regional and national context, while having an established co-operation with the Lebanese counterparts, particularly in the area of micro-finance, gender-based violence and legal training.	The entrusted entity would carry out the following budget-implementation tasks: launching the procurement process for services and supplies, grants awards, contracting, payments and recovery orders. The entrusted entity might sub-delegate certain activities to other organisations specialised on certain aspects of the intervention.
SCR.CTR.407323.01	407323	Improvement of medico-social care services for people with long-term care needs on both sides of the Nistru River	BGUE	ENI	NEAR C 01	Moldova	Moldova	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	29-07-2019	30-08-2019	29-07-2019	31-08-2019	30-08-2022	1100000,00	Working under indirect management for this programme gives access to entities that have access the necessary expertise, experience and capacity to implement this programme.	GIZ has already implemented successfully similar activities in the health sector on the right bank; GIZ has previous experience in implementing some activities on the left bank; GIZ has ad hoc added value in "reconciliation process".	The entrusted entity will carry out the following budget-implementation tasks: organising the public procurement and grant award procedures; concluding and managing the resulting contracts, including making of related payments.

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SCR.CTR.407474.01	407474	Public Finance Management Support Programme for Ukraine (EU4PFM): Support to the budget process reform in Ukraine	BGUE	ENI_CBC	NEAR SGUA	Ukraine	Ukraine	CON	Contribution Agreement	IM	PL	Public law bodies	6000074277	SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY SIDA	09-08-2019	09-08-2019	09-08-2019	14-08-2019	12-12-2023	7000000,00	Use of EUMS experience in setting up a well-functioning system of public finance management	Specific sector expertise in public finance management, budget process and multi-annual expenditure framework, previous collaboration with Ukrainian authorities	Support to improving medium-term and programme-based budgeting, macroeconomic analysis and forecasting, liquidity management and public sector accounting
SCR.CTR.407496.01	407496	Venture Tunisia - EU4innovation	BGUE	ENI	NEAR B 03	Tunisia	Tunisia	CON	Contribution Agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	22-07-2019	22-07-2019	22-07-2019	01-07-2019	30-06-2024	14500000,00	Experience in innovation&entrepreneurship projects, ability to carry out complex projects and deploy teams in beneficiary country, know-how of building network (especially European incubators) on topics covered.	Experience in managing subsidies, call for proposals and assisting beneficiaries.	- Technical assistance - transfer of expertise in form of consultancy, analysis, field trips, seminars, workshops - Management of subsidies after call for proposals - Communication and visibility
SCR.CTR.407505.01	407505	Diversification et renforcement de la qualité de l'offre touristique	BGUE	ENI	NEAR B 03	Tunisia	Tunisia	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	08-10-2019	15-10-2019	08-10-2019	09-04-2019	08-04-2024	12000000,00	Know how, ongoing investments in the sustainable tourism sector and leverage effect	Project partially financed by BMZ, the German Federal Ministry of Economic Cooperation and Development. GIZ has experience in the sector and an own methodology in identifying value chains.	- identify potential local tourism in a bottom-up approach - develop tourism offer in marginalised rural areas and as well low-season offers to become more attractive - facilitate private sector role in the development and promotion of new tourism offers and engage the civil society - support national and international commercial relations for an improved marketing strategy

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SCR.CTR.407507.01	407507	Valorisation du patrimoine culturel dans l'offre touristique	BGUE	ENI	NEAR B 03	Tunisia	Tunisia	CON	Contribution Agreement	IM PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	23-07-2019	02-08-2019	23-07-2019	03-08-2019	02-08-2024	16500000,00	Expertise in the sector. Network building.	Partnership with the French Ministry of Culture: know-how and network of experts in the sector. Long tradition of exchange between both Ministries of Culture (Tunisian and French).	- innovative solutions in digitalisation of heritage - implementation of projects to facilitate regulatory and organisational environment - technical assistance to reinforce group of professionals (e.g. architects) - mechanisms of interinstitutional coordination
SCR.CTR.407817.01	407817	Resilience in Schools of East Jerusalem, "Rise" project	BGUE	ENI	NEAR B 01	Palestine (occupied territory)	Palestine (occupied territory)	CON	Contribution Agreement	IM PM	Private law bodies with a public service mission	6000083259	ENABEL, AGENCE BELGE DE DEVELOPPEMENT	12-07-2019	14-07-2019	12-07-2019	01-06-2019	31-05-2022	4257330,00	Indirect management was chosen in order to increase the efficiency and impact as Enable had a proven and ongoing programme. Furthermore, it enhances the joint work of EU with its Member States, thus increasing coherence of EU external action through joint programming."	The implementation is justified because of Enabel's: (i) thematic expertise and leading role in the education sector in Palestine and in school construction in East Jerusalem; and (ii) their administrative and managerial capacities, including close collaboration with the Palestinian Ministry of Education and Higher Education.	R1. The infrastructure of 16 schools in East Jerusalem is improved and provides an inclusive, safe, healthy and environmentally friendly environment. R2. Approximately, 4265 Students (2857 male, 1408 female) students have gained life skills and have an increased sense of ownership of the school by being actively involved in the rehabilitation process. R3. The community is actively involved in the creation of 5 to 6 semi-public external spaces in or around the upgraded schools.

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SCR.CTR.407886.01	407886	EU4Skills: Better Skills for Modern Ukraine	BGUE	ENI	NEAR SGUA	Ukraine	Ukraine	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	21-06-2019	26-06-2019	21-06-2019	01-07-2019	30-06-2023	16000000,00	Use of EUMS expertise (Germany, Finland and Poland) in vocational education and training	Specific sector expertise in vocational education and training, previous experience in Ukraine, partnership with other EUMS	Support implementation of VET reforms in Ukraine, improve the quality and attractiveness of VET, increase its relevance to the labour market
SCR.CTR.408058.01	408058	EU Green Agriculture Initiative in Armenia (EU-GAIA)	BGUE	ENI	NEAR C 02	Armenia	Armenia	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000298306	AUSTRIAN DEVELOPMENT AGENCY GMBH	29-08-2019	13-09-2019	29-08-2019	01-10-2019	31-03-2023	4700000,00	Previous outstanding experience of EU/ADA in agriculture in Armenia - Two previous EU-funded projects were: Organic Agriculture Support Initiative (OASI, 2015-2019) implemented by ADA; ENPARD Technical Assistance to the Producers Groups and Value Chain Development (2014-2018), co-funded by ADA and implemented by a consortium of UNIDO and UNDP.	ADA has unique and substantial experience, such as the livestock/dairy sector, production of high-value horticultural products as well as organic/green sector development as a whole. In the ADA portfolio, there are several projects directly or indirectly related to the introduction of green agriculture.	Grants, Procurements, TA and support scheme. ADA will seek to synergize its activities with available national financial instruments to maximize the impact. The EU-GAIA project will contribute to the realization of shared and balanced inclusive growth in the Northern regions of Armenia through boosting green agriculture and enhancing local value added. The EU-GAIA project is funded by the European Union (9.7 million euro) and co-funded and implemented by the Austrian Development Agency (2 million) and co-implemented by UNDP in close cooperation with the Ministry of Economy of the Republic of Armenia.

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SCR.CTR.408058.01	408058	EU Green Agriculture Initiative in Armenia (EU-GAIA)	BGUE	ENI_CBC	NEAR C 02	Armenia	Armenia	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000298306	AUSTRIAN DEVELOPMENT AGENCY GMBH	29-08-2019	13-09-2019	29-08-2019	01-10-2019	31-03-2023	5000000,00	Previous outstanding experience of EU/ADA in agriculture in Armenia - Two previous EU-funded projects were: Organic Agriculture Support Initiative (OASI, 2015-2019) implemented by ADA; ENPARD Technical Assistance to the Producers Groups and Value Chain Development (2014-2018), co-funded by ADA and implemented by a consortium of UNIDO and UNDP.	ADA has unique and substantial experience, such as the livestock/dairy sector, production of high-value horticultural products as well as organic/green sector development as a whole. In the ADA portfolio, there are several projects directly or indirectly related to the introduction of green agriculture.	Grants, Procurements, TA and support scheme. ADA will seek to synergize its activities with available national financial instruments to maximize the impact. The EU-GAIA project will contribute to the realization of shared and balanced inclusive growth in the Northern regions of Armenia through boosting green agriculture and enhancing local value added. The EU-GAIA project is funded by the European Union (9.7 million euro) and co-funded and implemented by the Austrian Development Agency (2 million) and co-implemented by UNDP in close cooperation with the Ministry of Economy of the Republic of Armenia.
SCR.CTR.408375.01	408375	Ukraine Water System Modernisation	BGUE	ENI	NEAR SGUA	Ukraine	Ukraine	CON	Contribution Agreement	IM	PL	Public law bodies	6000092876	NORDIC ENVIRONMENT FINANCE CORPORATION	13-12-2019	16-12-2019	13-12-2019	17-12-2019	16-12-2022	5350000,00	Funded under Neighbourhood Investment Platform - blending facility merging EU grants and IFI loans	Technical assistance accompanies the investment component managed by NEFCO (investment component - EUR 20.8 million)	Partial contribution to critical investment intervention for replacement of old pumps, compressors, high-energy consuming equipment, automation of wastewater treatment; support feasibility studies and projects preparation, follow-up of implementation and support continued long-term planning for selected cities

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SCR.CTR.408625.01	408625	Education for All in Times of Crisis III	BGUE IPA2	NEAR A 05	Turkey	Turkey	CON	Contribution Agreement	IM PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	07-08-2019	09-08-2019	07-08-2019	10-08-2019	09-02-2023	100000000,00	The infrastructure projects under the Facility for Refugees in Turkey are managed by the EU delegation to Ankara via contribution agreements with pillar-assessed entities	The entity was selected following a call for expression of interest launched by the EU Delegation to Turkey in spring 2019, and following the adoption of the Commission Decision C(2018)8254 dated 11 December 2018 on the adoption of a Special Measure in the key area of education under the Facility for Refugees in Turkey.	The main focus of the Action is on school construction, and related equipment. The project intends to scale-up interventions under the first tranche of the Facility and is based on the updated needs assessment. These investments will follow the school designs to be developed by the Turkish Ministry of National Education. The Action could also cover the supply of education equipment for the newly constructed schools, and possibly for existing ones in provinces with a high density of refugees, and persons eligible for subsidiary protection, subject to relevant criteria

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SCR.CTR.409249.02	409249	Innovative Tourism and Technology Development for Armenia (EU ITTD)	BGUE ENI	NEAR C 02	Armenia	Armenia	CON	Contribution Agreement	IM PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	29-08-2019	18-09-2019	29-08-2019	01-11-2019	30-04-2023	13500000,00	Proven expertise and technical competence in the areas of intervention. Good past cooperation in private sector development.	GIZ is the leading European development agency in the area of private sector development, in particular tourism and tech start-ups, in Armenia. GIZ has long standing experience in Armenia in the Tourism sector through its regional programme "Private Sector Development and Technical Vocational Education and Training South Caucasus (PSDTVET)". GIZ is managing the EU-funded SME Development in Armenia programme which focuses on support to innovative technology-based SMEs.	Grants, Procurement, TA, financial instruments. tenders and proposals; awarding grants, contracts and financial instruments; acting as contracting authority concluding and managing contracts, carrying out payments.

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SCR.CTR.409775.01	409775	EU for Tourism in Serbia" Competitive ness through Tourism Development	BGUE IPA2	NEAR D 02	Serbia	Serbia	CON	Contribution Agreement	IM PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	07-11-2019	15-11-2019	07-11-2019	15-11-2019	14-11-2022	15000000,00	The result implemented by GIZ according to Art. 62(1)(c) of the FR.	The entity has been selected through a Call for Expressions of Interest (EoI), organised by the EU Delegation in cooperation with the responsible line ministries in April-May 2018. The selection process applied a number of criteria in order to identify the most suitable and qualified Entrusted Entity.	The overall objective of the Action is to promote tourism industry development as an engine for economic progress in the Serbia Lower Danube region. The specific objective (outcome) of the Action is: "Upgraded tourism offer in the Serbia Lower Danube region as part of the Tourism Development Strategy of the Republic of Serbia (2016-2025) implementation".

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SCR.CTR.409781.01	409781	Preparatory measures for the participation of the Western Balkans and Turkey in the European Centre for Disease Prevention and Control with special focus on One-Health against AMR, 2020 – 2022	BGUE	IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000005184	EUROPEAN CENTRE FOR DISEASE PREVENTION AND CONTROL	05-12-2019	10-12-2019	05-12-2019	01-01-2020	31-12-2022	1000000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.410086.01	410086	Preparatory measures for the future participatio n of relevant IPA II beneficiarie s in the European Maritime and Safety Agency (EMSA)	BGUE	IPA2	NEAR D 05	Headquar ters	Region IPA instrum ent	CON	Contribution Agreement	IM	PL	Public law bodies	6000005199	EUROPEAN MARITIME SAFETY AGENCY	09-12-2019	13-12-2019	09-12-2019	01-05-2020	31-12-2022	625000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.410215.01	410215	EU4Skills: Modernisation of Vocational Education and Training Infrastructure in Ukraine	BGUE	ENI	NEAR SGUA	Ukraine	Ukraine	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	01-10-2019	02-10-2019	01-10-2019	10-10-2019	09-12-2023	21000000,00	Use of EUMS expertise in infrastructure and equipment management in the sector of vocational education and training	Experience in implementing infrastructure projects in Ukraine; sector expertise and worldwide experience in working in vocational education and training	Optimise and modernise VET infrastructure network by renovating a number of VET schools and proving them with new equipment
SCR.CTR.410242.01	410242	Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova	BGUE	ENI	NEAR C 01	Moldova	Moldova	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	18-12-2019	30-12-2019	18-12-2019	01-04-2020	31-12-2023	7800000,00	Working under indirect management for this programme gives access to entities that have access the necessary expertise, experience and capacity to implement this programme.	due to the sensitivity of the subject joining forces with the GIZ will help to leverage robust and long term reforms in the area. Indeed, GIZ has extensive expertise and a comparative advantage in the area covered by the programme.	The entrusted entity would carry out the following budget-implementation tasks – carrying out procurement and grant

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SCR.CTR.410319.01	410319	Continuation of support to the IPA II beneficiaries by the European Union Agency for Railways (ERA) 2020 - 2022	BGUE	IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000005314	EUROPEAN UNION AGENCY FOR RAILWAYS	04-12-2019	09-12-2019	04-12-2019	01-01-2020	31-12-2022	450000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.410325.01	410325	SAWA - Enhance Resilience for Micro-businesses and Create Sustainable livelihood Opportunities in the Gaza Strip	BGUE	ENI	NEAR B 02	Palestine (occupied territory)	Palestine (occupied territory)	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000083259	ENABEL, AGENCE BELGE DE DEVELOPPEMENT	13-12-2019	18-12-2019	13-12-2019	19-12-2019	18-12-2022	1650000,00	Follow up project to a previous intervention	Follow up project to a previous intervention	Subcontracting implementing partners, capacity development of implementing partners to identify and support entrepreneurial initiatives; provision of seed funding; coordination and provision of complementary technical assistance
SCR.CTR.410478.01	410478	Strengthening the participation of the Western Balkans in the work of the European Environment Agency 2020-2021	BGUE	IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000005293	EUROPEAN ENVIRONMENT AGENCY	16-12-2019	18-12-2019	16-12-2019	01-02-2020	31-01-2022	1275000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, the transport sector, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.410481.01	410481	EU support on transposition and implementation of the EU aviation acquis (EASA IPA 5)	BGUE	IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000005177	EUROPEAN AVIATION SAFETY AGENCY	20-12-2019	20-12-2019	20-12-2019	01-02-2020	31-01-2023	840000,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.411652.01	411652	EU4MOLD OVA: Clean Water for Cahul	BGUE	ENI	NEAR C 01	Moldova	Moldova	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	19-12-2019	19-12-2019	19-12-2019	01-01-2020	31-12-2024	10900000,00	Working under indirect management for this programme gives access to entities that have access the necessary expertise, experience and capacity to implement this programme.	The envisaged entity has been selected using the following criteria: the significant expertise in the sector of water supply and sanitation and operational capacity in implementing projects in this field in the region of Moldova. KfW has relevant experience in carrying out similar projects in Moldova. contractors.	The entrusted entity KfW would carry out the following budget-implementation tasks: review and no-objection to the procurements, disbursement management and payment to
SCR.CTR.411771.01	411771	GGF L Shares for Georgia: Promoting Green Local Currency Lending	BGUE	ENI	NEAR C 01	Headquarters	Eastern Europe Region	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	16-12-2019	17-12-2019	16-12-2019	18-12-2019	17-06-2040	4655000,00	NIP procedures	NIP eligible entities	Management of EU shares into a public-private structured fund.
SCR.CTR.411771.01	411771	GGF L Shares for Georgia: Promoting Green Local Currency Lending	BGUE	ENI_CBC	NEAR C 01	Headquarters	Eastern Europe Region	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	16-12-2019	17-12-2019	16-12-2019	18-12-2019	17-06-2040	5700000,00	NIP procedures	NIP eligible entities	Management of EU shares into a public-private structured fund.

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SCR.CTR.411788.01	411788	Construction and rehabilitation of water supply and waste water systems and related soft measures to improve water management efficiency	BGUE IPA2	NEAR A 05	Turkey	Turkey	CON	Contribution Agreement	IM PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	20-12-2019	20-12-2019	18-12-2019	01-01-2020	30-04-2024	156000000,00	The infrastructure projects under the Facility for Refugees in Turkey are managed by the EU delegation to Ankara via contribution agreements with pillar-assessed entities	The entity was selected following a Call for expression of interest launched in December 2018 aimed at receiving proposals in the key priority area of municipal infrastructure by pillar-assessed entities. The proposal submitted by AFD was positively assessed by the evaluation committee, which proposed it for further negotiations between the EUD and AFD with a view of signing a contribution agreement. The selection of the entity is also in line with the criteria defined in the Special Measure dated 18 July 2019.	In line with the objectives defined within the Special Measure, the objective of this project is to contribute to the improvement of the living conditions of host communities and Syrian refugees in the South-East of Turkey in terms of access to water and sanitation services

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SCR.CTR.411952.01	411952	Promotion of Sustainable Energy in TVET	BGUE	ENI	NEAR B 03	Egypt	Egypt	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FÜR WIEDERAUFBAU	17-12-2019	17-12-2019	17-12-2019	17-12-2019	16-12-2023	13519400,00	It's a blending action. EU grant funding is being used to leverage investment funds from the German government to support the implementation of the objectives of the project.	KfW is leading in the reform of TVET in Egypt.	The establishment of three Centers of Excellence (CoE) for Renewable Energy and Energy Efficiency and improved quality and energy efficiency in selected Technical Secondary Schools and Primary Schools. Benefiting from German experience in dual education, a special focus will be on the involvement of the private sector in order to achieve a high practice orientation and good employment opportunities for the graduates.
SCR.CTR.412150.01	412150	EU for a cleaner Environment – Support for Wastewater Treatment, within the "Water Sector Performance and Investment Programme – WPIP"	BGUE	IPA2	NEAR D 04	Albania	Albania	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FÜR WIEDERAUFBAU	11-12-2019	13-12-2019	11-12-2019	01-02-2020	30-06-2025	24100000,00	The Commission Decision (C(2018) 8221) set the management mode as indirect, and the Action to be implemented through a "delegation agreement" to Kreditanstalt für Wiederaufbau (KfW), an entrusted entity. Art. 157 of Regulation (EU, Euratom) 2018/10462 (the 'Financial Regulation') recognises Member State organisations as strategic partners in the implementation of the general budget of the EU.	Negotiated procedure confirmed that projects delegated to German Financial Cooperation through KfW showed a more robust strategic underpinning of project programming and development and the use of a "utilities performance based approach" led to better results. Hence, KfW was identified as the right partner whom to entrust EU budgetary implementing tasks.	(1) Enhanced sustainability of selected municipal water and sewerage utilities, with improved planning, operation and integrity management and climate resilience ; (2) Improved and affordable access of the population in the programme areas to safe drinking water supply, sewer services and increased access to waste water collection with centralized treatment systems, monitored in accordance with EU directives.

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SCR.CTR.412238.01	412238	Economic and urban resilience (PEURL)	BGUE	ENI	NEAR B 02	Lebanon	Lebanon	CON	Contribution Agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	20-12-2019	28-12-2019	20-12-2019			20640000,00	NIP procedures	NIP eligible entities	Delegation of management of the EU contribution incl. Procurement
SCR.CTR.412269.01	412269	Programme d'amélioration du système de stockage, de transfert et de protection contre les inondations en Tunisie (Programme STPCI)	BGUE	ENI	NEAR B 03	Tunisia	Mediterranean Region	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FÜR WIEDERAUFBAU	17-12-2019	17-12-2019	17-12-2019	04-01-2021	03-01-2027	40860000,00	NIP procedures. Know how, ongoing investments in the sector and leverage effect.	NIP eligible entities. Government request - leadership of this organisation in the water sector donor coordination and policy dialog.	Additional Water storage of 140 million M3, at least 100 Km network for water transfer and flooding protection on the Medjerda 150 Km river banks. The EU contribution is cofinancing the transfer component of the programme.
SCR.CTR.412460.01	412460	Programme d'Amélioration des performances dans le réseau de la Société Nationale d'Exploitation et de Distribution des Eaux (SONEDE)	BGUE	ENI	NEAR B 03	Tunisia	Tunisia	CON	Contribution Agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FÜR WIEDERAUFBAU	17-12-2019	17-12-2019	17-12-2019	04-01-2021	03-01-2027	12400000,00	NIP procedures. Know how, ongoing investments in the sector and leverage effect.	NIP eligible entities. Government request - leadership of this organisation in the water sector donor coordination and policy dialog.	Rehabilitation of the drinking water distribution network in 7 governorates of the center and the south to better the efficiency of the national water distribution company and reduce water losses.

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SCR.CTR.412496.0 1	412496	EU for civil society in Libya	BGUE	ENI	NEAR B 03	Headquar ters	Libya	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000069973	THE BRITISH COUNCIL ROYAL CHARTER	05-12-2019	19-12-2019	05-12-2019	19-12-2019	18-12-2022	5000000,00	NIP procedures	NIP eligible entities	Delegation of management of the EU contribution incl. Procurement
SCR.CTR.412790.0 1	412790	Support to Regional Economic Integration	BGUE	IPA2	NEAR A 03	Headquar ters	Region IPA instrum ent	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHA FT FUR INTERNATION ALE ZUSAMMENA RBEIT (GIZ) GMBH	13-12-2019	19-12-2019	13-12-2019	01-06-2020	31-07-2023	4350000,00	NIP procedures	NIP eligible entities	Delegation of management of the EU contribution incl. Procurement
SCR.CTR.412828.01	412828	Preparatory measures for the future participatio n of IPA II beneficiarie s in the network of the European Agency for Safety and Health at Work (EU- OSHA)	BGUE	IPA2	NEAR D 05	Headquar ters	Region IPA instrum ent	CON	Contribution Agreement	IM	PL	Public law bodies	6000005303	EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK	16-12-2019	17-12-2019	16-12-2019	01-01-2020	31-12-2022	399584,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, the transport sector, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.412866.01	412866	Programme for Energy Efficiency in Public Buildings in Georgia – KfW part	BGUE ENI_CBC	NEAR C 01	Georgia	Georgia	CON	Contribution Agreement	IM PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	16-12-2019	17-12-2019	16-12-2019	17-12-2019	16-12-2026	12650000,00	NIP procedures	NIP eligible entities	Management of investment grant component, technical assistance incl. procurement.
SCR.CTR.412940.01	412940	North East Balqa wastewater project	BGUE ENI	NEAR B 02	Jordan	Mediterranean Region	CON	Contribution Agreement	IM PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	20-12-2019	30-12-2019	20-12-2019	31-12-2019	30-12-2024	15400000,00	NIP procedures	NIP eligible entities	Delegation of management of the EU contribution incl. Procurement

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SCR.CTR.413041.01	413041	Support to Waste Management in Kosovo	BGUE IPA2	NEAR D 03	Kosovo (under UNSCR 1244/99)	Kosovo (under UNSCR 1244/99)	CON	Contribution Agreement	IM PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	05-12-2019	11-12-2019	05-12-2019	11-12-2019	10-03-2022	6100000,00	GIZ is a longstanding partner of Kosovo in the waste management sector at central and local level.	The involvement of GIZ in this case is further justified considering: i. GIZ is a pillar assessed Member State agency with extensive experience working in Kosovo and with the European Commission in implementation of IPA projects. ii. GIZ is well positioned to implement the action as they have been providing assistance to MESP and to the municipalities in the improvement of waste management practices in line with the European norms and standards governing this sector. GIZ is currently providing support to MESP in providing support in the development of the revised waste strategy.	To develop infrastructure for the integrated waste management system and enhance implementation of reforms required under EU acquis for sustainable waste management.

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SCR.CTR.413158.01	413158	Khashuri Water supply and sanitation	BGUE ENI	NEAR C 01	Georgia	Georgia	CON	Contribution Agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	20-12-2019	27-12-2019	20-12-2019	01-01-2020	31-12-2026	7550000,00	NIP procedures	NIP eligible entities	Management of investment grant component, technical assistance incl. procurement.
SCR.CTR.413215.01	413215	European Union Support to Vocational Education and Training (VET), Professional Requalification and Occupation ("ESVET PRO")	BGUE IPA2	NEAR D 03	Kosovo (under UNSCR 1244/99)	Kosovo (under UNSCR 1244/99)	CON	Contribution Agreement	IM	PM	Private law bodies with a public service mission	6000079288	LUX DEVELOPMENT SA	05-12-2019	12-12-2019	05-12-2019	01-01-2020	31-12-2022	2000000,00	LuxDev's have broad experience in the sector in Kosovo. They have been cooperating very closely with and providing assistance to all MEST, Ministry of Labour and Social Welfare and relevant VET agencies under MEST such as Agency for Vocational Education and Training and Adult Education and National Qualifications Authority (NQA) in the last several years in the VET sector;	LuxDev has initiated cooperation with Kosovo education and employment ministries with the aim to build capacity of Centres of Competence (CoCs) in Prizren and Ferizaj for adapting the VET curricula to the labour market needs.	To contribute to develop quality-based, inclusive and accountable education and training system in line with best international practices.

Com L2 Local key	Contract Number	Contract Title	Financial Management Area Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT Implemented by Code	Implemented by	LEF	Complete Name	contract EC Signature	Contractor Signature	Start date	End date	Accepted	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies	
SCR.CTR.413359.01	413359	Technical assistance to reforms in water, sanitation and energy sectors in Lebanon	BGUE ENI	NEAR B 01	Lebanon	Lebanon	CON	Contribution Agreement	IM PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	19-12-2019	19-12-2019	18-12-2019	01-03-2020	29-11-2022	12700000,00	This strategic programme to work on water and energy sector reform has been decided for implementation in the interest of the EU to a trusted EU Member States Agency / Financing Institution, AFD, with experience in the field and in alignment with EU / EU MS support to CEDRE process (reform agenda and capital investment)	This implementation is justified because of the technical expertise of the AFD in the sectors of intervention (water and energy), its longstanding experience in Lebanon and its capacity to interact with most stakeholders in the country and build consensus.	The entrusted entity would carry out the following budget-implementation tasks: launching procurement process for services and supplies, grants awards, contracting, payments and recovery orders. The entrusted entity might sub-delegate certain activities to other organisations specialised on certain aspects of the intervention. Appropriate provisions will be included in the delegation agreement.

Com L2 Local key	Contract Number	Contract Title	Financial Management Area Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	Contract EC Signature	Contractor	Signature	Start date	End date	Accepted	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.413383.01	413383	Participation of Candidate Countries and Potential Candidates in EMA Trainings and Activities	BGUE IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000005057	THE EUROPEAN MEDICINES AGENCY	13-12-2019	19-12-2019	13-12-2019	01-01-2020	31-12-2022	254919,00	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	contract EC Signature	Contractor	Signature	Start date	End date	Accepted	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.414064.01	414064	Increased capacity of EU candidate countries and potential candidates to measure and monitor impact of gender equality policies (2018-2022)	BGUE IPA2	NEAR D 05	Headquarters	Region IPA instrument	CON	Contribution Agreement	IM	PL	Public law bodies	6000320992	EUROPEAN INSTITUTE FOR GENDER EQUALITY	17-12-2019	19-12-2019	17-12-2019	20-12-2019	31-12-2022	378950,30	The action is implemented in indirect management with EU decentralised agencies in accordance with Article 62.1(c) of Regulation (EU, Euratom) No 1046/2018, in combination with Article 70 of the regulation (FR)	The entity has been selected using the following criteria: nature of the action and expertise and mandate of the EU agencies. The EU agencies have a good track record on implementing the assistance, and liaising and networking with their counterparts in the beneficiaries.	This implementation entails to ensure that IPA II beneficiaries are able to participate effectively in the activities of the agencies upon accession, by supporting the approximation to and adoption of the EU acquis in the IPA II beneficiaries in areas such as the rule of law and fundamental rights, competitiveness as well as environment and climate change, chemicals management and food and medicines safety. The EU agencies carry out preparatory measures with IPA II beneficiaries in view of their future participation in these EU agencies upon membership or earlier. The support aims as well at knowledge transfer and capacity building in the respective area of expertise of the EU agencies.

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SCR.CTR.414084.01	414084	EuroMed Transport Aviation Project	BGUE ENI	NEAR B 02	Headquarters	Mediterranean Region	CON	Contribution Agreement	IM PL	Public law bodies	6000005177	EUROPEAN AVIATION SAFETY AGENCY	20-12-2019	20-12-2019	20-12-2019	01-03-2020	29-02-2024	3000000,00	EASA is an EU decentralised agency (Article 70 FR)	EASA has a 'de jure or de facto' monopoly. Indeed, EASA is by its founding regulation and subsequent amendment the only authorised agency able to develop implementing rules and carry out inspections in EU Member States. Also for non EU countries, which are far advanced in implementing the EU safety 'acquis', this 'de facto' monopoly is imminent.	For the air component, the Easa will provide technical assistance to the national agencies, in order to: - support the implementation of the Euro-Mediterranean Aviation Agreements in the countries which have concluded such Agreements; - prepare the ground for Euro-Mediterranean Aviation Agreements in the countries which engage into negotiations on such Agreements; - pave the way towards the Common Euro Mediterranean Aviation Area; - ensure the development of common safety standards and procedures within the Euro Mediterranean region based upon the EU aviation safety rules; - develop the national mechanisms for establishing permanent co-operation with EASA; - reinforce the co-operation between Mediterranean Partners themselves.

Com L2 Local key	Contract Number	Contract Title	Financial Management Area Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT Implemented by Code	Implemented by	LEF	Complete Name	contract EC Signature	Contractor	Signature	Start date	End date	Accepted	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.414325.01	414325	EU Scheme for Young Professionals in Bosnia and Herzegovina	BGUE IPA2	NEAR D 04	Bosnia and Herzegovina	Bosnia and Herzegovina	CON	Contribution Agreement	IM PM	Private law bodies with a public service mission	6000069973	THE BRITISH COUNCIL ROYAL CHARTER	26-12-2019	13-01-2020	26-12-2019	01-02-2020	31-01-2022	1498953,00	The British Council was entrusted with budget implementation tasks, building on its mandate, strengths, presence and valuable previous expertise in the Western Balkans	The British Council has implemented a similar scheme, the Young Cells Scheme in Kosovo, as well as a regional executive programme and exchange component for young civil servants from the Western Balkans in 2016-2017 and subsequent years.	To strengthen the capacity of public administration in Bosnia and Herzegovina at all levels of government, and young civil servants in particular, for accession negotiations, transposition of EU acquis and implementation of EU policies

ANNEX 7: EAMR of the Union Delegations

22 DG NEAR Delegations have submitted an EAMR report for the year 2019:

NEAR A	TR	Turkey	IPA
NEAR B	DZ	Algeria	ENI
NEAR B	EG	Egypt	ENI
NEAR B	PS	West Bank and Gaza Strip	ENI
NEAR B	IL	Israel	ENI
NEAR B	JO	Jordan	ENI
NEAR B	LB	Lebanon	ENI
NEAR B	MA	Morocco	ENI
NEAR B	SY	Syria	ENI
NEAR B	TN	Tunisia	ENI
NEAR C	AM	Armenia	ENI
NEAR C	AZ	Azerbaijan	ENI
NEAR C	BY	Belarus	ENI
NEAR C	GE	Georgia	ENI
NEAR C	MD	Moldova	ENI
SGUA	UA	Ukraine	ENI
NEAR D	AL	Albania	IPA
NEAR D	BA	Bosnia and Herzegovina	IPA
NEAR D	XK	Kosovo*	IPA
NEAR D	ME	Montenegro	IPA
NEAR D	MK	The Republic of North Macedonia	IPA
NEAR D	RS	Serbia	IPA

2018

Annual AOSD Report for EU Trust Funds

**The European Union
Regional Trust Fund
in response to the
Syrian crisis**

Table of Contents

1.POLICY AND/OR OPERATIONAL HIGHLIGHTS OF THE YEAR	114
1.1	CONTEXT OF THE SYRIAN REFUGEE CRISIS IN 2019114
1.2	POLICY HIGHLIGHTS OF THE YEAR115
1.3	OPERATIONAL HIGHLIGHTS OF THE YEAR117
1.4	COMMUNICATION AND VISIBILITY.....118
2.PROGRAMMING, IMPLEMENTATION AND RESULTS (INCLUDING EVALUATIONS)	119
2.1	TRUST FUND ALLOCATIONS PER COUNTRY119
2.2	TRUST FUND ALLOCATIONS PER SECTOR.....120
2.3	TRUST FUND ALLOCATIONS PER IMPLEMENTING PARTNERS.....122
2.4	FOLLOW UP TO MID-TERM STRATEGIC EVALUATION, SECTOR EVALUATIONS AND RESULTS MONITORING.....123
3.FINANCIAL REPORT	125
3.1	AMOUNTS PLEDGED AND RECEIVED125
3.2	AMOUNTS CONTRACTED126
3.3	AMOUNTS PAID129
3.4	KPI ANALYSIS130
4.INTERNAL CONTROL	130
4.1	CONTROL RESULTS130
4.2	OBSERVATIONS AND RECOMMENDATIONS MADE BY IAS/ECA.....131
4.3	ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS131
4.4	CONCLUSIONS AS REGARDS ASSURANCE.....132
5.DECLARATION OF ASSURANCE (AND RESERVATIONS)	133

1. POLICY AND/OR OPERATIONAL HIGHLIGHTS OF THE YEAR

1.1 Context of the Syrian refugee crisis in 2019

In its **ninth year** the **Syrian conflict** has been continuing to take its toll with hundreds of thousands having lost their lives, as well as fighting and **gross violations of international humanitarian law** ongoing in particular in the North East and North West of Syria. The scale of the humanitarian and resilience needs in Syria and the region remain staggering, with an estimated 11.7 million people in need inside the country and **more than 5.6 million refugees in neighbouring countries**. The conflict in Syria remains at the origin of the largest refugee crisis in modern history, located in an overall fragile region, at the same time critical to the EU as part of its neighbourhood.

In particular the **neighbouring countries** of Syria have demonstrated extraordinary generosity and continue to host the **worldwide largest numbers of Syrian refugees**: their largest absolute number continues to reside in **Turkey**¹² (3.7 million Syrians), the registered largest numbers per capita can still be found in **Lebanon** (1 million Syrians) and **Jordan** (0.7 million Syrians) and a significant number (250,000 Syrians) continue to live in **Iraq**, mostly in the Kurdistan Region of the country. Large percentages of refugee households continue to live **below the poverty line** of their respective host countries, faced with specific challenges, such as limited livelihood opportunities, barriers to accessing services, exhaustion of savings, and lack of perspective. The refugees find themselves in an increasingly **protracted situation** and their needs have evolved to more longer term developmental ones.

The already fragile regional situation has further aggravated in 2019 as **Lebanon** has been sliding into its most serious **political and economic crisis** since decades in autumn of the reporting year. Prospects as to the capacity of the country to undertake long outstanding structural reforms remain unclear and a default is looming. Meanwhile, ongoing currency devaluation, high inflation and liquidity constraints have started taking their effects, **affecting** in particular the **most vulnerable communities**, among them Syrian refugees. Poverty rates are expected to grow further and with them the risk of social tensions. The situation of Syrian refugees has already been difficult before the crisis with high political sensitivities as to their continued presence and problematic narratives instrumentalised by some political forces.

Jordan has managed to maintain its **internal political and social stability**, but the regional unrest continues to **affect significantly the Jordanian economy**. During 2019: growth continued to be weak (around 2%), foreign direct investments declined further, unemployment rose to 19.2% while the fiscal deficit widened above 3.5% of GDP. At the end of 2019, public debt approached 99% of GDP. In this context, the economy remains vulnerable to external shocks. The needs of the 654,000 Syrian refugees of which 84% are living in urban areas and 16% in camps remain very relevant in this context.

The **political crisis in Iraq** and **increased tensions** with Iran give rise for further concerns as to the **continued humanitarian needs** in Iraq and the **regional stability**. More than two years after military operations against the Islamic State of Iraq and the Levant (ISIL) ended, social, ethnic and sectarian tensions persist. The protests of October 2019 against the recently elected federal government in Baghdad and other governorates, threatened the fledgling stability and narrowed the national focus.

¹² As no new funding of the EU Trust Fund in Response to the Syrian Crisis has been allocated in 2019 to Turkey, with the Facility for Refugees in Turkey being the specialised instrument in this respect, reference as to the political context in Turkey is made to that EAMR.

Moreover, a military offensive by Turkey against Kurdish forces in North-East Syria increased insecurity and uncertainty on Iraq's western and northern borders and created an influx of Syrian refugees.

International **reflections on possible returns to Syria** have gained some traction in the second half of 2019 with the war entering into a new phase, nation-wide violence declining and –albeit at a very low level – numbers of spontaneous returns to Syria growing. However, the toll of the war remains devastating both in terms of infrastructure as well as the country's social fabric, the security apparatus is reasserting control increasing risks of persecution and economic or job perspectives remain grim. UNHCR is unable to systematically monitor returns. **Conditions for safe, dignified and voluntary returns** can therefore currently **not** be considered to be **in place**.

In this continued tragic context of protracted conflict, the **EU and its Member States** have been sending a **strong signal of solidarity** with the Syrian people and host communities by remaining the **leading donor for Syria**. The EU and its Member States have allocated well over € 17 billion in humanitarian and development assistance since the start of the conflict. The EU's substantial engagement has been reconfirmed at the Brussels III conference "Supporting the future of Syria and the region" of March 2019, where unprecedented overall pledges of € 8.3 billion were reached of which two thirds from the EU and its Member States, countering any allegations of "donor fatigue" in the reporting year.

The **EU Trust Fund in Response to the Syrian Crisis** remained a very **pertinent instrument** to implement part of the above-mentioned pledges in this overall situation. Its aim to address longer-term resilience needs of Syrian refugees and internally displaced persons (IDPs) in neighbouring countries and bridging the **nexus between humanitarian relief and development cooperation** continued to be an important necessity for the region. Moreover, its approach to reach out to **both refugees as well as vulnerable host communities** and to include elements of **systems strengthening** helped contributing to regional stability and to decreasing social tensions. In 2019, the Trust Fund was able to continue delivering a **more coherent and integrated EU response** with pooled resources from various EU financial instruments and Member States allowing for quick & flexible implementation of large-scale projects with multiple stakeholders in key sectors.

1.2 Policy highlights of the year

Throughout 2019, the EU Trust Fund in Response to the Syrian Crisis together with the Facility for Refugees in Turkey remained a **major EU tool to address the vital needs of Syrian refugees and host communities** in neighbouring countries. The EU Trust Fund in Response to the Syrian Crisis reached on **overall volume of nearly € 1.9 billion** at the end of the reporting year with contributions from various EU instruments as well as from 22 EU Member States and Turkey reaching according to the latest results report **4.3 million beneficiaries. All available funds** covering a total of **€ 1.9 billion**¹³ have been **allocated** at the end of 2019 to projects focusing on education, livelihoods, health, water and sanitation as well as protection. Out of these Funds **€ 1.5 billion** have been **contracted** to the Trust Fund's implementing partners on the ground and nearly **€ 1 billion** have been **paid** to the partners, to ensure rapid delivery to the beneficiaries in need.

In line with the Mid Term Evaluation of the Trust Fund and based on needs on the ground, new funding allocated in 2019 has focused on Jordan and Lebanon and to a

¹³ A small part of the actions of the Operational Board in December have been adopted under suspension clause to be covered by future contributions from the 2020 EU budget as well as from donors.

lesser extent on Iraq **privileging rather national than regional programmes**. This has enabled the Trust Fund to further align its support with the national priorities and response plans of host countries, improve coordination and synergies with the bilateral EU support and policy dialogue as well as to reinforce elements of systems strengthening and thereby sustainability. Nine years into the crisis, the needs of the Syrian refugees are becoming more and more similar to those of vulnerable host populations and the Trust Fund is **moving along the humanitarian – development nexus** with holistic approaches. Like in previous years, the support that both Jordan and Lebanon received via the EU Trust Fund in 2019 represented the largest share of the annual assistance received from the EU.

In October 2019, the mandate of the Trust Fund was successfully **extended by one year** aligning its duration with that of the ongoing EU multiannual financial framework and that of the other EU Trust Funds. In line with the continued needs on the ground, the assessment of the mid-term evaluation, a decision by the Trust Fund Board to request the extension, positive consultations with the European Parliament and the Council the Commission adopted the relevant Decision extending the final date for contracting of new project via the Trust Fund to 14 December 2020. Implementation of ongoing projects is expected to continue beyond that date until 14 December 2023. Reflections on the continuity of EU support to mitigate the Syrian crisis under the new multiannual financial framework and its specific tools will need to be finalised throughout 2020.



In the reporting year, the EU Trust Fund in Response to the Syrian Crisis has contributed to and showcased its innovative way of working in high level political events. It featured prominently at the **Brussels III conference** on “Supporting the future of Syria and the Region” on 12 – 14 March 2019 that brought together 57 countries and more than 20 international organisations and UN agencies and that reached unprecedented levels of pledges. During its **Days of Dialogue** gathering over 1000 participants, including from civil society, young EU Trust Fund beneficiaries from Syria, Lebanon and Jordan gave testimonies and called for greater participation of youth in local decision-making processes. The EU Trust Fund

also contributed to the organization of a **high level dinner with Syrian women** on the future of their country, hosted by the High Representative Vice President Federica Mogherini and UN Special Envoy for Syria Geir Pedersen, bringing together Foreign Ministers, EU and UN representatives as well as leaders from Syria's civil society. The **EU Trust Fund’s photo exhibition** was moreover displayed in the margins of the conference.

Together with the Facility for Refugees in Turkey the EU Trust Fund in Response to the Syrian Crisis shaped a “**spotlight session**” during the first **UNHCR Global Refugee Forum** gathering global leaders to mark the first anniversary of the Global Compact on Refugees on 16 – 19 December 2019. The High Level Panel on the response to the Syrian Refugee Crisis brought together Commissioner Várhelyi, Turkish Foreign Minister Çavuşoğlu, Jordanian Foreign Minister Safadi as well as UNICEF Regional Director Khan and civil society representatives Ms. Khuffash and Ms. Mhaissen. All speakers noted that return could only take place when safe, voluntary and dignified conditions are in place. Also, it was recognised that there is a common responsibility to share costs with the refugee hosting countries and to work together to ensure dignity for refugees. The generosity of countries concerned as well as the unprecedented support provided by the EU were acknowledged. A lively debate followed with the audience of around 200 people, showing great interest in the topic.





Moreover, five years into its existence the EU Trust Fund in Response to the Syrian Crisis conducted its own **“Lessons-Learnt-event”**¹⁴ on 13 September 2019 to review how the EUTF response has contributed to aid delivery in a protracted refugee crisis. The event

gathered more than 180 participants representing over 70 implementing partners, its Board members and host governments. Participants discussed the horizontal topics of humanitarian-development nexus, women’s rights and gender as well as protection and distilled in more detail specific recommendations, the sectors of Education, Livelihoods, WASH & Health. A number of core elements were identified, including what the humanitarian-development nexus actually means on the ground, the need to ‘think out of the box’ - and for practitioners and donors to work across silos. Discussions moreover underlined the importance to engage stakeholders from all strands from the outset, to engage with local and national governments, to avoid creating parallel systems for the refugee response, to focus on local capacity building, to bridge the divide between formal and informal systems and to ensure sustainability of efforts. Participants noted that the Trust Fund had created new important networks and offered necessary flexibility to allow for more sustainable aid delivery.

1.3 Operational highlights of the year

In 2019 the EU Trust Fund in Response to the Syrian Crisis held **three Boards** - one Trust Fund Board and two operational boards. The strategic **Trust Fund Board** on 4 December 2019 discussed the political situation in Syria and the region, with a particular focus on the ongoing developments in Lebanon. Furthermore, it received an update on the state of play of the Trust Fund as well as an outlook for 2020 and was informed about communication and reporting activities including their synergies through the new projects platform.

The **two operational boards of 2019** adopted all together a package of **10 Action Documents** for a significant **total funding of € 397 million**, thereby allocating over € 100 million more in funding than in 2018 and sending a strong signal of continued EU support to the region. Actions were identified in line with the needs on the ground, the overall balance of the Trust Fund portfolio, the priorities of host governments and results of donor coordination, while also considering questions of continuity of support, past experience as well as results of monitoring and evaluations. Of this overall funding allocated in 2019, €223.5 million went to Lebanon, € 141 million to Jordan and € 27 million to Iraq in line with the recommendations of the Mid-Term Evaluation.

More specifically, the **Operational Board on 25 June 2019** adopted a **€ 100 million assistance** package to support the resilience of refugees, internally displaced person (IDP) host communities in Lebanon, Jordan and Iraq strengthening the delivery of public service, improving access to higher education and child protection services:

- **€ 55.5 million** to support the resilience of refugees, IDPs, returnees and host communities in Iraq, Jordan and Lebanon by improving education, protection and labour market opportunities as well as local governmental institutions’ capacities to deliver basic services;

¹⁴ https://ec.europa.eu/trustfund-syria-region/content/eutf-lessons-learnt-event-brussels-1_en

- **€ 28.4 million** for access to higher education for refugees and vulnerable host youth in Iraq, Jordan and Lebanon;
- **€ 12.5 million** to provide quality and sustainable child protection systems, policies and services for boys, girls and women in Lebanon; and
- **€ 3.6 million** to continue the Trust Fund's monitoring and evaluation mechanism.

The second **Operational Board on 4 December 2019** adopted a **€ 297 million assistance package** to support refugees and host communities in Jordan and Lebanon in the areas of livelihood, social protection, affordable quality healthcare, water and wastewater infrastructures:

- **€ 45 million** to support economic development and social stability in Lebanon, to foster economic growth and local development
- **€ 48 million** to improve water and waste-water services for local host communities and Syrian refugees in Lebanon;
- **€ 70 million** to improve access to quality, equitable and affordable healthcare services for vulnerable populations in Lebanon;
- **€ 59 million** to strengthen the self-reliance of refugees and host communities in Jordan, towards an inclusive national social protection system and accelerating decent job opportunities for Syrian refugees;
- **€ 39 million** to support the establishment of an integrated solid waste management system in refugee camps and neighbouring communities in Jordan, to improve health, environment conditions and create job opportunities; and
- **€ 36 million** to support Palestine refugees from Syria in Jordan and Lebanon, to improve access to basic education, primary health and protection services.

1.4 Communication and visibility

Communication and visibility have remained a **central element** for the EU Trust Fund also in 2019. The EUTF has pursued its communication activities in the region and in Europe as part of the broader EU communication activities, working closely with the different EU services and implementing partners, supported by a Framework contract on communication services. The main aims have been to ensure **public awareness** and understanding of the **project activities**, and its **benefits**, concrete **results** as well as to improve the knowledge of the EU's response to the Syria crisis.

The EU Trust Fund continued its regular dissemination of updates on its operational and financial situation as well as achievements reached through various communication material, shared widely with a broad range of stakeholders and the general public, including:

- two editions of the **Trust Fund Newsletter** (April and November);
- updated **country** and **project factsheets** for all contracts signed;



Maher, 49, is from Homs, Syria. With his wife and five children they left Syria when their house was destroyed and fled to Lebanon. Where they live now, water is very scarce. Maher's family used to spend USD 100 a month on water. With the new rain collection system recently installed by the EUTF funded WAAD project, Maher's family and his Syrian and Lebanese neighbours can now save money and have greater access to water, sanitation, and disease-free environments.

- continued improvement of the **website**¹⁵ dedicated to the Trust Fund; and
- **Videos**¹⁶, **brochures** and **social media** activities.

In order to **strengthen its communication on achieved results**, the Trust Fund launched its online **EU Trust Fund Syria Projects Platform**¹⁷ in November 2019. The aim of the Platform is to better communicate, monitor and report on results achieved by the Trust Fund's interventions, in line with its overall Result Framework and in a user-friendly way. This online tool will be updated regularly, based on the 6-monthly results reporting and fed by contributions from implementing partners through field updates.

In addition, the EU Trust Fund in Response to the Syrian Crisis undertook a number of specific communication activities such as:

The Trust Fund's **photo exhibition "Faces of Resilience: From Syria and the Region"** embarked on a world tour, starting at the European Parliament and in the Palais Egmont in the margin of the Brussels III Conference. The exhibition portrays personal stories of people benefitting from Trust Fund projects, those whose lives have been irrevocably affected by the Syria crisis. The exhibition was also displayed at the EU Delegation to the United Nations in New York, in the margin of the United Nations General Assembly (UNGA 74), the EU Delegation in Washington D.C., at the occasion of the 2019 Spring Meetings of the World Bank and the International Monetary Fund, and finally, in Jordan, at the European Film Festival and at the Karama Human Rights Festival in Amman.



Using key international days and events as hooks, the EU Trust Fund also launched **online social media campaigns** around [World Refugee Day](#), UNGA 74 (in close collaboration with the EEAS who featured an [EUTF story](#) on its website), and [World Children's Day](#). Together with UNICEF, the EUTF also launched "The [Book of Dreams](#)", which tells the stories of Syrian children living as refugees in Jordan, Lebanon and Turkey, and are supported by the EUTF. The Book of Dreams was at the centre of the EUTF social media campaign around World Children's Day, which reached

more than 180,000 people.

2. PROGRAMMING, IMPLEMENTATION AND RESULTS (INCLUDING EVALUATIONS)

2.1 Trust Fund allocations per country

All Trust Fund-financed actions are designed and implemented in line with the refugee crisis response plans of the affected countries or regions, in particular the Jordan Response Plan, the Lebanon Crisis Response Plan, and the national plan of Iraq, as part of the regional UN refugee and resilience response framework in this regard. Following the recommendation of the Mid-term Evaluation in 2018, as well as the allocation of the

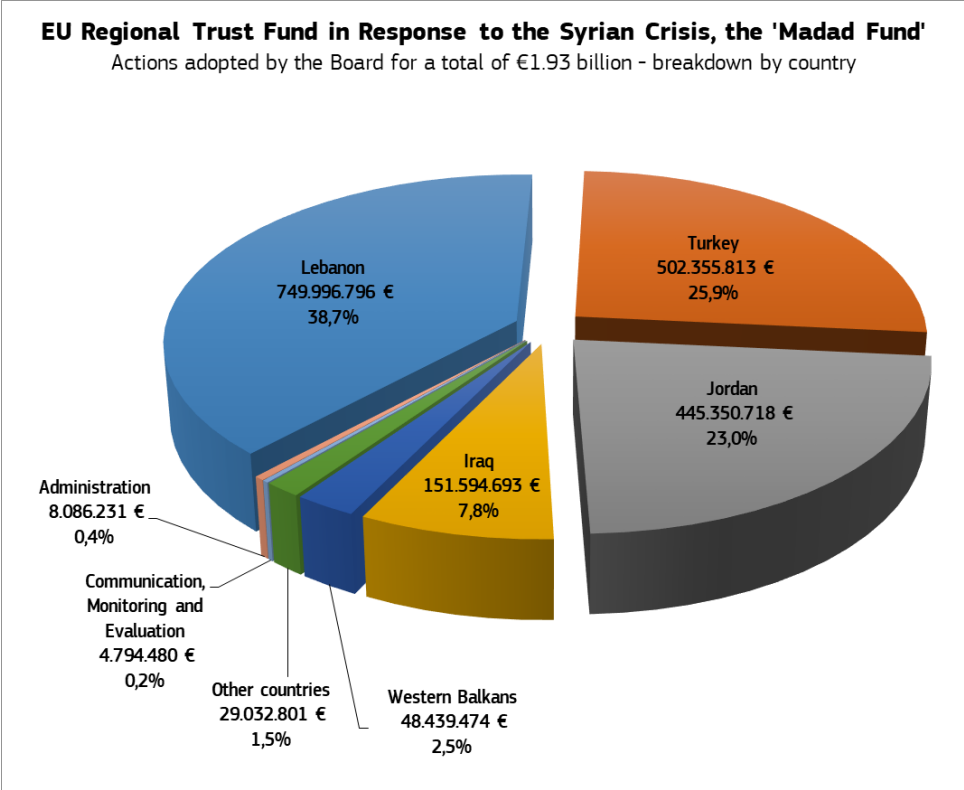
¹⁵ <https://ec.europa.eu/trustfund-syria-region/>

¹⁶ https://www.youtube.com/playlist?list=PLaGaqba06xpi4YwDTwt0Jl_RPptPcjxx

¹⁷ <https://eutf-syria.akvoapp.org/en/projects/>

second tranche of the Facility for Refugees in Turkey, the EUTF did not present Actions targeting refugees in Turkey during 2019. The overall percentages of allocations to Jordan and Lebanon remained more or less constant over the past years with an average split of 40% for Jordan and 60% for Lebanon based on the number of Syrian refugees hosted¹⁸.

The graph below presents an overview of EUTF funding since 2015 until end of 2019 by country:



2.2 Trust Fund allocations per sector

After five years of implementation, the Trust Fund has further shifted from responding to early recovery needs of the refugees and IDPs, towards a system strengthening approach in supporting host country governments in view of the protracted nature of the crisis, by:

- Supporting the countries hosting the refugees to strengthen their national systems and capacity to respond to the refugee crisis, in particular through public sector service delivery;
- Supporting refugees and IDPs to enhance their resilience and self-reliance, in particular towards financial self-reliance and dignity, in a manner also benefitting local communities.

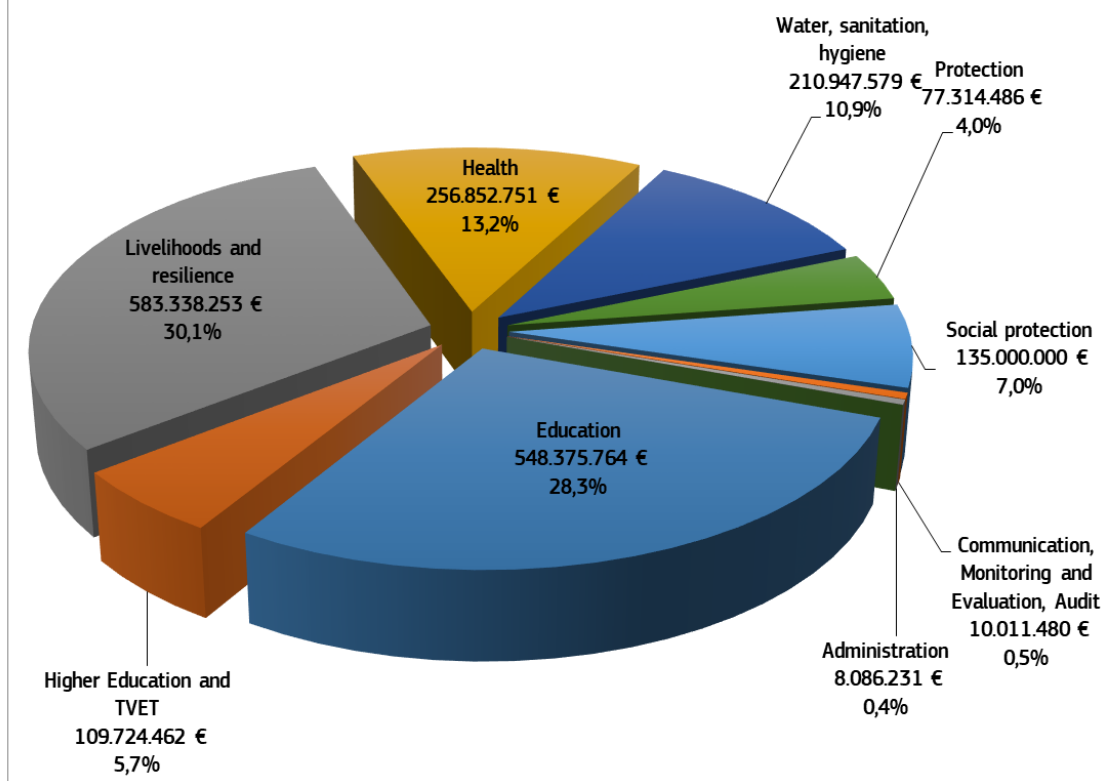
As such, the Trust Fund has over time shifted to more support in sectors, such as health and education, economic development, job creation and –where possible- integration into labour markets, as well as social cohesion.

With the Actions approved since 2015, the overall focus of the Trust Fund is as follows:

¹⁸ <https://data2.unhcr.org/en/situations/syria>

EU Regional Trust Fund in Response to the Syrian Crisis, the 'Madad Fund'

Actions adopted & contracted by the Board for a total of €1.93 billion - breakdown by sector



€ 548 million are being invested in education to provide a massive scale-up of support to the Ministries of Education in Turkey, Lebanon and Jordan enabling them to enrol more than 180,000 additional refugee children in school, while also providing for accelerated learning programmes, non-formal and early childhood education and child protection activities. It comprises four levels of action, in particular: (i) UNICEF partnership focusing on Lebanon (ii) several multi-country actions by European NGO groupings focusing on retention support, non-formal and early childhood education, (iii) additional direct support to the Jordanian Ministry of Education (iv) funding for additional school infrastructure in Turkey and Jordan and (v) technical assistance to provide coordination and oversight support to the Ministry of Education in Lebanon.

€ 583 million have been allocated for resilience & local development projects responding to the urgent need of improving economic opportunities for refugees and vulnerable host communities beyond dependency on humanitarian relief. The projects target more than 200 communities across the region, addressing basic financial needs of vulnerable families, engaging unemployed youth through work, skills development and community engagement in preparation of a future return to Syria, while also mitigating tensions between host and refugee communities. In 2019, the EUTF strongly increased its support to national capacity building in social protection linking cash assistance in Jordan and Lebanon, to graduation i.e. support on vocational training, entrepreneurship and access to finance. The Qudra resilience programme initiated its second phase in 2019, mainly covering Jordan, Lebanon & Iraq and increasing support to access the labour market. In addition, support to Lebanon was initiated for national capacity building in social protection.

A total of € 257 million, in the health sector aims to widen and enhance access of refugees across the region to primary, secondary and tertiary health care, psycho-social support, and protection from sexual and gender-based violence in Jordan, Lebanon and Turkey. In addition, specific healthcare support is provided in Kurdistan region of Iraq to the Dohuk hospital. In 2019, support to the basic health care sector in Lebanon featured

top national priority.

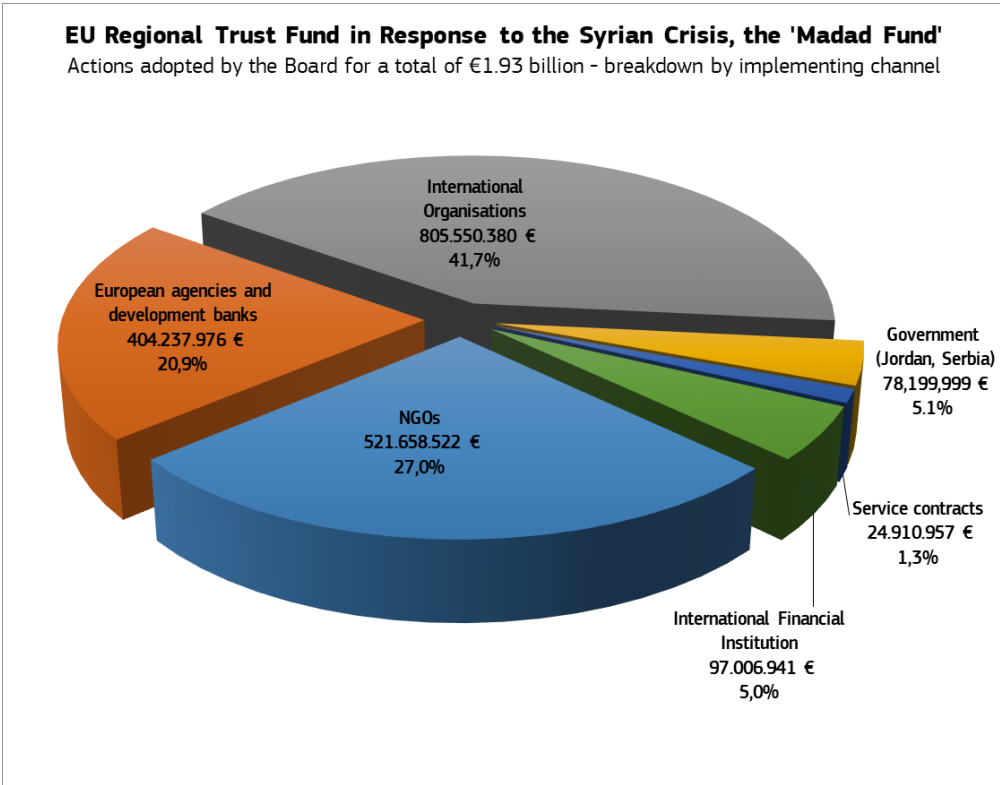
€ 211 million are used for water, sanitation and hygiene programmes and to extend water and wastewater facilities in Jordan and Lebanon. These actions are helping Syrian refugees and host communities, where the needs for supporting municipal water and wastewater services and infrastructure are biggest. In 2019 programmes have been approved for Jordan to establish an integrated solid waste management system in refugee camps to improve health, environmental conditions and create job opportunities.

€ 110 million are providing support for young Syrians to pursue higher education as well as technical and vocational training in the region around Syria. While before the war, 25% of 18-25 year old Syrians were enrolled in higher and further education, this has dropped to less than 5% of the same age group today among the refugees. With partners such as DAAD, British Council, Campus France, EP-Nuffic, Stichting Spark, UNHCR and the German-Jordanian University, 5,982 course placements and scholarships are made available in the region, focusing on Turkey, Jordan, Lebanon and Kurdistan region of Iraq. In 2019, a follow up programme in higher education for Lebanon, Jordan and Iraq was approved.

2.3 Trust Fund allocations per implementing partners

The Trust Fund works with a variety of partners and has created strong networks among them through regional components as well as through the Lessons-Learnt event in Spetember. Since 2015 until end of 2019, about 1/3 of the EUTF allocations are implemented by way of direct management by the Commission, mostly through grants to NGOs, and about 2/3 through indirect management with pillar-assessed international organisations and Member State implementing agencies.

The graph below shows that European NGOs, Member States' development agencies and development banks constitute around 50% of the Trust Fund's portfolio in terms of implementing partners. In Jordan and Serbia, direct support to government ministries (education, reception centres) was used as an implementing modality.



2.4 Follow up to the Mid-Term Strategic Evaluation, sector evaluations and results monitoring

The **Monitoring & Evaluation (M&E) framework** of the EU Trust Fund continued to play a core role to ensure accountability and transparency towards the Board, relevant stakeholder as well as the general public. In 2019, work continued on the implementation of the Mid-Term Strategic Evaluation, which had assessed in 2018 the overall of the Trust Fund, sector evaluations as well as results monitoring. Impact of actions was measured against the Strategic Overarching Framework of the Trust Fund, with emphasis on quality education, increased livelihoods, better access to health and wash services, strengthened protection and social cohesion opportunities.

Following up on the Action-plan stemming from the **Mid-Term Strategic Evaluation** conducted in 2018, the Management team of the Trust Fund has successfully implemented the major part of the 15 recommendations accepted, fully or partially, by DG NEAR.^[1] In particular the key conclusion on the continued need for the Trust Fund as an EU tool to respond to the crisis beyond 2019 led to the Commission's Decision in October 2019 to **extend the Trust Fund**. In terms of operations, the Trust Fund has followed the recommendations that remaining operations should **focus on Jordan and Lebanon** in particular, and also Iraq, and design actions to be **country specific**, with any regional approach limited to knowledge sharing, lessons learning and advocacy. The Trust Fund is also following the recommendation to ensure that concept notes from implementing partners proposals better take into account host government's capacities and needs of the beneficiaries. During the year, the Manager has undertaken a **staffing assessment** and adjusted the portfolios and workflow based on needs, workloads and capacities, and a **gender focal point** has been appointed. The **coordination between the EU Trust Fund and the EU Delegations** has deepened, with closer coordination as regards planning and programming of the various funding instruments (ENI and Trust Fund).

Throughout the reporting year **two sector evaluations** were conducted. The **evaluation on Basic Education**, evidenced that interventions continue to be **highly relevant** in view of the protracted nature of the crisis and highlights a **more positive perception towards non-formal and informal education interventions** than towards formal education ones. The evaluation underlined the need to strengthen coherence between a sector-wide Basic Education support and the provision of support for Syrian refugee and vulnerable host community children. The **evaluation on Livelihoods** noted that it is highly complex to provide sustainable job opportunities for refugees and IDPS in view of the overarching policy context of restrictive **labour market regulations in the host countries**. The evaluation also highlighted that the **generation of short terms job opportunities** for the most vulnerable segments of the refugee and host communities is incompatible with medium- and longer-term local development approaches. **Cash for work approaches**, are positively assessed as a way to address decent employment opportunities and foster social cohesion between refugee and host communities. Moreover, a total of **eleven Results-Oriented Monitoring (ROM) reviews** were finalized in 2019¹⁹.

The EUTF progressed further with its monitoring mechanism around **44 Key Performance Indicators**. The **operational Results Framework**²⁰, which is aligned with the wider EC Results Framework and the UN Sustainable Development Goals, was regularly reviewed to ensure coherence of results and indicators. As of 30 June 2019, the results monitoring showed that the EUTF had **reached more than 4.3 million people** with access to various services. This data is based on 56 ongoing and 7 concluded

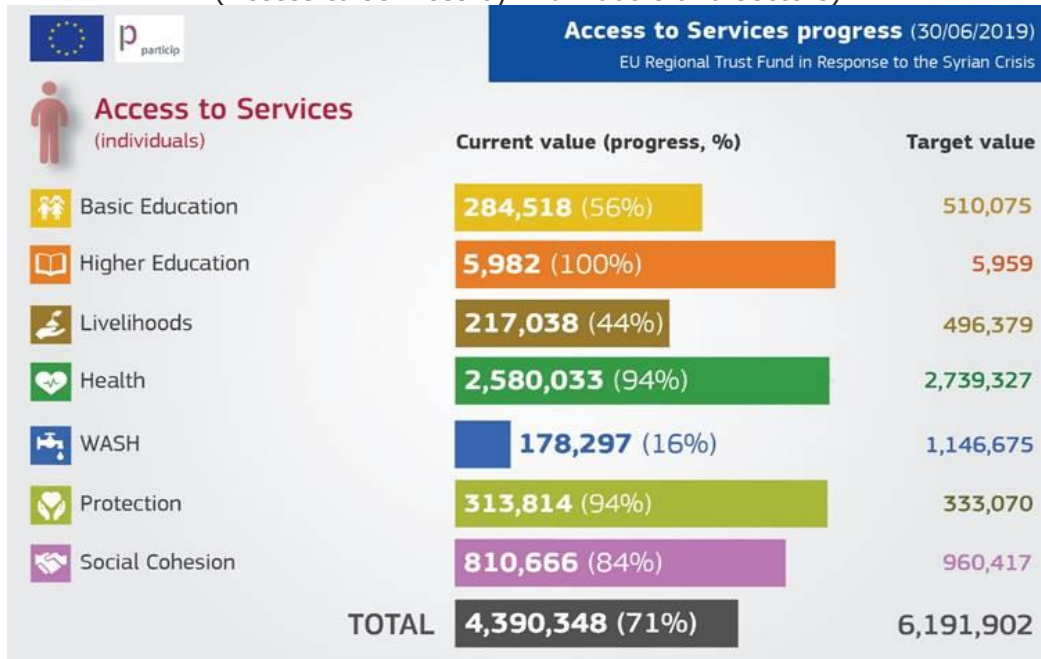
[1] The "Follow up on the Lessons Learned and Recommendations of the Strategic Mid-term evaluation of the EUTF" can be consulted [here](#)

¹⁹ https://ec.europa.eu/trustfund-syria-region/content/monitoring-evaluation_en

²⁰ https://ec.europa.eu/trustfund-syria-region/sites/tfsr/files/eutf_rf_2019.pdf

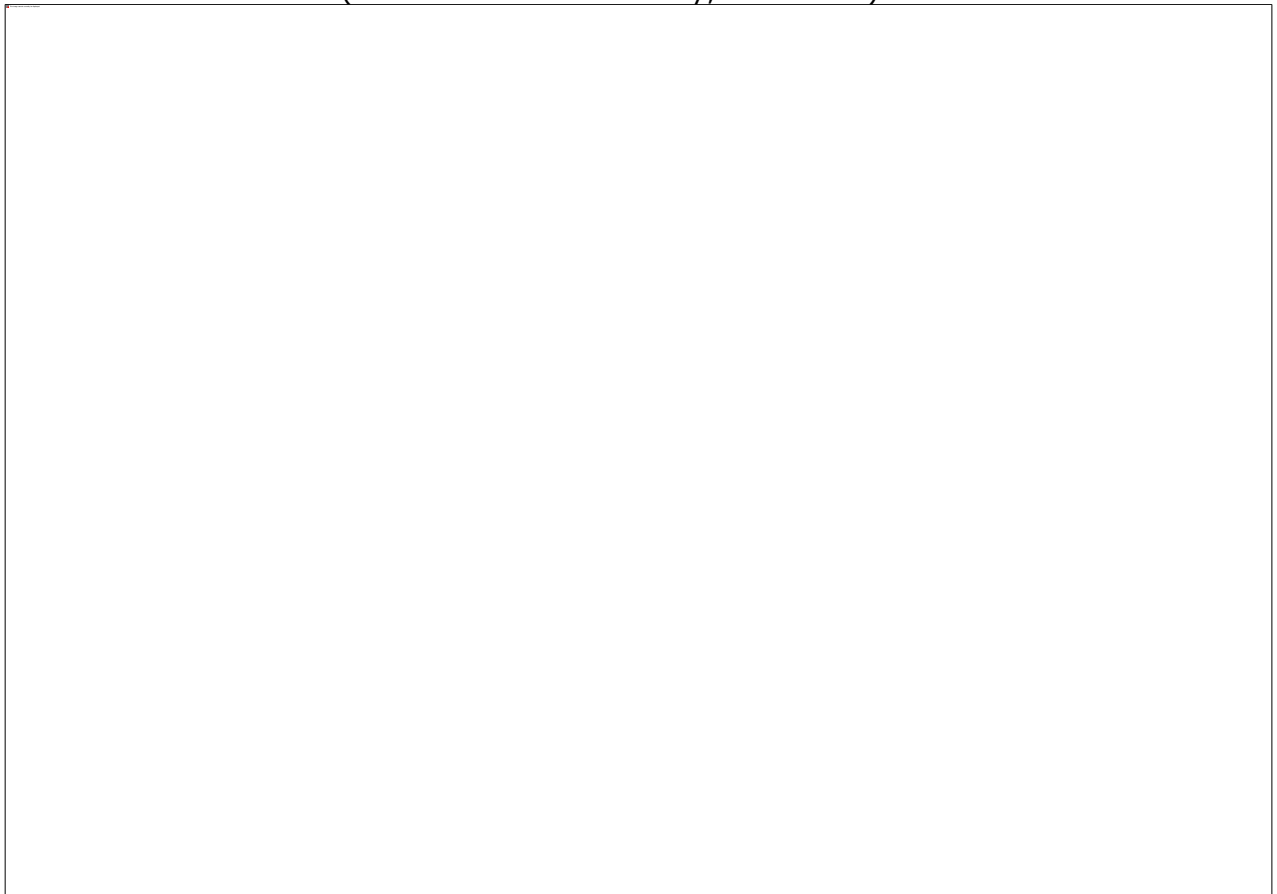
projects of the EU Trust Fund.

Number of beneficiaries across all sectors
(Access to services by Individuals and sectors)



The following figure shows the distribution of targets and progress by sector and country, by the type of indicator category, access to services, local capacities and local infrastructure.

Number of beneficiaries per country
(Access to services country, individuals)



In terms of **targets**, the **largest ones continue to be in the Health and WASH sectors**, while **Higher Education** show the **highest performance** in terms of output achievements. **WASH**, as in the previous period, continues to be the **slowest sector** in terms of output delivery. Projects in this area are complex, and some are still in the initial phase.

According to the different categories of indicators – access to **services, local capacity strengthening and local infrastructure improvements**, the Trust Fund emphasizes access to services, compared to strengthening of local capacities and local infrastructure improvements. **Performance is higher for the category of capacity strengthening** during this period, since targets in the access to services have been increased. Since targets for local infrastructure have also been substantially increased, performance is the lowest compared to the other two categories.

Geographically, **Lebanon shows the highest targets** in access to services and **Turkey shows the highest performance** for the same category, while Armenia shows the slowest progress in the area of strengthening of local infrastructure.

3. FINANCIAL REPORT

3.1 Amounts pledged and received

In 2019, the EUTF mobilised additional € 220 million, bringing the total budget to approximately € 1.9 billion, with contributions from the EU budget, 22 member states, and Turkey. The total contributions from the EU Budget amounted by the end of 2019 to € 1.65 billion while the contributions from Member States amounted to € 194 million and € 24.65 million from Turkey. Most of the 2019 EU budget contributions come from the ENI with € 1.114 billion, followed by IPA with € 362 million, DCI with € 71 million and Humanitarian Aid with € 3 million.

Status of contributions and voting rights as of 31 December 2019

Donor	Contributions as per Contribution Certificate (CC)	Status in the Operational Board	Voting rights based on contribution certificate(s) with at least one payment received ²¹
EU*22	1.653.238.180 €	Donor with voting right	82
Germany	60.000.000 €	Donor with voting right	20
Denmark	53.745.421 €	Donor with voting right	18
Austria	17.500.000 €	Donor with voting right	6
Italy	11.000.000	Donor with voting right	4

²¹ Conform the Constitutive Agreement Article 6.4.1 the voting right(s) is/are granted on the basis of the amount specified in the Contribution Certificate. It/They take(s) effect from the date of the first Operational Board meeting following the reception by the Manager of the Member's first payment, and is/are valid for a period of three (3) years, or until the liquidation of the Trust Fund if the latter should occur beforehand. <https://ec.europa.eu/trustfund-syria-region/sites/tfsr/files/20160526-revised-madad-fund-constitutive-agreement.pdf>

²² This includes an amount of EUR 139.7 million paid by the Commission to reimburse a contribution made by Turkey to the EUTF under IPA operational programmes.

Netherlands	8.000.000 €	Donor with voting right	3
Belgium	6.000.000 €	Donor with voting right	3
France	6.000.000 €	Donor with voting right	3
Czech Republic	5.000.000 €	Donor with voting right	0
Poland	4.197.318 €	Donor with voting right	1
Finland	3.000.000 €	Donor with voting right	0
Sweden	6.000.000 €	Donor with voting right	3
Hungary	3.000.000 €	Donor with voting right	0
Slovakia	3.000.000 €	Donor with voting right	0
UK	3.000.000 €	Donor with voting right	0
Spain	3.000.000 €	Donor with voting right	0
Estonia	1.050.000 €	No presence	
Portugal	350.000 €	No presence	
Bulgaria	300.000 €	No presence	
Lithuania	100.000 €	No presence	
Romania	80.000 €	No presence	
Latvia	60.000 €	No presence	
Malta	20.000 €	No presence	
Total EU Member States	194.402.739 €		61
Total EU and MS pledges & commitments	1.847.640.919 €		143
Turkey	24.650.229 €	Donor with voting right	0
Grand Totals	1.872.291.148 €	Total voting rights	143

3.2 Amounts contracted

As shown in more detail in the table below, the Trust Fund signed 19 new contracts with implementing partners for an overall amount of € 314 million during 2019, including € 2.5 million for communication activities, and approved two top ups of contracts to a value of € 2.5 million. The amount contracted in 2019 are comparable to those of 2018 when 21 new project contracts were signed for a total value of € 326 million. At the end of

2019, the total number of signed projects amounted to 85, including project monitoring and evaluation, with a value of € 1.55 million.

No.	Partner	Sector	Objective	Country	Total €
1	Ecorys	Communication & Visibility	Support to visibility and communication activities	All EUTF Syria & region countries	1.825.600
2	World Food Programme (WFP)	Social assistance & Food security	Improving socio-economic resilience of most vulnerable population and support to an emerging social protection system through social and cash assistance services	Lebanon	48.000.000
3	UNICEF	Primary Education	Supporting access to formal education for Syrian refugees and Lebanese girls and boys in Lebanon's public schools	Lebanon	86.500.000
4	German Jordanian University	Higher Education	Providing higher education and vocational training and scholarships to Syrian refugee and disadvantaged Jordanian students (EDU-Syria II)	Jordan	2.600.000
5	Associazione Italiana per la solidarietà tra i popoli (AISPO)	Health	Support to mother and child critical health care services in Iraq (phase 2)	Iraq	5.000.000
6	PROMAN SA	Monitoring & Evaluation	Third party monitoring of the Lebanon health programme for Syrian refugees and vulnerable Lebanese population	Lebanon	789.400
7	UNICEF	Education	Support to the Makani Centers	Jordan	10.600.000
8	ASAM	Livelihoods	Social cohesion of refugees in Turkey, SCORE	Turkey	5.000.000
9	ACF France	Health	Strengthening and quality access to mental health services	Iraq	6.975.012
10	UNESCO	Livelihoods	Support to livelihoods through cultural inheritance	Jordan	11.000.000
11	FAO	Agriculture	Building resilience and support to job creation in the agricultural sector	Turkey	10.000.000
12	Royal Danish Ministry of Foreign Affairs	Multi-sectors	Regional Development and Protection Programme, RDPP II MENA	Iraq, Jordan, Lebanon	20.000.000
13	Government of Jordan	Budget support to Education	Supporting the Government of Jordan to enhance the inclusiveness and quality education for Syrian refugee children, particularly in camp environments	Jordan	31.200.000
14	Government of Jordan	Budget Support to Education	Supporting the Government of Jordan in line with the Jordan Compact to enhance the capacity of the education system for Syrian refugee children, particularly in camp environments	Jordan	3.700.000

15	AVSI	Education	Back to the future II	Lebanon	10.000.000
16	GIZ	Solid waste management	Set up of an integrated solid waste management system	Jordan	39.000.000
17	Spark	Higher education	An integrated pathway for higher education in Turkey	Turkey	10.000.000
18	UNICEF	Protection	Advancing child protection and gender based violence systems strengthening	Lebanon	12.000.000
			Total new projects 2019		314.190.012
Additional contract level (L2) commitments for top-ups in 2019)					2.579.081
Total contracted in 2019					316.769.093

3.3 Amounts paid

Amounts paid out in 2019 were € 323 million for projects, as operational expenditure, and € 1 million for administrative expenditure, as shown in the table below. With this the Trust Fund paid nearly € 100 million more in 2019 than in 2018. The amounts paid in 2019 corresponded to the payment forecast made in the beginning of the year.

EUR'000

Cumulative Amount made Available for Commitments		Committed Amount		Implem. Rate Commit.	Contracted Amount		Implem. Rate Contrac. Amount	Cumulative Amount made Available for Payments		Paid Amount		Overall Implem. Rate
2019	All	2019	All	All	2019	All	All	2019	All	2019	All	All
(1)		(2)		(3)=(2)/(1)	(4)		(5)=(4)/(1)	(6)		(7)		(8)=(7)/(1)
Administrative												
(423)	13 947	1	8 088	57.99%	1	8 088	57.99%	1 979	12 609	1	8 088	57.99%
Operational												
296 741	1 935 485	295 292	1 837 913	94.96%	316 792	1 538 688	79.50%	290 815	1 067 659	323 266	1 005 892	51.97%
Total												
296 318	1 949 432	295 294	1 846 001	94.69%	316 793	1 546 775	79.4 %	292 794	1 080 268	323 266	1 013 980	52.01%

Source: DG Budget - Budget implementation report

3.4 KPI analysis

The limited Trust Fund KPI indicators are mainly related to internal control, which are represented in annex 6.2 and described under chapter 4. Overall the EUTF performed well on its limited range of KPIs, 90% of payments have been paid within the deadline, 90% of invoices have been registered within 7 days and the reduction of old pre-financing has been significantly reduced (see annex).

4. INTERNAL CONTROL

4.1 Control results

4.1.1 Control effectiveness as regards legality and regularity

The EU Trust Fund operates embedded in the general system of internal control defined by the Commission. In addition the Trust Fund is subject to external audit. As per the Constitutive Agreement of the Trust Fund and given its objective to operate in a crisis and post-crisis situation, flexible procedures appropriate to the local environment are used to ensure that the Fund is effective and responsive to the needs identified. These procedures are in accordance with the Financial Regulations provisions and are set up in DG NEAR's financial guides. Their use needs to be justified on a case by case basis. A register of exceptions, derogations and prior approvals granted under the Trust Fund together with non-compliance events detected during the year is kept.

Project implementation is foreseen in direct management where the Trust Fund is the Contracting Authority and signs procurement and grant contracts, or indirect management by which project implementation is delegated to a third party, an EU Member State Agency or International Organisation. Candidate entities to be entrusted with budget-implementation tasks have to demonstrate a level of financial management and protection of the EU's financial interest equivalent to that of the Commission. International Organisations and Member States Agencies have to provide Management declarations on the use of the funds they are entrusted with. Ex-ante controls are carried out by the TF staff for all operations/transactions carried out under the Trust Fund.

In implementing Trust Fund appropriations, reports and recommendations of the different control bodies, notably the IAS and Court of Auditors, for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes are taken into account by the Trust Fund staff, in addition to the results of the audits carried out at the level of contractors/beneficiaries. The European Anti-Fraud Office (OLAF) exercises the same powers over the Trust Fund in its entirety, including its governance bodies and the representatives of donors and observers participating in such bodies, as it does in respect of other activities of the Commission.

4.1.1.1 Results of ex-ante controls

Final reports with request for payment for settlement of balance are paid on the bases of expenditure verification reports and the findings regarding the eligibility of costs. Most of the contracts are under indirect management with pillar assessed entities who are very much aware of the relevant eligibility criteria for expenditure.

The contractors for the contracts in direct management mode are mainly well established NGO's that are similarly familiar with the eligibility criteria. This resulted in very limited expenditure detected as ineligible during ex-ante controls.

4.1.1.2 Results of external audits

The external Auditors issued a positive opinion on the 2018 annual accounts (included with last year's annual report).

4.1.2 Fraud prevention, detection and correction

N/A. No cases forwarded for investigation

4.2 Observations and recommendations made by IAS/ECA

The Trust Fund was subject of an IAS audit (Ares (2016) 503448 29-01-2016). The IAS recommendations resulted in an action plan adopted by DG NEAR to implement the 10 recommendations under its responsibility. All actions have been implemented as planned by end of 2017 and were monitored in 2018 and 2019.

4.3 Assessment of the effectiveness of the internal control systems

The EU Trust Fund operates in the general system of internal control defined by the Commission. In this framework, during its first year of operation the EU Trust Fund 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.

Monitoring of the compliance and effectiveness of the internal control systems was done on a continuous basis by the Trust Fund team, adjusted and complemented where necessary. Exceptions, derogations, prior approvals and non-compliance events that occurred during the reporting period have been registered and documented. The TF Manager ensured availability of a business management workflow process in place based on EC standard operating procedures in line with PRAG and the Companion. The workflow process also entails the timely appointment of negotiation committees and a business management process structuring the negotiations.

The Trust Fund Manager has taken appropriate measures to ensure that, when actions financed by the Trust Fund are implemented, the financial interests of the Union and of the donors are protected by the application of preventive measures against irregularities and fraud, by effective controls and, if irregularities or frauds are detected, by the recovery of the amounts wrongly paid. The contracts and agreements signed with third parties authorise the Commission to carry out controls on the spot, to suspend payments and implementation of actions where serious irregularities or fraud are noted, and to apply, where appropriate, effective, proportionate and deterrent contractual penalties.

The introduction of the MIS application has been completed for all of the Trust Fund's ongoing and planned commitments and payments in DG NEAR and has improved the tracking, coordination and organisation of the TF portfolio. However, IT systems still need to be developed in order to provide for the automatic registration of information that is currently compiled manually (e.g. exceptions, derogations and non-compliance events).

4.4 Conclusions as regards assurance

In line with the growing financial resources of the Trust Fund, there have been notable reinforcements of human resources in DG NEAR since 2017 of both the operational and financial management of the EUTF in Directorate R and B. The completion of all actions under the action plan in response to the recommendations of the IAS audit by end of 2018, provides further 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. The control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

5. DECLARATION OF ASSURANCE (AND RESERVATIONS)

I, the undersigned,

Manager of the European Union Trust Fund in Response to the Syrian Crisis,

In my capacity as authorising officer by sub-delegation

Declare that the information contained in this report gives a true and fair view²³.

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, ex-post controls, and the observations of the Internal Audit Service 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 European Union Trust Fund in Response to the Syrian Crisis.

Brussels, 15 February 2020

(Signature)

Claudia Miller

²³ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

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

DG NEAR has completed four evaluations during 2019.

The **first evaluation** covered EU support for Rule of Law in Neighbourhood Countries and Candidates and Potential Candidates of Enlargement (2010-2017) and was conducted by DG NEAR to provide an independent, evidence-based assessment of the scope and performance of implemented and on-going EU support for Rule of Law.

The **second evaluation** assessed the Twinning instrument in the period 2010-2017 in order to inform the debate on the future of this delivery mechanism to support enlargement and neighbourhood countries in meeting their respective commitments in the framework of their relationships with the EU.

The **third evaluation** was an ex-post evaluation of EU assistance to Croatia in the period 2007-2013, focusing on capacity development results and providing specific emphasis on Rule of Law, Economic Governance and Public Administration Reform.

Finally, the evaluation of Sector approach under IPA II assistance assessed and provided evidence on the use and scope of sector approach in planning, programming and implementation processes under IPA II.

In addition, a Staff Working Document on Economic Governance was finalised and published following the completion of the corresponding evaluation at the end of 2017, in accordance with the Better Regulation principles.

Several strategic evaluations were under implementation, while six new evaluations have been launched in 2019 (on IPA-IPA CBC programmes, gender equality, and country evaluations for Moldova, Montenegro, Morocco and Tunisia).

Studies finalised or cancelled in 2019	Title	CRIS Decision / contract n.	Reason	Scope	Type	Associated DGs	Costs (EUR)	Comments
a. Studies finalised in 2019								
DG NEAR A4	Evaluation of Sector approach under IPA II assistance	n/a		The generic purpose of the evaluation is to provide an overall independent assessment and evidence on the use and scope of sector approach in planning, programming and implementation processes under IPA II, while also considering the evolution of the sector approach since the launch of the idea in the Conference on Effective Support for Enlargement held in Brussels in October 2009.	O	n/a	EUR 207,608	Thematic evaluation
DG NEAR A4	Evaluation of the Twinning instrument in the period 2010-2017	n/a		The generic purpose of the evaluation is to provide an overall independent assessment and evidence on the contribution of the Twinning instrument in the period 2010-2017 to support candidate and potential candidate beneficiaries and neighbourhood countries in meeting their respective commitments in the framework of their relationships with the European Union (EU).	O	n/a	EUR 324,384	Delivery method evaluation

Studies finalised or cancelled in 2019	Title	CRIS Decision / contract n.	Reason	Scope	Type	Associated DGs	Costs (EUR)	Comments
DG NEAR A4	Thematic Evaluation of EU support for Rule of Law in neighbourhood countries and candidates and potential candidates of enlargement (2010-2017)	n/a		The purpose of this evaluation is to provide an assessment and evidence on the scope and performance of the implemented and on-going EU support for Rule of Law (RoL) in beneficiaries of the IPA and ENPI/ENI instruments. It aims at providing recommendations for the improvement of the programming and implementation of EU support to Rule of Law in line with the principles laid down in the Communication COM(2014) 158 final/2 "A new EU Framework to strengthen the Rule of Law".	O	n/a	EUR 394,030	Major thematic evaluation
DG NEAR A4	Ex-post evaluation of EU assistance to Croatia in the period 2007-2013	n/a		The generic purpose of the evaluation is to provide an overall independent assessment and evidence on the contribution of EU assistance in the period 2007-2013 to support Croatia in meeting the Copenhagen criteria so as to facilitate its accession to the European Union.	O	n/a	EUR 245,902	Geographic evaluation

ANNEX 10: Specific annexes related to "Financial Management"

1. Controls supporting the achievement of the objectives

The controls²⁴ put in place by DG NEAR management provide reasonable assurance that the internal control objectives are achieved, the risks related to financial management are adequately managed and the legality and regularity of underlying transactions is ensured. They take into account the multiannual character of the DG programmes as well as the nature of the payments concerned.

DG NEAR's assurance is based on a number of controls, which are implemented either ex ante or ex post

1 - Financial circuits: as in all DGs, the level of 'ex-ante' controls (before the approval of the AOSD) consists in the tight supervision and checks of all operational and financial aspects of transactions based on the financial circuits of the DG, assisted by very comprehensive and detailed checklists. This is a major source of detection of errors.

2 - Supervision missions: these represent a management tool at the level of Directors. They provide assurance to the AOSD, as well as insight into the Delegations' capacity to manage EU external assistance and to achieve their goals. The supervision missions are carried out in a cooperative and constructive spirit, aimed at enhanced mutual understanding between Headquarters and the Delegation, at the exchange of information as well as at the improvement of the Delegations' management of EU external assistance. Each Delegation is visited every 2-4 years.

3 - Control plan: In direct management (IPA and ENI) DG NEAR carries out a robust risk assessment at project-level at the beginning of each year, which is the basis of the control plan. The objective is to have an additional layer of controls which the AOSD activates if he perceives specific risks. It consists in a list of financial verifications and operational controls.

- **The financial verifications are**

3a - contractual verifications launched by the Commission (explicitly required in contractual documents). This concerns mainly the Southern Neighbourhood EUDs (Pegase, programme estimates) and occurs mostly every year or

3b - risk based verifications (based on perceived risks that are not already mitigated by a contractual control).

Since March 2018²⁵, financial audits have been replaced by expenditure verifications focusing on legality/regularity of expenditure reported rather than on delivering an 'opinion'. These verifications can be coupled in specific cases with system verifications; in indirect management with International Organisations, verifications consist in agreed upon procedures, where controls are strictly determined in agreements such as FAFA and in which auditors issue 'reports on factual findings'.

²⁴ Where appropriate, these controls also apply to all the contributions of the EU Trust funds.

²⁵ [Ares\(2018\)1155969](#) of 01.03.2018

All Financial verifications are listed in an **Audit Plan** validated by the FAST Committee and are monitored in the Audit Module until all recommendations are followed up.

- **The operational controls are**

3c - Results-Oriented Monitoring (ROM), is a tool to report on the performance and results of EU funded projects and programmes. It makes reference to four criteria (relevance, efficiency, effectiveness, sustainability). This provides basic information to generate future monitoring/evaluation/verification and management decision at project/programme level,

3d - Evaluations, systematic and objective assessments of on-going or completed projects, programmes or policies, their design, implementation and results. Evaluations are usually performed by independent, external experts who scrutinize an intervention against defined criteria such as relevance, efficiency, effectiveness; sustainability, coherence and EU added value (OECD DAC and European Commission Better Regulation evaluation criteria).

3e - On the spot checks, such checks complement monitoring in that they ensure that contract / project deliverables are adequately verified on the spot, along with aspects of legality and regularity, to support the operational visa ('certified correct') or to provide supplementary assurance in IMBC that the monitoring and controls of the national authorities / entrusted entities to support their payment visas can be relied upon. On the spot checks can include an operational and a contractual/financial dimension, in which case they involve both operational and contracts and finance staff.

4 - Contractual verifications launched by the beneficiaries: These mandatory expenditure verifications accompanying requests for payment are explicitly required in contractual documents launched by the beneficiary. The terms of reference for such controls are now fully aligned with those of financial verifications launched by the Commission. Auditors are requested to deliver the list of all items checked. This should increase transparency, reliability and allow for re-performance. This is an important mitigating measure in view of the current reservation on grants in direct management.

5 - Pillar assessments of Entrusted Entities: The Commission may entrust budget implementation tasks in indirect management to entrusted entities (IMEE) that demonstrate a level of financial management and protection of the EU's financial interest equivalent to that of the Commission. This ability is verified by carrying out an ex-ante pillar assessment of the entity. These assessments are supervised either by DG NEAR or other Commission services. It is a sine qua non condition to sign agreements with these entities, but is not an ex-ante validation of the legality/regularity of future costs to be submitted to the Commission.

6 - Controls in indirect management with Beneficiary countries IPA: The Commission can entrust budget implementation tasks in indirect management to beneficiary countries (IMBC). Before signing a financing agreement, DG NEAR carries out system verifications in order to assess the effective and efficient functioning of the control system in the beneficiary country in accordance with the requirements set in the FR and the IPA regulation, transposed in a framework agreement signed with each beneficiary country. These verifications constitute the key element giving assurance to the AOSD on the readiness of the IMBC structures. These systems are reassessed on an

annual basis. Additional assurance is obtained by ex-ante/ex-post controls²⁶ in procurement and grant processes, review of the system/transactional audits of the beneficiary country's audit authority and the clearance of accounts procedure.

7 - IAS and ECA: Controls are also performed by the external audit bodies, the Internal Audit Service (IAS) and the European Court of Auditors (ECA), and come in reinforcement of the control system of the DG.

8 - Residual Error Rate: The residual error rate (RER) study enables the effectiveness of the overall control framework to be evaluated, and forms an important part of the information at the Director General's disposal when signing the Declaration of Assurance. Residual errors are those that have evaded all prevention, detection and correction controls in the existing control framework.

The RER indicator is designed to identify residual errors that have not been detected by the internal control system and conclude on its effectiveness. When the RER is below the materiality threshold of 2% set by the ECA, it is a strong signal that the controls put in place at all levels of the DG are effective. Moreover, besides the overall error rate, the RER study reveals the common types of errors and therefore helps to avoid them in the future.

The RER methodology is regularly updated in order to take into account the recommendations of the Court of Auditors and the IAS. The methodology takes into account the multiannual nature of DG NEAR's programmes, as the contracts closed during the said period are considered for monetary unit sampling.

2. Cost of controls

Breakdown of cost of controls ex ante/ex post

Title of the Relevant Control System (RCS)	Ex ante controls*			Ex post controls*			Total**	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs (in EUR)	Total payments (in EUR)	Ratio (%)* (a)/(b)	EC total costs (in EUR)	Total value verified and/or audited (in EUR)** (in EUR)	Ratio (%) (d)/(e)	EC total estimated cost of controls (in EUR) (a)+(d)	Ratio (%)* (g)/(b)
Grants in Direct Management	13.007.366,23	510.842.463,76	2,55%	1.445.262,91	142.096.410,17	1,02%	14.452.629,15	2,83%
Procurement in Direct Management	13.020.244,39	315.987.876,06	4,12%	1.446.693,82	614.964.804,02	0,24%	14.466.938,21	4,58%
Budget Support	7.901.249,79	424.457.989,42	1,86%	877.916,64	53.255.999,21	1,65%	8.779.166,44	2,07%
Indirect Management with Beneficiary Countries	10.203.906,45	528.082.050,28	1,93%	1.133.767,38	109.651.908,12	1,03%	11.337.673,84	2,15%
Indirect Management with Entrusted Entities	19.309.220,18	973.311.103,48	1,98%	2.145.468,91	380.614.417,53	0,56%	21.454.689,09	2,20%
OVERALL total estimated cost of control at EC level	63.441.987,05	2.752.681.483,00	2,30%	7.049.109,67	1.300.583.539,05	0,54%	70.491.096,72	2,56%

Based on historical data and organisation of the control tasks in DG NEAR, the proportion of ex ante and ex post controls at 90% and 10% respectively. The cost of control is calculated according to this ratio based on the weight of the budgeted implemented per control system. Cost of ex post controls include the proportion of staff allocated according to the distribution key and the cost of the RER study.

²⁶ As of 2019 full ex ante controls will be applied on contracting in all IPA IMBC countries

3. European Court of Auditors – Performance Audits

In 2019, two performance audit reports were published by the European Court of auditors in which DG NEAR was involved. DG NEAR was in the lead for 'EU support to Morocco - Limited results so far', and associated for 'Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches'. Both reports were published in December 2019.

Special report N° 09/2019: EU support to Morocco - Limited results so far, published on 11/12/2019

Objective

The aim of the audit was to assess the effectiveness of EU budget support in Morocco for the period 2014 to 2018, by examining the Commission's management and the degree to which the EU budget support objectives had been achieved. The sectors covered were health, social protection, justice and private sector development.

Main findings

The Court found that EU financial aid for Morocco, provided limited added value and ability to support reforms in the country. The European Commission addressed the needs identified in national and EU strategies, but it spread the funding across too many areas, which may have weakened its impact. The Commission's management of budget support programmes for the country was hampered by weaknesses in the way they were designed, implemented and monitored, as well as in the assessment of results.

The ECA recommended that the Commission and the EEAS:

- strengthen the focus of EU budget support in Morocco
- improve design of targets and performance indicators
- strengthen policy dialogue
- enhance disbursement verification procedures
- improve monitoring procedures
- increase visibility of EU support

The above recommendations were broken down into 16 sub-recommendations by the ECA.

Commission Position

The Commission takes the findings of the Court very seriously, and has discussed this report at length with the European Court of Auditors. While the Commission will take the opportunity to improve its practices by implementing recommendations it considers well-founded, at the same time, the Commission does not share a number of the Court's findings and conclusions in this case. The Commission has accepted seven recommendations, partially accepted five recommendations and rejected four recommendations.

Special Report No 25/2019: Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches, published on 12/12/2019

Objective

The ECA assessed whether the European Commission uses relevant and reliable performance data for disbursing budget support. In particular, the auditors examined whether indicators allow sound results to be monitored and whether the Commission effectively checks the accuracy of performance data in the requests for disbursements.

Main findings

The auditors found that indicators used to disburse budget support were consistent with partner countries' sector strategies and generally provided the intended incentive effect. However, they were not always well designed and there were too many of them. In particular, a large majority remained focused on short-term actions rather than longer-term results. In addition, about a third of indicators did not allow results to be measured objectively. Some were vaguely defined with no quantified targets. Others had no baselines at all, or incorrect ones. This had led to situations where the required targets were lower than they had been before the EU intervention had started. In general, these shortcomings allowed for different interpretations as to whether objectives had been achieved, therefore potentially biasing the analysis of disbursement requests.

The auditors also found that, in most cases, the Commission did not draw explicit conclusions on partner countries' capacity to produce accurate data. The main issues they single out relate to targets not being achieved by the deadlines set, results being measured based on incorrectly set baselines, incorrect or incomplete evidence on the achievement of indicators, and targets not being achieved at all.

Finally, the auditors re-performed the Commission's assessments regarding the achievement of indicators used as a basis for budget support payments. Out of a total of EUR 234 million of variable tranche payments reviewed, they found discrepancies for EUR 16.7 million: EUR 13.3 million had been insufficiently justified, while EUR 3.4 million had been paid without actual progress having been made. Additionally, the auditors single out payments of EUR 26.3 million to Moldova, made without sufficiently documentation that the necessary improvements in democratic principles and the rule of law had been achieved.

The ECA recommended that the Commission:

- increase the use of outcome indicators in variable tranches
- improve the formulation of performance indicators
- safeguard the incentive effect of variable tranches
- simplify the disbursement process for variable tranches
- improve the assessments of the countries' capacity to provide performance data used in variable tranches
- improve the verification of the performance data used to disburse variable tranches

Commission position

The Commission has accepted all the recommendations of the Court.

4. Reports on Financial Management and Internal Control

The reports produced are the following:

- Monthly financial reports;
- The Management Plan 2019 of the Directorate General;
- The Management Plan 2019 of the Delegations;
- Reports by the Authorising Officers by Sub-Delegation made at year end (by Directors to the Director General), detailing the results of Key Performance Indicators (KPIs) in HQ as well as a summary of KPIs in the Delegations under the responsibility of the AOSDs;
- The External Assistance Management Reports (EAMRs) produced by the delegations, with the statement of assurance signed by each Head of Delegation. As per Financial Regulation, this statement includes information on the efficiency and effectiveness of the internal control systems put in place in the Delegations, as well as information on the management of the operations sub delegated to them, thus providing their assurance to the relevant Director in accordance with the sub delegation received;
- The AOSD report of the EU Trust Fund in response to the Syrian Crisis and North of Africa window of the EU Emergency Trust Fund for Africa;
- The reports from authorising officers in other DGs managing budget appropriations via cross sub delegations;
- Ad hoc reports from the Management Information System (MIS) (on risk assessment, financial forecasts);
- The ICS inventory of findings and recommendations for Indirect Management with Beneficiary Countries (IMBC) in support of the decision of entrustment;
- The management declarations, reports, and control results from management/audit authorities under IMBC;
- The reports on control results from management authorities for Cross Border Cooperation (CBC) programmes implemented under shared management;
- Pillar assessment reports: International Organisations and National Agencies need to pass pillar assessments, pursuant to the Financial Regulation to be able to sign delegation agreements under indirect management. These assessments to check whether the European Commission can entrust budget implementation tasks to entities that demonstrate a level of financial management and protection of the EU's financial interest equivalent to that of the Commission;
- Management declarations from International Organisations and Member States agencies; annual reports and progress reports for financial instruments;
- Supervision mission reports on Delegations visited during the year;
- The observations and recommendations reported by the ECA and the IAS;
- The 2019 RER study;
- The contribution by the Director in charge of Risk Management and Internal Control (RMIC), including the results of internal control monitoring at the DG level;

- The reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 Financial Regulation);
- The report on OLAF cases to the Commissioner.

ANNEX 11: Analysis of Key Performance Indicators

KPI Analysis 2019

DG NEAR

Table of contents

II.1 Summary	146
II.2 - Detailed analysis	154
KPI 1 – ACCURACY OF INITIAL ANNUAL FINANCIAL FORECAST FOR PAYMENTS	154
KPI 2 – ACCURACY OF INITIAL ANNUAL FINANCIAL FORECAST FOR CONTRACTS.....	156.
KPI 3 – ACCURACY OF INITIAL ANNUAL FINANCIAL FORECAST FOR DECISIONS	158
KPI 4 – RAL ABSORPTION PERIOD	158
KPI 5 – AVERAGE TIME TO GRANT	159
KPI 6 – % OF PROJECTS WITH A RED TRAFFIC LIGHT FOR IMPLEMENTATION PROGRESS	160
KPI 7 – % OF PROJECTS WITH A RED TRAFFIC LIGHT FOR ACHIEVING OBJECTIVES	162
KPI 8 – REDUCTION OF OLD PRE-FINANCING	174
KPI 9 – EXPIRED CONTRACTS AS A % OF THE CONTRACT PORTFOLIO	175
KPI 10 – REDUCTION OF OLD RAL	178
KPI 11 – % OF PAYMENTS PAID WITHIN THE CONTRACTUAL DEADLINE.....	179
KPI 12 – % INVOICES REGISTERED WITHIN 7 DAYS OF THE COMMISSION RECEPTION DATE.....	180
KPI 13 – USE OF DEVCO/NEAR STAFF AND RESPECT OF THE FLEXIBILITY ARRANGEMENTS.....	181
KPI 14 – ICF – CONTROL ENVIRONMENT.....	181
KPI 15 – ICF – RISK ASSESSMENT	181
KPI 16 – ICF – CONTROL ACTIVITIES	182
KPI 17 – ICF – INFORMATION AND COMMUNICATION.....	182
KPI 18 – ICF – MONITORING ACTIVITIES.....	182
KPI 19 – % OF PROJECTS VISITED BY COMMISSION STAFF AND/OR BY THE HOD, BY PROJECT VALUE	182
KPI 20 – UNDUE PAYMENTS PREVENTED BY EX-ANTE CONTROLS AS A % OF THE CLAIMED AMOUNT	183
KPI 21 – % CONTRACTED OF THE ANNUAL AUDIT PLAN YEAR N	184
KPI 22 – % IMPLEMENTATION OF THE ANNUAL AUDIT PLAN YEAR N-1.....	186
KPI 23 – % IMPLEMENTATION OF THE ANNUAL AUDIT PLAN YEAR N-2.....	188
KPI 24 – INELIGIBLE AMOUNTS IDENTIFIED BY AUDITS AS A % OF THE AUDITED AMOUNT.	190

II.1 Summary

Results at global level

In 2019, the global performance of DG NEAR has further improved and exceeded the good results already achieved in 2018, as presented in the table below. A total number of 23 out of 24 KPIs have met set targets corresponding to an overall success rate of 96%. In particular, good progress was shown for 3 KPIs (i.e. KPI 2 - *Accuracy of initial annual financial forecast for contracts*, KPI 10 - *Reduction of Old RAL* and KPI 24 - *Ineligible amounts identified by audits as a % of the audited amount*), which changed from being orange in 2018 to meeting the targets set in the reporting year.

Sound financial management: 12 out of 13 KPIs were met. Even though KPI 4, RAL absorption period exceeded with 4.32 years needed to liquidate RAL, the result is very close to the target of no more than 4 years. Moreover, it has improved compared to 2018, when the RAL absorption period was 4.35 years.

Effectiveness of internal control systems: All 7 KPIs were met. It shows that proper internal control environment and risk management systems are in place, as well as the measures to ensure compliance with the related control principles.

Effectiveness of audit systems: All 4 KPIs were met, which indicates that the audit systems are working well for DG NEAR. Furthermore, it is worthwhile mentioning that huge progress has been achieved for KPI 24, as in the reporting year auditors were able to find almost EU 30 million of ineligible amounts, corresponding to 3.30% of audited amounts. This result has improved greatly to 2018, when the ineligible amounts found was 1.26%.

KPI Name ²⁷		KPI result 2019	Annual Target/Benchmark	KPI result 2018
A - Sound financial management				
K01	Accuracy of initial annual financial forecast for payments	98.78%▲	From 90% to 110%	90.31%▼
K02	Accuracy of initial annual financial forecast for contracts	101.01%▲	From 90% to 110%	111.13%▼
K03	Accuracy of initial annual financial forecast for decisions	97.62%▲	From 90% to 110%	96.13%▼
K04	RAL Absorption Period	4.32▲	Less than 4 years	4.35▼
K05	Time to Grant	38.42▲	No more than 90	71.76
K06	% of Projects with a red traffic light for Implementation Progress.	3.14%▲	Not more than 10%	3.87%▼
K07	% of Projects with a red traffic light for Achieving Results	3.45%▲	Not more than 10%	3.87%▲
K08	Reduction of Old Pre-financing	37.98%▲	At least 25%	35.72%▲
K09	Expired Contracts as a % of the contract portfolio	12.09%▲	Not more than 15%	14.76%▲
K10	Reduction of Old RAL	43.86%▲	At least 25%	22.61%▲
K11	% of payments paid within the contractual deadline	92.25%▲	At least 85%	90.82%▲
K12	% invoices registered within 7 days of the Commission reception date	91.69%▲	At least 80%	90.70%▲
K13	Use of DEVCO/NEAR staff and respect of the flexibility arrangements	100.00%=	Yes for 100% of Delegations	100.00%=
B – Effectiveness of internal control systems				
K14	ICF – Control Environment	94.09%▲	At least 80%	92.47%
K15	ICF – Risk Assessment	93.04%▲	At least 80%	91.98%
K16	ICF – Control Activities	91.30%▲	At least 80%	88.99%
K17	ICF – Information and Communication	93.91%▼	At least 80%	94.11%
K18	ICF – Monitoring Activities	92.61%▼	At least 80%	93.49%
K19	% of projects visited by Commission staff and/or the HoD, by project value	91.83%▲	At least 80%	85.68%▲
K20	Undue payments prevented by ex-ante controls as a % of the claimed amount	3.38%▼	At least 2%	5.12%▼
C – Effectiveness of audit systems				
K21	% contracted of the Annual Audit Plan: Year N	72.92%▲	At least 60%	71.33%▼
K22	% implementation of the Annual Audit Plan: Year N-1	73.78%▲	At least 40%	68.98%▼
K23	% implementation of the Annual Audit Plan: Year N-2	86.35%▼	At least 60%	86.45%▼
K24	Ineligible amounts identified by audits as a % of the audited amount	3.30%▲	At least 2%	1.26%▼

²⁷ Explanation of the table: The arrows indicate the trend compared to 2018 in terms of improvement (upwards) or deterioration (downwards).

Priorities for 2020

At DG NEAR level only one KPI did not meet the benchmark: **KPI 4 – RAL absorption Period**. The result of 4.32 years is slightly above the set target of no more than 4 years. Moreover, 15 out of 22 Delegations did not meet this target. This is due to a combination of high financial amounts committed during the year and low level of payments made.

Based on the root-causes analysis, different causes and corrective actions have been identified by the Delegations. Mitigating measures to be implemented throughout 2020 include:

- Clearing of the contract portfolio and timely closure of projects;
- Improvement of procurement process to accelerate the preparation of the procurement documentation (i.e. Terms of References, Technical specifications and guidelines for Call for Proposals) in order to avoid delays;
- Closer monitoring and follow up of projects to reduce project delays;
- Smarter programming and scheduling of contracting and payments in order to balance the impact of projects that are being implemented longer due to their nature or the challenges during their implementation

Results at Delegation level:

Good results have been achieved at Delegation level, with an increased number of Delegations meeting targets for most of the KPIs in 2019.

% of green KPIs	2017		2018		2019	
	Number of Delegations	%	Number of Delegations	%	Number of Delegations	%
Total Delegations	22		22		22	
80% and more	15	68%▲	17	77%▲	19	83%▲
60% and more	21	95%=	21	95%=	21	95%=
Less than 50%	1	5%=	1	5%=	1	5%=

As in the previous years, only one Delegation, Syria, did not achieve the benchmark of more than 60% of green KPIs. This is due to persistent difficult situation in the country. For more details, please see section II.2 "Detailed Analysis".

Overall Green KPI Result	2017	2018	2019
Albania	76%	80%	87%
Algeria	72%	72%	73%
Armenia	72%	76%	83%
Azerbaijan	80%	84%	83%
Belarus	92%	80%	83%
Bosnia & Herzegovina	88%	88%	83%
Egypt	84%	84%	87%
Georgia	96%	98%	91%
Israel	84%	84%	78%
Jordan	100%	92%	96%
Kosovo*	80%	84%	83%
Lebanon	64%	72%	83%
Moldova	88%	80%	91%
Montenegro	76%	84%	87%
Morocco	88%	84%	91%
North Macedonia	92%	96%	87%
Palestine	84%	88%	96%
Serbia	76%	88%	91%
Syria	40%	56%	50%
Tunisia	96%	96%	87%
Turkey	80%	64%	83%
Ukraine	80%	92%	96%

Results at KPI level:

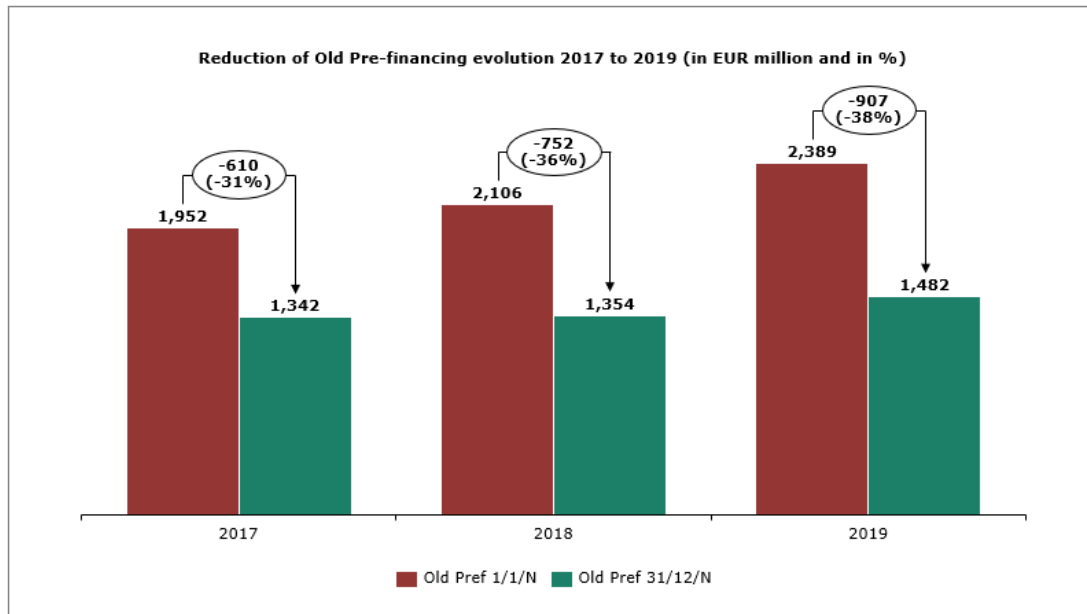
The general trend at KPI level is positive with steady improvements achieved for most of the KPIs.

- **KPI 1** - Accuracy of initial annual financial forecast for payments is within the set benchmark value. Moreover, in the reporting year DG NEAR has achieved the most accurate result over the past 3 years (2019: 98.78%, 2018: 90.31% and 2017: 91.10%).
- **KPI 2** - Accuracy of initial annual financial forecasts for contracts has met the benchmark target in 2019. The KPI result of 101.01% demonstrates that the forecast is much more accurate compared to prior years. (2019: 101.01%, 2018: 111.13% and 2017: 108.38%).
- **KPI 3** - Accuracy of initial annual financial forecasts for decisions is continuously precise and as good as within benchmarks over the last 3 years (2019: 97.62%, 2018: 96.13% and 2017: 99.99%).
- **KPI 4** - The KPI on RAL absorption period was not achieved and remains slightly above the set target of 4 years (2019: 4.32, 2018: 4.35 and 2017: 4.24). With most of the Delegations (i.e. 15 out of 22) not meeting the target, it remains a challenge for DG NEAR to decrease this value in the coming year.
- **KPI 5** - The average time to grant is 38.42 days at DG NEAR, which is very short compared to the set benchmark of no more than 90 days. High effort was demonstrated, and the results improved enormously compared to 2018, when the overall time to grant was 71.76 days.
- **KPI 6 and 7** are forward looking and risk-based indicators calling for attention on projects performing not as expected. The actual performance on these KPIs is within the target of maximum 10% of projects flagged "red", with respectively 3.14% and 3.45%.

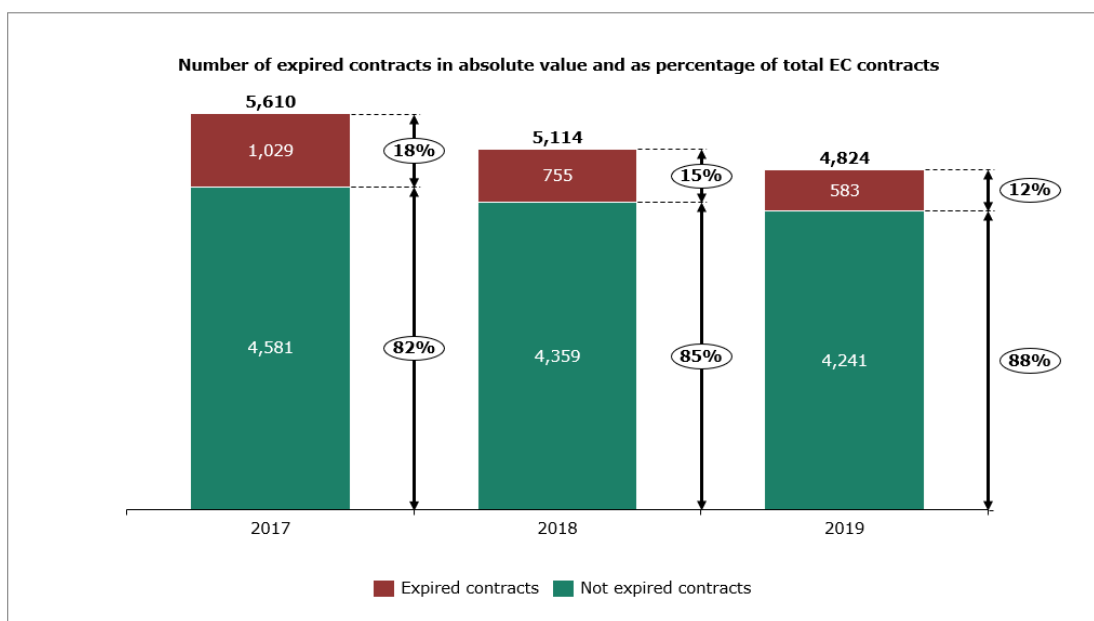
In addition to the usual benchmarks on the projects flagged "red" for KPI 6 and KPI 7, the EAMRs report on moderately problematic projects ("orange" flagging). While the number is substantially higher than the projects flagged "red", they provide an indication of projects' ambitions in terms of results. The majority of Delegations announce an increased policy dialogue and possible extension of project duration as corrective measures to keep up to these high expectations. Capacity of implementing partner and beneficiaries and correlated issues of procurement are frequently cited as concern.

The performance may be different if considered in number of projects or in value of projects. Therefore, the EAMR provides data on KPI 6 and KPI 7 in both numbers and values on "orange" and on "red" projects and on both combined. While on average the performance is relatively similar at Directorate General level in value or in number of projects, substantial differences may appear at the level of Delegations.

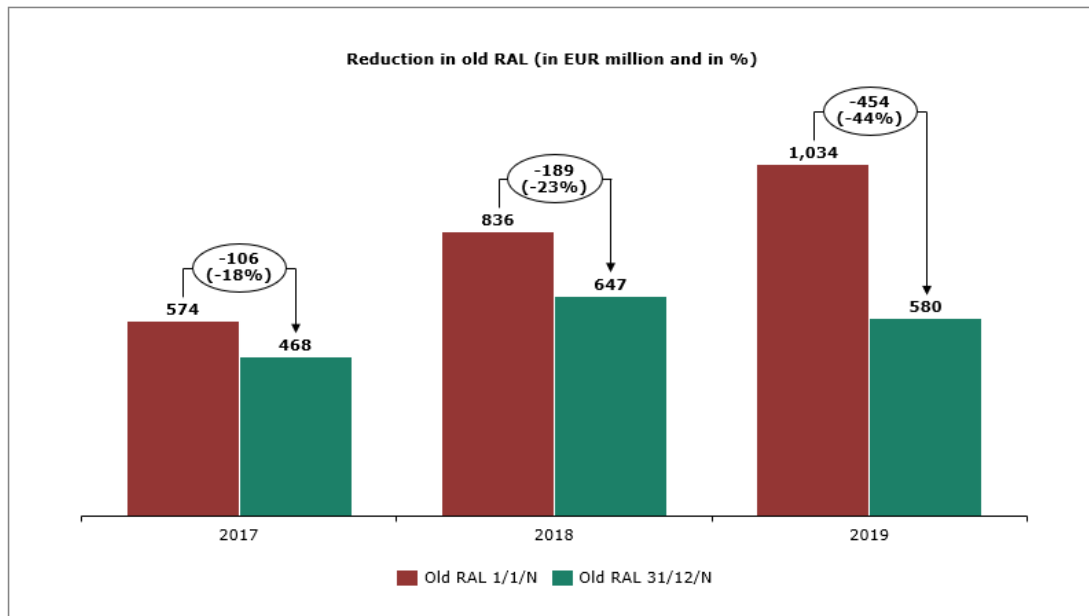
- KPI 8** – Building further on the good results of previous years, DG NEAR has managed to decrease old pre-financing by 37.98%, meeting the set benchmark of at least 25%. The below graph illustrates the evolution of reduction of old pre-financing in percentage and in absolute amount. It shows that in 2019, DG NEAR has achieved the highest reduction in both absolute value (i.e. EUR 907 million) and in percentage.



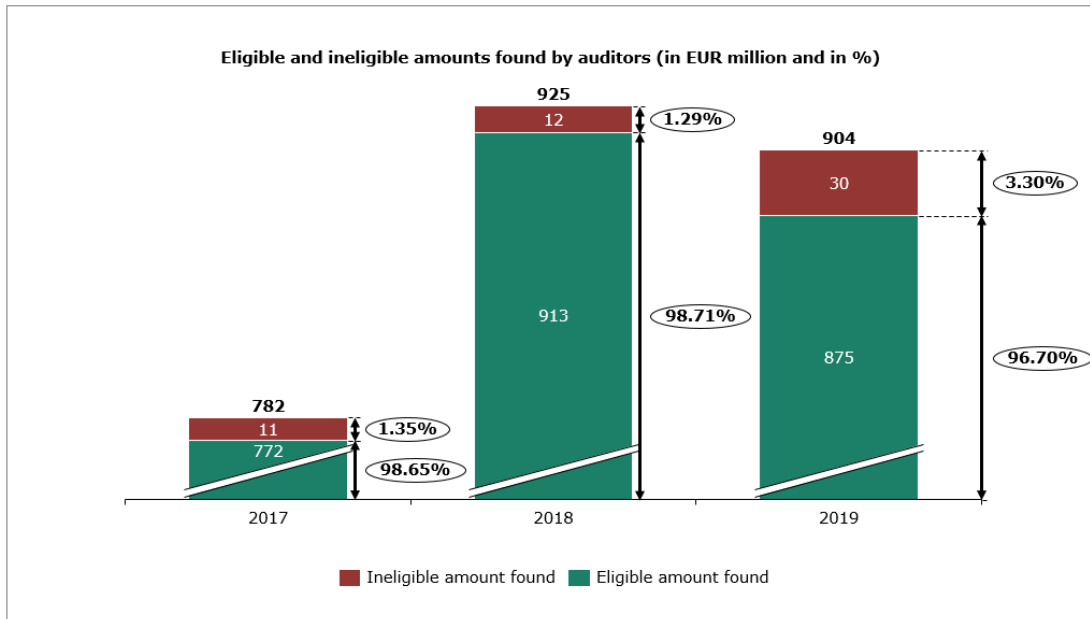
- KPI 9** – In 2019 great effort has been made to reduce the backlog of old contracts, which resulted in positive evolution of KPI 9. DG NEAR was able to decrease the number of expired contracts as percentage of the total contract portfolio to 583 contracts, which corresponds to 12% of the total number of EC contracts. As such the KPI target of less than 15% is met. The evolution in terms of percentage and numbers is illustrated in the graph below.



- **KPI 10** – Because the result of KPI 10 was not met in 2018, the Delegation has prioritized the closure of old contracts leading to enormous improvements in terms of reduction of old RAL. DG NEAR has thus realized an overall reduction of 44%, exceeding the target of at least 25%. The below graph shows the evolution of old RAL in absolute value and in percentage over the last 3 year.



- **KPI 11** – In 2019 DG NEAR was able to reach 92.25% on-time payments, which is slightly higher compared to 2018 (i.e. 90.82%).
- **KPI 12** – With regard to the timely registration of invoices (i.e. within 7 days), DG NEAR maintained the excellent results of the prior year (2019: 91.69% and 2018 90.70%).
- **KPI 13** – In line with the results of 2018, DG NEAR has 100% satisfactory cooperation with EEAS in delegations, based on the respect of the flexibility arrangements regarding the use of DG NEAR staff.
- Although all KPIs related to Effectiveness of Internal Control Systems (**KPI 14 to 20**) have been met at DG NEAR level in 2019, it is worthwhile mentioning that 50% of the Delegations did not meet the target of at least 2% for KPI 20 (Undue payments prevented by ex-ante controls as a % of the claimed amount). Various reasons and correcting actions have been provided by the Delegations; these are elaborated in section II.2 "Detailed Analysis".
- All KPIs related to effectiveness of audit system (**KPI 21 to 24**) have been met at DG NEAR in 2019. Especially for KPI 24 a positive improvement has been recorded, as the auditors were able to identify 3.3% of ineligible expenditure and, hence, exceeding the benchmark value of at least 2%, while in 2018 only 1.26% or EUR 10.75 million was found. The evolution over the past 3 years is illustrated in the table below.



At Delegation level, KPI 24 remains challenging as 10 out of 22 Delegations have scored below the target.

Overall, the Directorate General's results in KPIs proves that sound financial management is in place and internal controls and audit systems functions are effective.

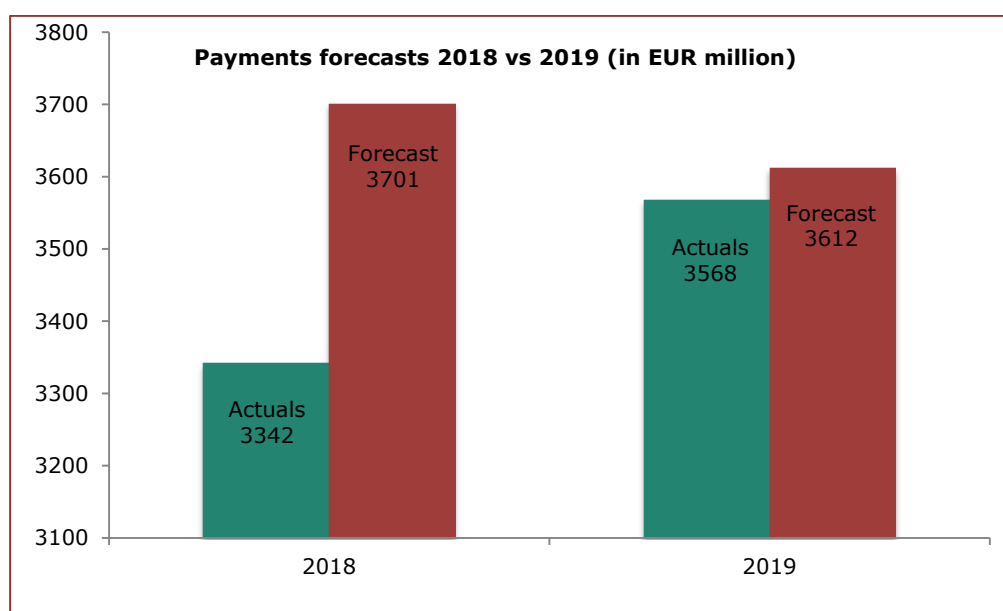
II.2 - Detailed analysis

Results at KPI level

KPI 1 – Accuracy of initial annual financial forecast for payments

In 2019, DG NEAR achieved 98.78% of its financial forecasts for payments (EUR 3,568 million out of a total of EUR 3,612 million forecasted for payments) which is within target range (between 90% and 110%). In 2018, DG NEAR achieved 90.31% (EUR 3,342 million out of a total of EUR 3,701 million forecasted for payments).

98.78%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF NOA²⁸	Total
KPI Value	93.57%	95.86%	109.15%	102.28%	100.46%	95.37%	103.23%	98.78%
Actuals (in EUR million)	679.73	1,302.48	556.84	660.59	2.79	178.14	187.13	3,567.70
Forecasts (in EUR million)	726.45	1,358.69	510.14	645.84	2.78	186.78	181.27	3,611.95
Variance (in EUR million)	-46.72	-56.21	46.70	14.75	0.01	-8.64	5.86	-44.25



²⁸ Trust Fund North of Africa

- **Within target:** 15 Delegations²⁹ and 8 HQ Units (NEAR A05, NEAR B01, NEAR B 03, NEAR C 01, NEAR C 02, NEAR D 02, NEARD D 05 and TF NOA) were well situated within the targets/benchmarks of 90-110%.
- **Above target:** The 3 Delegations exceeding the forecast were Moldova, Bosnia & Herzegovina and Israel. HQ Unit exceeding the forecast was NEAR B 02.

Payments forecast – KPI value above the target of 110%				
Delegation/HQ Unit	KPI	INITIAL FORECAST (in EUR million)	ACTUALS (in EUR million)	VARIANCE (in EUR million)
Moldova	263.04%	35.54	93.47	57.93
Bosnia & Herzegovina	134.75%	47.72	64.30	16.58
Israel	124.57%	5.03	6.27	1.24
NEAR B 02	110.82%	91.05	100.91	9.86

- **Below target:** Remaining 4 Delegations and 6 HQ Units performed below the 90% benchmark with the biggest gaps in actual amounts:

Payments forecast – KPI value below the target of 90%				
Delegation/HQ Unit	KPI	INITIAL FORECAST (in EUR million)	ACTUALS (in EUR million)	VARIANCE (in EUR million)
NEAR B TF 01	38.62%	82.64	31.91	-50.73
Algeria	76.67%	49.28	37.78	-11.50
Kosovo*	87.07%	61.82	53.82	-8.00
NEAR A 03	70.62%	23.92	16.89	-7.03
Syria	87.25%	48.03	41.91	-6.13
Azerbaijan	82.56%	18.60	15.36	-3.24
NEAR A 04	68.82%	8.26	5.68	-2.58
NEAR C 03	84.53%	9.96	8.42	-1.54
NEAR R 05	50.69%	2.78	1.41	-1.37
NEAR A 02	80.69%	5.85	4.72	-1.13

HQ Unit with the biggest variance between the paid amount (in EUR million) and the initial forecast (in EUR million) is NEAR B TF 01.

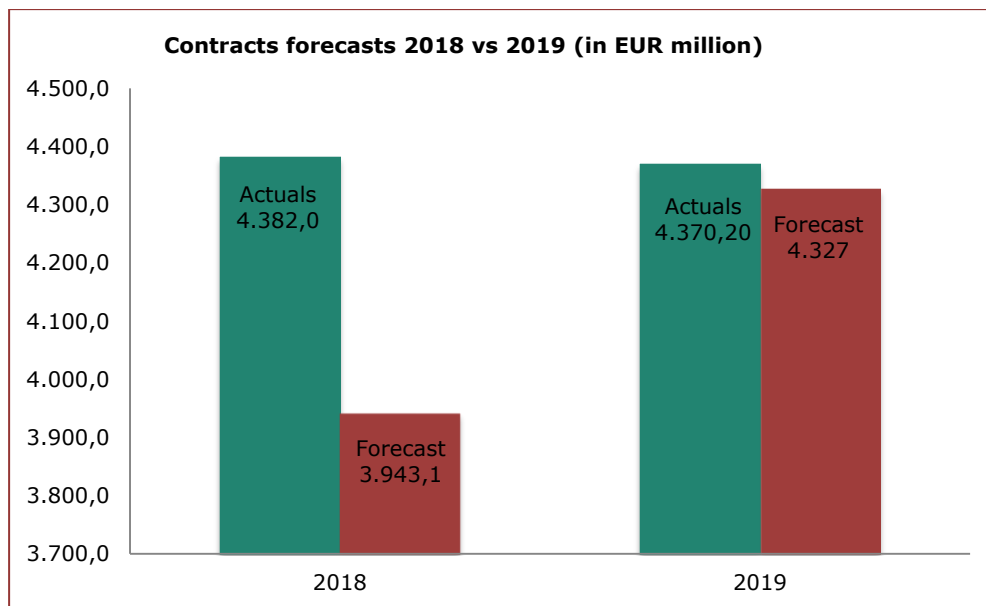
²⁹ Albania, Armenia, Belarus, Egypt, Georgia, Jordan, Palestine, Lebanon, Montenegro, Morocco, North Macedonia, Serbia, Tunisia, Turkey and Ukraine.

KPI 2 – Accuracy of initial annual financial forecast for contracts

In 2019, DG NEAR achieved 101.01% of its financial forecasts for contracts (EUR 4,370 million against a total of EUR 4,327 million forecasted for contracts) which is within target range (between 90% and 110%). In 2018, DG NEAR achieved 111.13% (EUR 4,382 million against a total of EUR 3,943 million forecasted for contracts) which was above target.

NEAR C has the biggest gap in actual amounts above the forecast (EUR 242 million) and NEAR A has the biggest gap below the forecast (EUR -488 million).

101.01%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF NOA	Total
KPI Value	56.07%	117.79%	158.30%	105.43%	151.50%	100.28%	100.28%	101.01%
Actuals (in EUR million)	623	1,536	658	1,075	2	204	273	4,370
Forecasts (in EUR million)	1,111	1,304	416	1,020	1	204	272	4,327
Variance (in EUR million)	-488	232	242	55	1	0	1	43



Although in total KPI 2 is within the benchmark (101.01%), some Delegations/HQ Units performed with a considerable difference from benchmark.

- **Within target:** 10 Delegations³⁰ and 5 HQ Units³¹ were well situated within the benchmarks of 90-110%.
- **Above target:** 5 Delegations exceeded the forecast: Bosnia & Herzegovina, Egypt, Kosovo*, Lebanon and Montenegro. HQ Unit exceeding the forecast were NEAR B 01, NEAR B 02, NEAR C 01 and NEAR R 03.

Payments forecast – KPI value above the target of 110%				
Delegation/HQ Unit	KPI	INITIAL FORECAST (in EUR million)	ACTUALS (in EUR million)	VARIANCE (in EUR million)
NEAR C 01	352.28%	99.30	349.81	250.51
NEAR B 02	481.01%	17.50	84.18	66.68
Lebanon	183.92%	52.03	95.70	43.67
Kosovo*	138.77%	103.95	144.25	40.30
NEAR B 01	121.16%	165.24	200.21	34.97
Egypt	127.73%	64.18	81.97	17.79
Bosnia & Herzegovina	113.66%	75.96	86.34	10.38
Montenegro	112.93%	17.57	19.84	2.27
NEAR R 03	151.5%	1	1.51	0.51

- **Below target:** Remaining 7 Delegations and 2 HQ Units performed below the 90% with the biggest gaps in actual amounts:

TOP 10 - Largest variance below Contracts Forecasts				
Delegation/HQ Unit	KPI	INITIAL FORECAST (in EUR million)	ACTUALS (in EUR million)	VARIANCE (in EUR million)
Turkey	54.00%	1,057.61	571.13	-486.47
Tunisia	87.25%	263.52	229.93	-33.59
Algeria	45.60%	52.88	24.11	-28.77
Morocco	89.96%	229.50	206.45	-23.05
NEAR C 03	1.82%	11.00	0.20	-10.8
Belarus	69.27%	30.85	21.37	-9.48
Syria	85.12%	47.90	40.77	-7.13
Azerbaijan	79.03%	20.64	16.31	-4.33
NEAR A 02	82.90%	10.38	8.60	-1.78

³⁰ Albania, Armenia, Palestine, Georgia, Israel, Jordan, Moldova, North Macedonia, Serbia and Ukraine.

³¹ NEAR A 03, NEAR A 04, NEAR C 02, NEAR D 05, TF NOA

KPI 3 – Accuracy of initial annual financial forecast for decisions

In 2019, DG NEAR realised 97.62% of its financial forecasts for decisions (EUR 5,127 million against a total of EUR 5,252 million). The result has slightly increased compared to 2018 (96.13%). All Directorates reached the benchmark of 90-110%.

KPI 3 was calculated in 2019 in NEAR only on a Directorate level. Forecast on Decisions level is done centrally at HQs. Delegations do not do forecast of future Decisions in any NEAR IT tool.

97.62% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF NOA	Total
KPI Value	100.52%	91.19%	103.49%	96.91%	100%	100%	100%	97.62%
Actuals (in EUR million)	1,626	1,295	764	1,073	1	170	197	5,127
Forecasts (in EUR million)	1,618	1,420	739	1,107	1	170	197	5,252
Variance (in EUR million)	8	-125	25	-34	0	0	0	-125

KPI 4 – RAL Absorption Period

Once a new project is decided, the amount necessary for covering the related expenditure for the entire duration of the project (usually 3 to 6 years) is put aside by the Commission ("commitment"). The "Reste à Liquider" (RAL) is the difference between the total financial number of projects decided and the payments made for those projects.

When dividing the RAL amount at the end of the year by the annual amount of payments made during the year, it should arrive at an implementation period of less than 4 years which is considered normal considering the multi-annuality of EU projects. Please note that KPI 4 related to RAL absorption is not benchmarked at HQs level. The benchmark is only applied at Delegation and DG levels. This is explained by the contracts of centrally managed decisions which are usually managed by different entities. The paid amount is attributed to these entities whereas the decided amount that is left to be contracted is attributed to the unit managing the decision. As a result, the KPI calculation for these units is not relevant and the benchmark cannot be applied.

The global result for DG NEAR at 2019-year end stands at 4.32 years which is higher than the ceiling of 4 years. In amounts, this is EUR 3,898 million of payments against EUR 16,847 million of RAL.

At Delegation level, the TOP and BOTTOM Delegations are as follows:

TOP 10 Delegations	KPI result
Palestine	1.07
Israel	2.34
Syria	2.38
Montenegro	3.00
Ukraine	3.03
Moldova	3.19
Lebanon	3.94
Jordan	4.29
Bosnia & Herzegovina	4.31
Serbia	4.47

BOTTOM 10 Delegations	KPI result
Egypt	10.38
Armenia	7.74
North Macedonia	7.47
Kosovo*	6.88
Tunisia	5.91
Turkey	5.69
Georgia	5.39
Albania	5.22
Belarus	5.20
Azerbaijan	5.02

KPI 5 – Average Time to Grant

In 2019, DG NEAR signed grant agreements or notified grant decisions within 38.42 days, which is below the benchmark of No more than 90 days. The table below gives an overview by Directorate on KPI 5 value and the average delay for signing grant agreements or notifying grant decisions.

38.42 ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI Value	28.43	55.87	44.11	24.27	81.18	38.42
Days taken	597	2905	1805	2573	1380	9260
Grants	21	52	45	106	17	241

The TOP 10 Delegations in terms of KPI result are presented in the table below:

TOP 10 Delegations	KPI result
Albania	8.86
Serbia	9.21
Kosovo*	12.22
Jordan	22.75
Egypt	28.17
Turkey	28.43
Montenegro	35.82
Bosnia &	37.50
Palestine	50.42
Georgia	51.00

KPI 6 – % of Projects with a red traffic light for Implementation Progress

KPI 6 is calculated on the basis of the following question for each project: *What is the expected level of scheduled resources the project will be able to use before the end of the project (< 75%, red; 75% - 90%, orange; > 90%, green).*

DG NEAR met the benchmark of “no more than 10 % projects with a red traffic light” with a score of 3.14% in 2019.

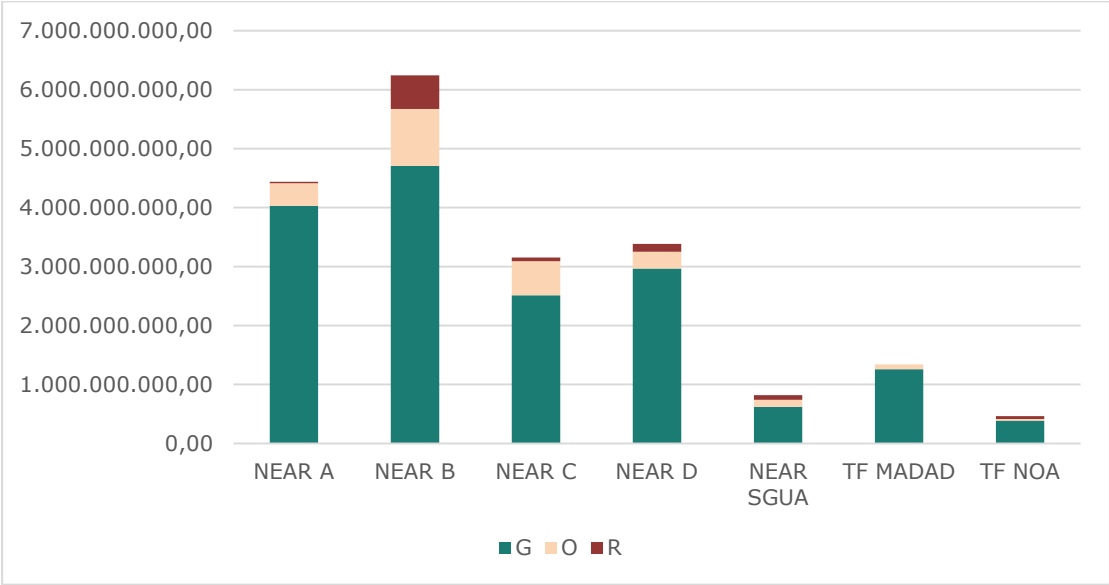
3.14%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TF MADAD³²	TF NOA	Total
KPI result	1.49%	4.25%	3.15%	2.45%	1.65%	0.00%	5.71%	3.14%
Number of projects with red traffic light for implementation progress	1	34	17	17	2	0	2	73
All projects	67	800	539	693	121	67	35	2,322
Project value with red traffic light (in EUR million)	25	569.79	64.90	132.10	81	0	47.72	920.52
Total project value (in EUR million)	4,438	6,243	3,155	3,385	820.53	1,341	463.40	19,846
Contextual indicator	0.56%	9.13%	2.06%	3.90%	9.87%	0.00%	10.30%	4.64%

KPI 6 and KPI 7 are forward looking as they assess the probability to fully use the project resources and to reach the expected level of outputs and outcomes at the end of the projects. Orange and red traffic lights call for attention and indicate if corrective actions are envisaged and if risks on implementation and on achieving results remain.

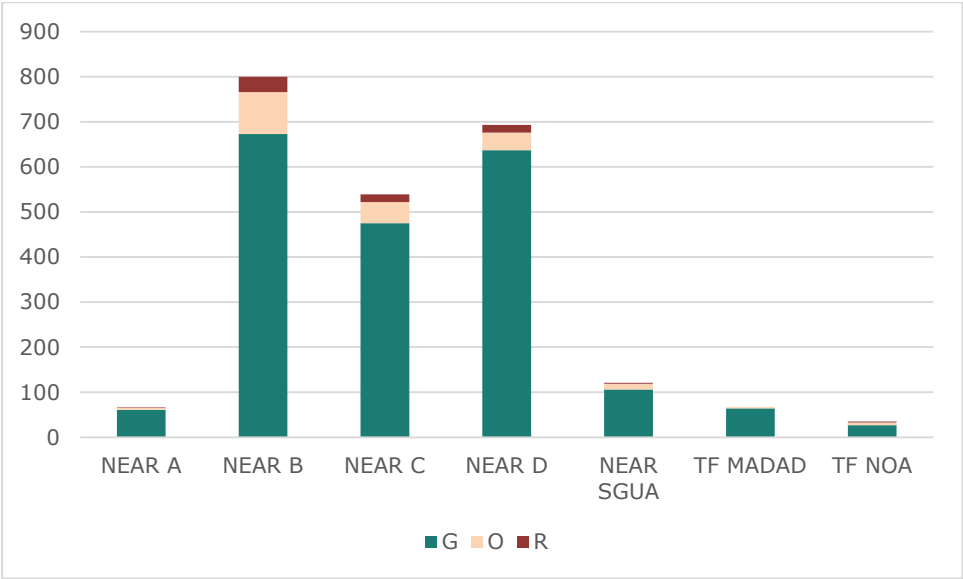
A project can be given an orange traffic light if a risk remains, even if it is on schedule. On the other hand, a project behind schedule may be given a green traffic light if constraints or issues have been solved and the project will now continue at full speed and make up for delays. A project is defined as problematic if one of KPI 6 and/or KPI 7 is orange or red.

³² Trust Fund Madad: Trust Fund in Response to the Syrian Crisis

The graph below shows the total project value (in EUR million) with green (G), orange (O) and red (R) traffic lights for Implementation Progress per directorate.



The graph below shows the number of projects with green (G), orange (O) and red (R) traffic lights for Implementation Progress per directorate.



Out of the total number of projects (2,322) with total value of EUR 19,846 million, 2,043 (87.98%) received a green traffic light for a total value of EUR 16,486 million (83.07%); 206 projects (8.87%) were flagged orange with a total value of EUR 2,439 million (12.29%) and 73 projects (3.14%) were flagged red with a total value of EUR 920.52 million (4.64%).

KPI 7 – % of Projects with a red traffic light for Achieving Objectives

KPI 7 is calculated based on the following two questions for each project:

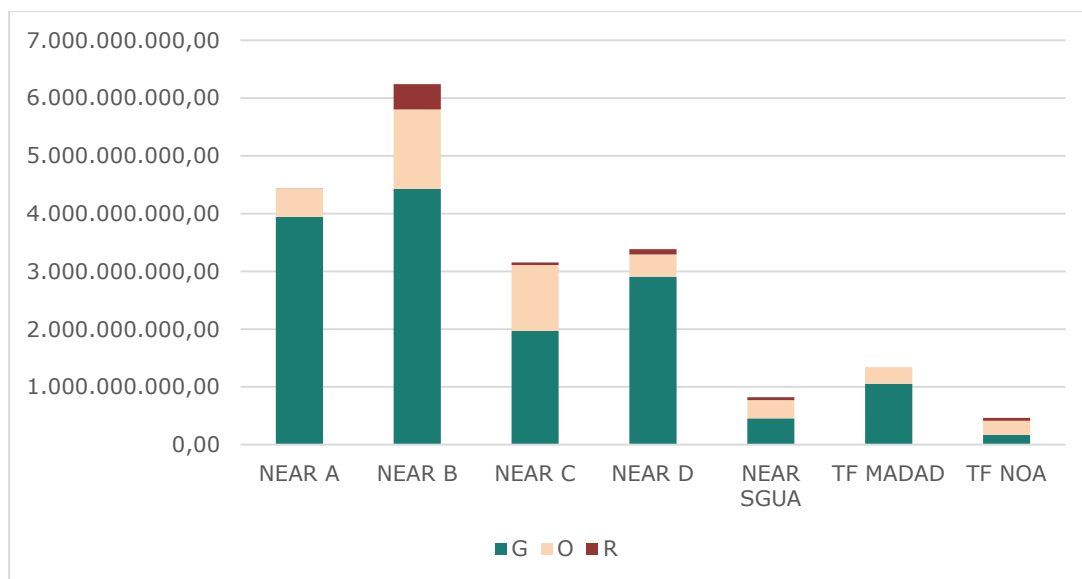
7.1. What is the likely level that the projects will achieve in terms of output targets (< 75%, *red*; 75% - 90%, *orange*; > 90%, *green*)?

7.2. What is the risk that - regardless of any outputs achieved - the intended outcome of the project will not be achieved (*high, red*; *medium, orange*; *low, green*)?

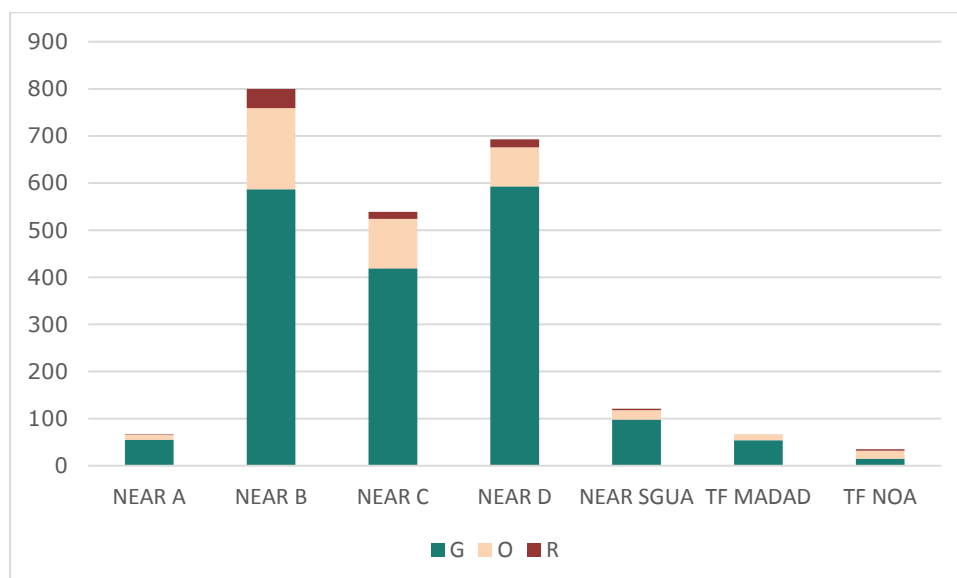
The traffic light corresponds to the least favourable of the answers to these two questions. DG NEAR met the benchmark of “not more than 10% of projects with a red traffic light” with a score of 3.45% in 2019.

3.45% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TF MADAD	TF NOA	Total
KPI result	1.49%	5.13%	2.78%	2.45%	2.48%	0.00%	8.57%	3.45%
Number of projects with red traffic light for achieving objectives	1	41	15	17	3	0	3	80
All projects	67	800	539	693	121	67	35	2,322
Project value with red traffic light (in EUR million)	0.20	438.47	46.33	92.13	48.36	0	50.72	676.21
Total project value (in EUR million)	4,438	6,243	3,155	3,385	820.53	1,341	463.40	19,846
Contextual indicator	0.0045%	7.02%	1.47%	2.72%	5.89%	0	3.78%	3.41%

The graph below shows the total project value (in EUR million) with green (G), orange (O) and red (R) traffic lights for “Achieving Objectives” per directorate.



The graph below shows the number of projects with green (G), orange (O) and red (R) traffic lights for "Achieving Objectives" per directorate.



Out of the total number of projects (2,322) with total value of EUR 19,846 million, 1,821 (78,42%) received a green traffic light for a total value of EUR 14,926 million (75.21%); 421 projects (18.13%) were flagged orange with a total value of EUR 4,243 million (21.38%) and 80 projects (3.45%) were flagged red with a total value of EUR 676.21 million (3.41%).

The table below shows the 10 Delegations having the highest value of orange and red projects (in EUR million):

Delegations	Total value of portfolio (in EUR million)	Green Projects (in EUR million)	Orange Projects (in EUR million)	Red Projects (in EUR million)	Problematic projects (orange or red In EUR million)
Morocco	970.42	274.20	389.55	306.67	696.22
Turkey	4,269.46	3,759	485.45	25	510.45
Egypt	1,027.01	612	175.34	239.66	415.00
Ukraine	820.53	452.16	284	84.36	368.37
Tunisia	1,077.64	756.53	311.22	9.89	321.11
Albania	375.43	127.80	219.63	28	247.63
Jordan	591.11	380.39	144.52	66.20	210.72
Georgia	440.68	278.46	155.98	6.24	162.22
Lebanon	258.17	101.12	136.13	20.92	157.05
Armenia	337.55	186.24	127.02	24.29	151.31

The table below shows the 10 Delegations having the highest number of red projects:

Delegations	Total value of the Red Projects (in EUR million)	Number of Red Projects
Morocco	306.67	10
Kosovo*	44.17	9
Egypt	239.66	7
Lebanon	20.92	6
Armenia	24.29	5
Jordan	66.20	5
Syria	23.01	5
Serbia	17.15	4
Ukraine	84.36	4
Algeria	41.79	3

The table below shows the 10 Delegations having the highest percentage in total value (EUR million) of problematic projects (orange and red projects):

	Delegations	Green Projects (in EUR million)	Orange Projects (in EUR million)	Red Projects (in EUR million)	Problematic projects (orange or red) In EUR million)	Total value of portfolio (in EUR million)	% of problematic projects (orange or red)
1	Morocco	274.20	389.55	306.67	696.22	970.42	71.74%
2	Albania	127.80	219.63	28	247.63	375.43	65.96%
3	Lebanon	101.12	136.13	20.92	157.05	258.17	60.83%
4	Algeria	106.27	80.77	41.79	122.56	228.83	53.56%
5	Ukraine	452.16	284	84.36	368.37	820.53	44.89%
6	Armenia	186.24	127.02	24.29	151.31	337.55	44.83%
7	Syria	82.44	42.92	23.01	65.93	148.37	44.44%
8	Egypt	612	175.34	239.66	415	1,027.01	40.41%
9	Georgia	278.46	155.98	6.24	162.22	440.68	36.81%
10	Kosovo*	142.59	36.30	44.17	80.48	223.07	36.08%

The table below shows the 15 green projects with the largest EU contribution:

Country/Unit	Title of project	EU contribution in EUR million	BS Y/N
Turkey	Promoting Integration of Syrian Kids into the Turkish Education System (PIKTES II)	400	N
Turkey	Annual Action Programme for Turkey for the Year 2014 - Objective 1	332	N
Turkey	Promoting Integration of Syrian Children into Turkish Education System (PICTES)	300	N
Turkey	Improving the health status of the Syrian population under temporary protection and related services provided by Turkish authorities	300	N
Turkey	Multi-annual Action Programme for Turkey on Environment and Climate Action	280	N
Turkey	Multi-annual Action Programme for Turkey on Employment, Education and Social policies	275	N
Turkey	Action Programme for Turkey 2016 - Objective 1	234	N
Turkey	Multiannual Action Programme for Turkey on Competitiveness and Innovation	221	N
Turkey	2012 National Programme for Turkey under the Instrument for Pre accession Assistance - Transition Assistance and Institution Building Component - Part 1A	214	N
Turkey	Education for all in times of crisis II	205	N
Turkey	National Programme For Turkey IPA 2013	199	N
North Macedonia	IPA II 2014-2020 Multi-annual Country Action Programme on Environment and Transport, the Republic of North Macedonia	194	N
Turkey	Annual Action Programme for Turkey for the Year 2015 - Objective 1	187	N
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework	172	N
NEAR C 01	ENI CBC 2014-2020 / Mediterranean Sea Basin	161	N

The table below lists the top 15 largest red projects value (in EUR million):

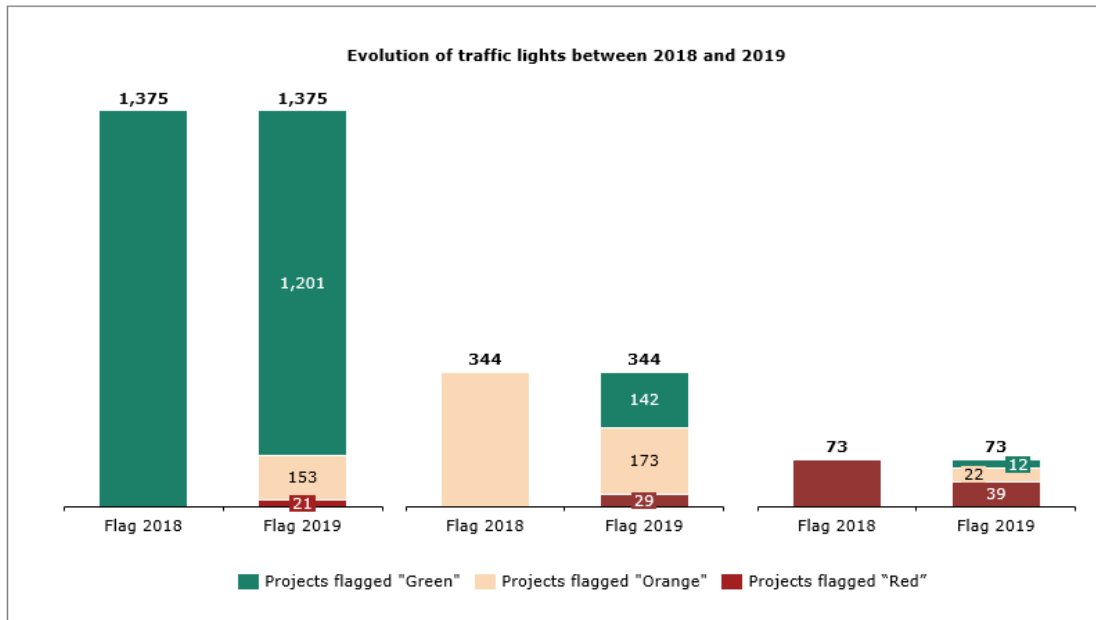
Country/Unit	Title of project	EU contribution EUR	BS Y/N
Egypt	Water Sector Reform Programme A- Phase II (WSRP-II)	120	Y
Egypt	HSPSP II-Health Sector Policy Support Programme II	110	Y
Morocco	Contrat pour le versement des différentes tranches de l'appui budgétaire du programme PASS II	94	Y
Morocco	Contrat pour le versement des différentes tranches de l'appui budgétaire du programme Justice	66	Y
Morocco	Déboursement des tranches d'appui budgétaire du "Programme d'appui à la réforme du secteur de la formation professionnelle au Maroc"	52	Y
Ukraine	Continued Support to the implementation of Ukraine`s Energy Strategy	45	Y
TF North of Africa	Delegation agreement with Italian Ministry of Interior (Dipartimento Della Pubblica): "Support to integrated border and migration management in Libya - first phase"	42	N
Ukraine	Support to rule of law reforms in Ukraine (PRAVO - Police, Public Prosecution, Good Governance)	36	N
Jordan	As Samra Wastewater Treatment Plant Expansion BOT (build-operate-transfer)	31	N
Morocco	Centrale solaire NOOR Midelt I	30	N
Morocco	Centrale solaire NOOR Midelt II	30	N
Morocco	Contrat de versement des tranches d'appui budgétaire aux politiques migratoires	29	Y
Albania	Sector Reform Contract for Public Administration Reform	28	Y
Turkey	Turkey Sustainable City Planning and Management Systems	25	N
Kosovo*	Sector Reform Contract for Public Administration Reform	22	Y

The table below lists the 15 largest project value with orange or red flags (in EUR million):

Country/Unit	Title of project	EU contribution EUR	BS Y/N	Flag (O/R)
Turkey	Multi-annual country Action Programme for Turkey on Transport	346	N	O
NEAR C 01	CBC-Joint Operational Programme Poland-Belarus-Ukraine - Tranche 2008	186	N	O
NEAR C 01	ENI CBC 2014-2020 / Poland-Belarus-Ukraine	165	N	O
NEAR C 01	CBC-Joint Operational Programme Romania-Ukraine-Moldova - Tranche 2008	127	N	O
Egypt	Water Sector Reform Programme Phase II (WSRP-II)	120	Y	R
Egypt	HSPSP II-Health Sector Policy Support Programme II	110	Y	R
Morocco	Contrat d'appui budgétaire pour l'appui à la croissance verte et à la compétitivité du Maroc.	99	Y	O
Morocco	Contrat pour le versement des 4 tranches de l'appui budgétaire du programme d'appui à la Protection Sociale	96	Y	O
Ukraine	Administration Agreement between the European Commission and the International Finance Corporation concerning the Energy Efficiency Support Program for Ukraine EE4U Multi-Donor Trust Funds	95	N	O
Morocco	Contrat pour le versement des différentes tranches de l'appui budgétaire du programme PASS II	94	Y	R
Ukraine	Support to Comprehensive Reform of Public Administration in Ukraine (budget support component)	90	Y	O
Morocco	Contrat pour le versement des tranches d'Appui Budgétaire du Programme Hakama	83	Y	O
TF MADAD	DELEGATION AGREEMENT 'TECHNICAL ASSISTANCE AND INVESTMENT SUPPORT FOR THE MUNICIPAL RESILIENCE FACILITY (MRF)' WITH EIB	72	N	O
TF North Of Africa	DELEGATION AGREEMENT WITH IOM "PROTECTING VULNERABLE MIGRANTS AND STABILIZING COMMUNITIES IN LIBYA"	71	N	O
NEAR C 01	CBC- Joint Operational Programme Hungary/Slovakia/Romania/Ukraine - Tranche 2008	69	N	O

Evolution of traffic lights between 2018 and 2019

The table below shows the changes in total numbers of projects per flag between 2018 and 2019 for those projects which were listed in both the 2018 and 2019 EAMRs.



From 2018 to 2019, the total number of problematic projects increased from 417 to 545.

From the 73 projects flagged red in 2018, 34 were upgraded to orange or green and from the 344 orange projects in 2018, 142 were upgraded to green, partly as a result of remedial action taken by project managers in EU Delegations.

On the other hand, 29 orange and 21 green projects in 2018 were downgraded to red in 2019, partly because of a changing project context (security and/or macro-economic deterioration, climatic hazards).

A total of 39 projects were flagged red in both 2018 and 2019.

The table below shows the types of problems for all projects flagged orange or red on KPI 6 and/or 7. The result of this analysis is shown in the table below:

Problem Typology	Orange		Red		Orange or red	
	Count	%	Count	%	Count	%
Other	53	12%	9	12%	62	12%
Substantial mistakes in the intervention logic, in assumptions or in risk assessment	0	0%	0	0%	0	0%
Low capacity/performance of impl.partner/T.A./beneficiaries (absorption/procedures)	202	45%	38	51%	240	46%
Procurement issues/ delays (calls for tender/ proposals/ other)	86	19%	10	14%	96	18%
Low interest/ commitment of stakeholders - insufficient coordination among stakeholder	71	16%	23	31%	94	18%
Insufficient Co-financing/ staff contribution by Government or partner organisation	25	6%	9	12%	34	7%
Blocking conditions (e.g. awaiting voting of a law, an admin. reform, a resettlement...)	82	18%	26	35%	108	21%
Insecurity/ unrest	32	7%	4	5%	36	7%
Natural disaster/ hazard	3	1%	0	0%	3	1%
Fiduciary risk (corruption, fraud)	23	5%	8	11%	31	6%
Political or economic instability or general/ sector policy issues	149	33%	23	31%	172	33%
Total number of orange and red projects	446		74		520	

An important proportion of "problematic" projects, 240 of the total number of projects at NEAR, is related to "Low capacity/performance of impl.partner/T.A./beneficiaries".

This can be explained by the high expectations that the EU has from the implementing partner or beneficiaries, including the partner Governments, which may lead to an overoptimistic design of a project.

Projects are implemented in a sometimes rapidly changing context which may lead to the need to update the assumptions and risks, possibly with a correction in project design.

Finally, projects can often not be completely designed at formulation phase if there are no baselines, if the project enters a new domain of cooperation, a new geographic area, with new partners or innovative approaches. Therefore, there will always be a need to keep the project design flexible and to adjust as fit.

Considering the above, an increase in policy dialogue, an increase in monitoring and a possible extension of the project are logically the most frequent corrective measures mentioned by Delegations.

The table below shows the main corrective measures for projects flagged orange or red on KPI 6 and/or 7. The result of this analysis is shown in the table below:

Corrective Measures	Orange		Red		Orange or red	
	Count	%	Count	%	Count	%
Other	26	6%	6	8%	32	6%
Substantial change in intervention logic	13	3%	3	4%	16	3%
Moderate adaptation of activities/ budget reallocation	126	28%	16	22%	142	27%
Changes in implementation/ contractual arrangements	65	15%	12	16%	77	15%
Extension of project anticipated (this year or in later years)	158	35%	24	32%	182	35%
Intensified political dialogue and/or donor coordination	165	37%	33	45%	198	38%
Increased monitoring (Internal/ROM/MTR) – increased fiduciary control mechanism	150	34%	15	20%	165	32%
Security risk mitigation measures impacting on performance	13	3%	4	5%	17	3%
No new significant corrective measures required/planned	7	2%	27	36%	34	7%
Suspension or termination of project	64	14%	8	11%	72	14%
Total number of orange and red projects	446		74		520	

Financial Memorandums

Financial Memorandum type of contract consists of local contracts managed by the Beneficiary Countries. Information on those local contracts is not available in CRIS IT system. For the 2019 EAMR exercise a special algorithm was prepared to facilitate the assessment of Financial Memorandums by the IPA Delegations. Each local contract per Financial Memorandum, that was ongoing during the year 2019, was assessed by the Delegation separately using the same rules as for other projects in the project list and then a weighted average was used to assess Financial Memorandum globally.

Below tables show for each IPA Delegation the total value of FMs compared with local contracts still active in 2019. The columns 4-9 show the assessment made in relation to KPI6 and KPI7. The last three columns present global assessment for each Financial Memorandum.

North Macedonia

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 6 assesment for local contracts			KPI 7 assesment for local contracts			Global Assessment		Problematic project in 2019
			Green	Orange	Red	Green	Orange	Red	KPI6	KPI7	
AAP 2014 - Financing Agreement between Republic of North Macedonia and European Commission concerning Annual National Programme for 2014	12.715.899	10.617.122	13	0	0	13	0	0	Green	Green	No
MAAP 2014-20 - Multi-Annual Action Programme for Environment and Transport	39.451.900	32.412.623	5	1	0	5	1	0	Green	Green	No
TAIB 2013: National Programme for the Republic of North Macedonia under the IPA – Transition Assistance and Institution Building Component for 2013	19.765.337	16.290.483	16	0	1	15	1	1	Green	Green	No
Total	71.933.136	59.320.228									

Albania

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 6 assesment for local contracts			KPI 7 assesment for local contracts			Global Assessment		Problematic project in 2019
			Green	Orange	Red	Green	Orange	Red	KPI6	KPI7	
IPA 2012	18.700.000	15.075.853	1	0	0	1	0	0	Green	Green	No
IPA 2013	14.300.000	6.181.135	3	0	0	3	0	0	Green	Green	No
IPA 2014	16.300.000	10.847.218	7	1	0	6	2	0	Green	Green	No
IPA 2015	7.550.000	2.048.698	5	1	0	5	1	0	Green	Green	No
Total	56.850.000	34.152.904									

Montenegro

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 6 assesment for local contracts			KPI 7 assesment for local contracts			Global Assessment		Problematic project in 2019
			Green	Orange	Red	Green	Orange	Red	KPI6	KPI7	
CBC ME AL 2014	1.190.000	1.165.918	0	4	0	0	4	0	Orange	Orange	Yes
CBC ME AL 2015	1.700.000	1.586.459	0	4	0	0	4	0	Orange	Orange	Yes
CBC ME KS 2014	840.000	833.164	3	0	0	3	0	0	Green	Green	No
CBC ME KS 2015	1.200.000	1.186.830	4	0	0	4	0	0	Green	Green	No
SOPEES 2015	15.300.000	3.171.875	7	0	0	7	0	0	Green	Green	No
CAP 2016	22.948.900	2.689.400	2	0	0	2	0	0	Green	Green	No
IPA 2017 transport	9.642.250	3.660.000	1	0	0	1	0	0	Green	Green	No
Total	52.821.150	14.293.646									

Turkey

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 6 assesment for local contracts			KPI 7 assesment for local contracts			Global Assessment		Problematic project in 2019
			Green	Orange	Red	Green	Orange	Red	KPI6	KPI7	
National Programme 2012	10.069.115	9.138.621	1	0	0	1	0	0	Green	Green	No
National Programme 2013	56.372.597	30.373.660	12	3	3	15	2	1	Green	Green	No
AAP 2014 Objective 1	108.985.181	45.147.595	68	3	4	70	5	0	Green	Green	No
AAP 2014 Objective 2	2.073.750	1.617.000	2	0	0	2	0	0	Green	Green	No
AAP 2015 Objective 1	133.512.686	53.107.072	28	1	1	26	3	1	Green	Green	No
AAP 2015 Objective 2	53.747.685	18.348.212	23	0	0	23	0	0	Green	Green	No
AAP 2016 Objective 1	38.186.044	15.619.560	6	0	0	5	1	0	Green	Green	No
AAP 2016 Objective 2	1.000.000	781.567	1	0	0	1	0	0	Green	Green	No
MAAP Competitiveness & Innovation	32.633.411	4.285.115	12	1	0	13	0	0	Green	Green	No
MAAP Education, Employment, Social	74.343.022	74.343.022	8	0	0	8	0	0	Green	Green	No
MAAP Transport	275.000.000	48.995.564	1	1	0	0	2	0	Orange	Orange	Yes
MAAP Environment & Climate	25.217.462	1.546.344	12	0	0	12	0	0	Green	Green	No
Total	811.140.953	303.303.332									

Serbia

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 6 assesment for local contracts			KPI 7 assesment for local contracts			Global Assessment		Problematic project in 2019
			Green	Orange	Red	Green	Orange	Red	KPI6	KPI7	
AAP Serbia IPA 2014 - Democracy and Governance (IPA/2014/032-078)	25.524.744	22.828.341	18	1	0	16	3	0	Green	Orange	Yes
AAP Serbia 2014 - Competitiveness and Growth (IPA/2014/032-799)	27.993.955	28.873.653	15	0	1	15	0	1	Green	Green	No
AAP Serbia IPA 2015 - Objective 2 - Transport (IPA/2015/038-442)	57.585.369	57.585.369	2	1	0	2	1	0	Orange	Orange	Yes
AAP Serbia IPA 2016 - Action 03: Twinning facility	3.999.320	3.999.320	3	0	0	3	0	0	Green	Green	No
Total	115.103.389	113.286.683									

KPI 8 – Reduction of Old Pre-financing

All Directorates met the minimum target of 25% reduction. Between 01/01/2019 and 31/12/2019, the total amount of old pre-financing has decreased from EUR 2,389 million to EUR 1,482 million. Old pre-financing is reduced by 37.98% (EUR 907 million).

37.98% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF MADAD	Total
KPI Value	46.09%	42.34%	26.57%	49.28%	96.74%	27.43%	34.19%	37.98%
Old pre-financing 01/01/2019 (in EUR million)	343.88	671.64	879.83	308.82	35.76	102.95	46.47	2,389.34
Old pre-financing 31/12/2019 (in EUR million)	185.40	387.29	646.09	156.64	1.16	74.71	30.58	1,481.88
Reduction in amounts (in EUR million)	158.48	284.35	233.74	152.18	34.60	28.24	15.88	907.46

KPI results, cleared amounts and open amounts at HQ level are presented in the tables below.

HQ	KPI Value	Cleared Amount in EUR million
NEAR A 03	100.00%	2.75
NEAR A 04	100.00%	0.63
NEAR R 05	96.74%	34.60
NEAR C 03	94.46%	0.28
NEAR A 05	60.50%	9.83
NEAR B 03	57.90%	6.96
NEAR B 02	52.14%	39.85
NEAR C 02	42.94%	11.44
NEAR D 05	40.53%	72.30
TF MADAD	34.19%	15.89
NEAR B TF 01	24.15%	0.47
NEAR C 01	23.17%	162.33
NEAR A 02	7.40%	0.16

HQ	Open Amount at the end of the year in EUR million
NEAR C 01	538.30
NEAR D 05	106.07
NEAR B 02	36.67
TF MADAD	30.58
NEAR C 02	15.20
NEAR A 05	6.42
NEAR B 03	5.06
NEAR A 02	1.99
NEAR B TF 01	1.49
NEAR R 05	1.16
NEAR C 03	0.02
NEAR A 03	0
NEAR A 04	0

At the HQ level, 3 out of 13 Units for which KPI 8 is applicable did not meet the minimum target of 25% reduction: NEAR B TF 01 (24.15%), NEAR C 01 (23.17%) and NEAR A 02 (7.40%).

All the 22 Delegations met the target reducing Old Pre-financing by at least 25%. The tables below show the TOP 10 delegations in terms of KPI value, highest cleared amount in EUR million and lowest end-open amount in EUR million:

TOP 10 Delegations	KPI Value	Cleared in EUR million	TOP 10 Delegations	Cleared amount in EUR million	TOP 10 Delegations	Open Amount in EUR million
Montenegro	98.83%	3.53	Turkey	145.11	Montenegro	0.04
Bosnia & Herzegovina	81.17%	8.88	Egypt	68.67	Israel	1.31
Azerbaijan	74.31%	5.51	Tunisia	49.65	Azerbaijan	1.91
Serbia	71.23%	27.01	Lebanon	37.85	Bosnia & Herzegovina	2.06
Israel	62.56%	2.19	Ukraine	28.24	Kosovo*	4.86
Belarus	61.12%	8.72	Serbia	27.01	Belarus	5.55
Lebanon	59.46%	37.85	Jordan	25.54	Serbia	10.91
Tunisia	58.12%	49.65	North Macedonia	22.33	Algeria	11.38
North Macedonia	57.59%	22.33	Syria	19.86	Palestine	15.71
Algeria	47.27%	10.20	Moldova	17.80	Albania	16.25

KPI 9 - Expired contracts as a % of the contract portfolio

Expired contracts are those that are open more than 18 months after the end of operational implementation. At the end of 2019, 583 contracts or 12.09% of the total number of open contracts (4,824) were expired. This is an improvement compared to 2018: 14.76% and 755 expired contracts. Two Directorates did not meet the benchmark target of less than 15% of expired contracts for this KPI:

12.09% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI value	16.32%	13.48%	9.00%	11.23%	35.21%	8.10%	12.09%
N° of expired contracts	39	236	84	182	25	17	583
All contracts	239	1,751	933	1,620	71	210	4,824

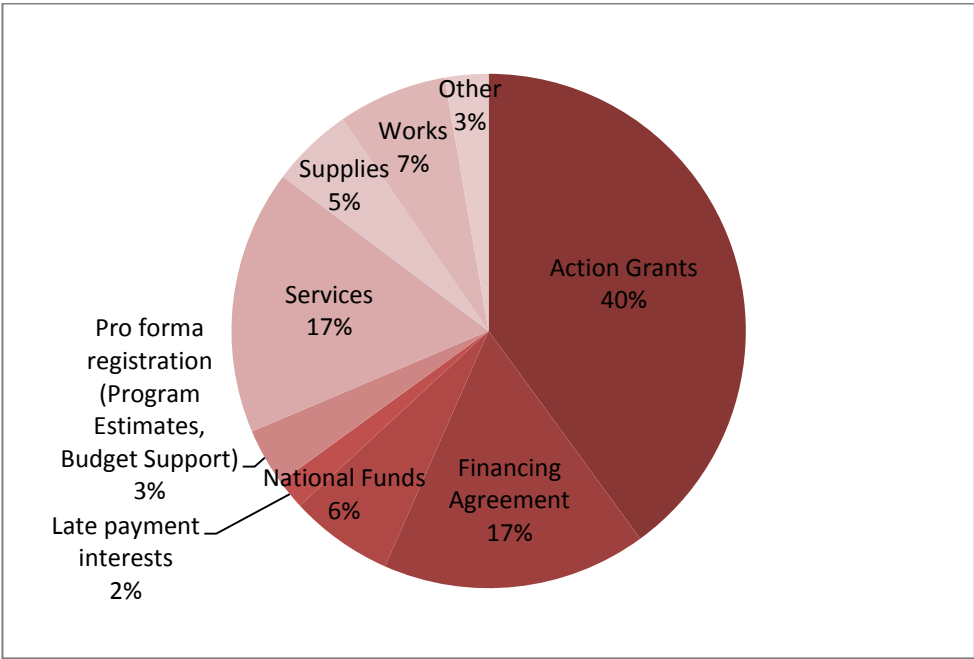
Values of expired contracts per Directorate are presented in the below table:

18.22%	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
Expired contracts (in million)	1,989	666.47	506.53	490.96	947.17	22	4,622
All contracts (in million)	7,120	7,650	3,996	4,631	1,032	940.03	25,369

At Delegation level, 19 out of 22 Delegations have positive KPI results.

NEAR Delegations Top 10 expired contracts		31/12/2019
Managing Entity	Expired contracts	KPI
Albania	26	13,00%
Palestine	25	10,78%
Tunisia	24	11,21%
Bosnia & Herzegovina	24	12,00%
Turkey	23	15,44%
Egypt	20	8,73%
Syria	19	23,46%
Montenegro	17	10,90%
Armenia	15	10,79%
Moldova	14	9,86%

Action Grants, Financing Agreements and Services contracts account for 74% of the number of expired contracts:



Audited contracts

A total of 11 out of the 583 expired contracts have an ongoing audit by end 2019. We note an improvement compared to last year (35 expired contracts had an ongoing audit by end of 2018).

Special efforts have been made to speed up the contradictory phase with the auditee and the recovery of ineligible expenditure or unspent pre-financing.

The table below shows the KPI results by contract type.

Nature	Expired Contracts	Exp. Ctr. with Ongoing Audit	Total ongoing contracts	KPI by Contract Nature
Action Grants	233	0	1996	11.67%
Administrative Arrangements	1	0	8	12.5%
Financing Agreement	97	1	664	14.61%
Functioning Grants (operating)	5	0	39	12.82%
Late payment interests	11	1	29	37.93%
Membership Fees	1	0	2	50%
National Funds (ELARG)	38	9	114	33.33%
Not applicable	2	0	2	100%
Pro forma registration (Program Estimates, Budget Support)	21	0	117	17.95%
Programme Management Unit (ELARG)	2	0	2	100%
Recommitment	5	0	16	31.25%
Services	97	0	1518	6.39%
Specific contract (ex-letter of contract, order form etc)	0	0	18	0.00%
Supplies	30	0	192	15.62%
Works	40	0	107	37.38%
Total	583	11	4824	

KPI 10 – Reduction of Old RAL

The overall result of 43.86% met the minimum target of 25% with regard to the reduction of Old RAL. All Directorates reached the benchmark of 25%.

43.86% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI 10 old RAL	79.20%	35.57%	25.91%	64.22%	51.69%	73.83%	43.86%
Old RAL on 01/01/2019 (in EUR million)	116.40	554.96	175.06	166.43	17.15	3.61	1,033.62
Old RAL remaining 31/12/2019 (in EUR million)	24.22	357.55	129.70	59.55	8.28	0.95	580.25
Reduction achieved in amounts (in EUR million)	92.19	197.41	45.36	106.88	8.86	2.67	453.38

At HQ level, below tables present KPI 10 results ranked from highest KPI value to lowest, the TOP 10 HQ units in terms of cleared amount and the TOP 10 HQ units having the highest old RAL to clear on 31/12/2019:

TOP 10 HQ	KPI result	Cleared amount (in EUR million)
NEAR A 01	100.00%	16.68
NEAR A 02	100.00%	0.06
NEAR A 04	100.00%	1.50
NEAR B 01	96.76%	10.45
NEAR D 05	76.45%	9.44
NEAR D 03	67.63%	0.56
NEAR B 02	65.82%	37.99
NEAR R 03	63.07%	0.79
NEAR C 02	61.54%	18.31
NEAR R 05	50.80%	8.08

TOP 10 HQ	Cleared amount (in EUR million)
NEAR B 02	37.99
NEAR C 02	18.31
NEAR A 01	16.68
NEAR B 01	10.45
NEAR D 05	9.44
NEAR R 05	8.08
NEAR C 01	4.23
NEAR B 03	3.86
NEAR A 04	1.50
NEAR D 02	1.16

TOP HQ	Old RAL 31/12/2019 (in EUR million)
NEAR C 01	91.25
NEAR B 02	19.72
NEAR B 03	14.41
NEAR C 02	11.44
NEAR R 05	7.82
NEAR D 04	3.75
NEAR D 02	3.69
NEAR D 05	2.91
NEAR B TF01	2.24
NEAR C 03	1.71

5 HQs units did not meet the benchmark for KPI 10: NEAR D 02 (23.88%), NEAR B 03 (21.12%), NEAR A 03 (14.41%), NEAR C 01 (4.43%) and NEAR C 03 (0.7%).

At Delegation level, below tables present KPI 10 results ranked from highest KPI value to lowest, the TOP 10 delegations in terms of cleared amount and the delegations having the highest old RAL to clear on 31/12/2019:

TOP 10 Delegations	KPI result	Cleared amount (in EUR million)	TOP 10 Delegations	Cleared amount (in EUR million)	TOP 10 Delegations	Old RAL 31/12/2019 (in EUR million)
Bosnia & Herzegovina	99.91%	1.54	Turkey	74.01	Egypt	271.45
Montenegro	97.72%	1.72	Serbia	66.98	Turkey	23.47
North Macedonia	96.90%	2.48	Egypt	41.52	Kosovo*	19.65
Israel	91.77%	1.79	Morocco	40.09	Palestine	18.51
Azerbaijan	91.68%	9.22	Lebanon	21.61	Albania	16.50
Jordan	86.41%	8.01	Algeria	13.83	Armenia	12.20
Morocco	85.64%	40.09	Kosovo*	12.60	Serbia	11.92
Serbia	84.90%	66.98	Palestine	11.11	Tunisia	10.49
Lebanon	76.55%	21.61	Albania	10.47	Moldova	10.14
Turkey	75.93%	74.01	Azerbaijan	9.22	Morocco	6.72

KPI 11 – % of payments paid within the contractual deadline

DG NEAR made 92.25% of the payments within the contractual deadline which is above the benchmark of 85%. The table below gives an overview by Directorate on KPI 11 value. The average delay for the registration of invoices at the end of 2019 is 7.6 days. In total, 4497 invoices have been paid in 2019 including 4125 invoices paid within the contractual deadline.

92.25% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF MADAD	TF NOA	Total
KPI 11 payment	92.08%	91.58%	89.95%	93.65%	96.55%	97.65%	90.38%	84.38%	92.25%
Number of payments paid within the contractual deadline	221	1272	752	1327	28	208	47	27	3882
Total of payments	240	1389	836	1417	29	213	52	32	4208

All HQs have achieved KPI 11 except TF North of Africa.

NEAR Delegations represent 75.81% of the volume of payments. 91% of NEAR's Delegations reached the benchmark (20/22). The TOP 10 Delegations in terms of KPI results are presented in the table below.

TOP 10 Delegations	KPI result	TOP 10 Delegations	Highest no. of invoices	KPI result
Moldova	100%	Kosovo*	321	89.72%
Belarus	98.92%	Serbia	281	98.22%
Bosnia & Herzegovina	98.87%	Palestine	222	94.59%
Serbia	98.22%	Ukraine	213	97.65%
Azerbaijan	97.78%	Lebanon	200	91.50%
Ukraine	97.65%	Bosnia & Herzegovina	177	98.87%
Jordan	97.22%	Albania	175	91.43%
Tunisia	94.77%	Montenegro	171	89.47%
Palestine	94.59%	Georgia	169	92.31%
Morocco	94.41%	North Macedonia	159	89.94%

KPI 12 – % invoices registered within 7 days of the Commission reception date

DG NEAR registered 91.69% of the invoices within 7 days of the Commission reception date which is above the benchmark of 80%. The table below gives an overview by Directorate on KPI 12 value. The average delay for the registration of invoices at the end of 2019 is 18.26 days. In total, 5126 invoices have been registered including 4700 invoices registered within 7 days of the Commission reception date.

91.69% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF MADAD	TF NOA	Total
KPI value	90.20%	91.29%	89.43%	93.45%	72.73%	97.59%	89.29%	94.59%	91.69%
Total number of invoices registered on time	267	1583	948	1542	32	243	50	35	4700
All invoices	296	1734	1060	1650	44	249	56	37	5126

All NEAR's Delegations reached the benchmark (22/22). The TOP 10 Delegations in terms of KPI result and highest number of payments are presented in the table below.

TOP 10 Delegations	KPI result	TOP 10 Delegations	Highest no. of payments
Belarus	98.20%	Kosovo*	359
Azerbaijan	98.13%	Serbia	329
Jordan	97.78%	Tunisia	261
Moldova	97.66%	Ukraine	251
Ukraine	97.59%	Palestine	238
Georgia	96.23%	Lebanon	231
Morocco	95.81%	Morocco	220
Bosnia & Herzegovina	95.57%	Egypt	213
Armenia	94.27%	Georgia	213
North Macedonia	94.09%	Albania	208

KPI 13 – Use of DEVCO/NEAR staff and respect of the flexibility arrangements

Global NEAR result of 100.00% is far above the benchmark of 80%.

100.00%	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	100.00%
	NEAR C	100.00%
	NEAR D	100.00%
	NEAR SGUA	100.00%

KPI 14 – ICF – Control Environment

Global NEAR result of 94.09% is far above the benchmark of 80%.

94.09%	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	92.00%
	NEAR C	93.33%
	NEAR D	96.00%
	NEAR SGUA	100.00%

KPI 15 – ICF – Risk assessment

Global NEAR result of 93.04% is far above the benchmark of 80%.

93.04%	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	90.00%
	NEAR C	92.50%
	NEAR D	95.83%
	NEAR SGUA	100.00%

KPI 16 – ICF – Control activities

Global NEAR result of 91.30% is far above the benchmark of 80%.

91.30%	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	91.11%
	NEAR C	84.44%
	NEAR D	95.56%
	NEAR SGUA	100.00%

KPI 17 – ICF – Information and Communication

Global NEAR result of 93.91% is far above the benchmark of 80%.

93.91%	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	91.11%
	NEAR C	93.33%
	NEAR D	96.67%
	NEAR SGUA	100.00%

KPI 18 – ICF – Monitoring activities

Global NEAR result of 92.61% is far above the benchmark of 80%.

92.61%	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	87.78%
	NEAR C	95.00%
	NEAR D	95.00%
	NEAR SGUA	100.00%

KPI 19 – % of projects visited by Commission staff and/or by the HOD, by project value

Results by Directorate in charge are presented in below table.

91.83%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TF MADAD	TF NOA	Total
KPI result	96.03%	87.67%	90.86%	94.59%	91.03%	95.90%	83.65%	91.83%
Project value of visited projects (in M€)	4,262	5,473	2,867	3,202	747	1,286	388	18,224
Project value of all projects (in M€)	4,438	6,243	3,155	3,385	821	1,341	483	19,846
Number of visited projects	62	675	467	589	93	63	28	1,977
Number of all projects	67	800	539	693	121	67	35	2,322
Contextual indicator	92.54%	84.38%	86.64%	84.99%	76.86%	94.03%	80.00%	85.14%

In 2019, 85.14% of the projects were visited, which represents 81.83% in value of the projects. The benchmark of 80% in value has therefore been reached and higher performance achieved compared to 2018 when 80.44% of the project with a total value of 85.68% were visited. Overall, larger projects with higher values have been prioritised compared to smaller projects.

The table below show the BOTTOM 10 Delegations in number of projects visited.

Country	Visited	Not visited	Total projects	% visited in number	% in visited value
Syria	13	18	31	41.94%	27.43%
Belarus	52	21	73	71.23%	83.84%
Azerbaijan	39	15	54	72.22%	84.73%
Egypt	76	23	99	76.77%	90.45%
Ukraine	93	28	121	76.86%	91.03%
Israel	33	8	41	80.49%	81.09%
Algeria	24	5	29	82.76%	99.09%
Lebanon	74	15	89	83.15%	81.04%
Bosnia & Herzegovina	65	13	78	83.33%	80.80%
Serbia	116	19	135	85.93%	96.68%

KPI 20 – Undue payments prevented by ex-ante controls as a % of the claimed amount

The undue amount is the sum of ineligible amounts recorded in cost claim invoices (for payment or clearing) and of credit notes encoded on commercial invoices, during the reporting year. The claimed amount is the amount cleared and paid during the reporting year, plus the undue amount.

At NEAR level, the percentage of ineligible amounts identified by ex-ante controls by the end of 2019 is 3.38% which is above the benchmark of 2%. It represents a total amount of EUR 111 million of undue payment prevented. This is lower than in 2018 (5.12% and EUR 157 million). Results by directorate are presented in the table below:

3.38% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF MADAD	TF NOA	Total
KPI 20 ex-ante ineligible	0.60%	5.52%	2.16%	1.74%	0.62%	7.40%	0.71%	0.00%	3.38%
Invoiced amount (in EUR million)	561.02	1,415.71	520.79	507.09	53.00	109.45	68.63	36.61	3,272.30
Ex-ante ineligible amount (in EUR million)	3.35	78.16	11.27	8.82	0.33	8.10	0.48	0.00	110.52

The majority of ex-ante ineligible amounts are identified by Delegations: EUR 108.92 million or a share of 98.55% of the ineligible amount. The remaining EUR 1.60 million are identified by Headquarter (1.45%).

The TOP 10 Delegations in terms of KPI result, sum of ineligible amounts and sum of invoiced amounts are presented in the table below.

TOP 10 Delegations	KPI result	TOP 10 Delegations	Sum of ineligible amounts (in EUR million)	TOP 10 Delegations	Sum of invoiced amounts (in EUR million)
Morocco	20.43%	Morocco	41.37	Turkey	507.75
Tunisia	11.30%	Tunisia	19.79	Palestine	272.78
Egypt	10.26%	Egypt	11.35	Morocco	202.52
Montenegro	9.21%	Ukraine	8.10	Tunisia	175.11
Ukraine	7.40%	Moldova	6.67	Serbia	129.07
Moldova	6.28%	Jordan	4.29	Egypt	110.58
Jordan	3.89%	Turkey	3.09	Jordan	110.26
Georgia	3.77%	Georgia	3.04	Ukraine	109.45
Albania	3.35%	Albania	2.43	Moldova	106.22
Armenia	3.18%	Montenegro	2.26	Lebanon	103.94

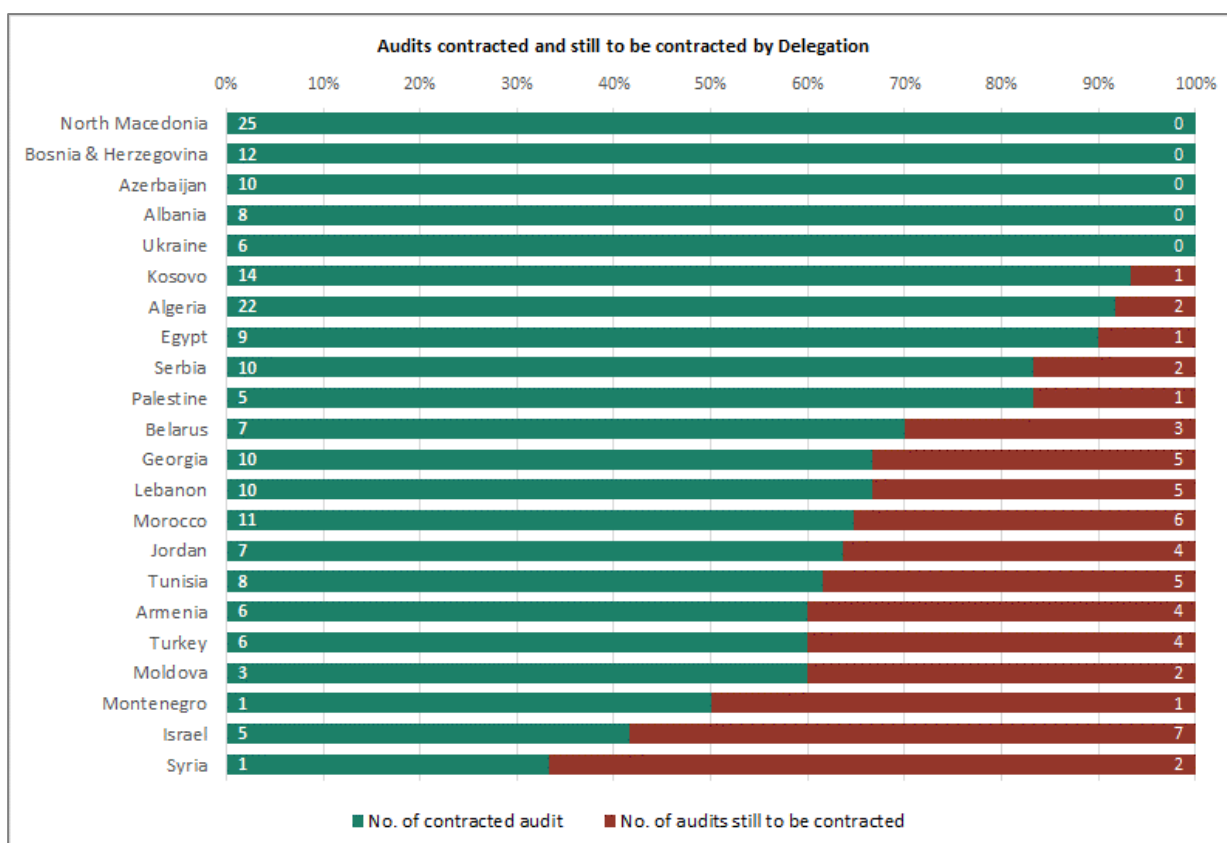
KPI 21 – % contracted of the Annual Audit Plan year N

At NEAR level, 72.92% of the audits foreseen in the Annual Audit Plan year N have been contracted and the value is well above the benchmark of 60%. While the KPI value has slightly improved compared to 2018 (71.33%), Directorate A and both Trust Funds have not met the target. For Trust Funds, 2019 is the first year implementing the annual audit plan.

Results at Directorate level are presented in the table below:

72.92%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TF Madad	TF NOA	Total
KPI 21 audit plan N	42.86%	70.59%	64.91%	90.59%	100%	0%	0%	72.92%
Number of audits in audit plan N	14	119	57	85	6	4	3	288
Number of audits contracted	6	84	37	77	6	0	0	210
Number of audits still to be contracted	8	35	20	8	0	4	3	78

In terms of Delegations, 19 Delegations have a green KPI, while 3 Delegations being Montenegro, Israel and Syria, are below the benchmark value of 60%.



Israel has the highest number of audits still to be contacted (i.e. 7 audits out of 12 planned audits). The main reason is due to delay in implementation of grant contracts for which the submissions of the interim reports were overdue. As a result, the contracting of the audit was also delayed and will be conducted once at least one financial report has been received.

Syria has implemented 33.33% of the planned audits and Montenegro has contracted one of the two planned audits resulting in 50.00% implementation rate.

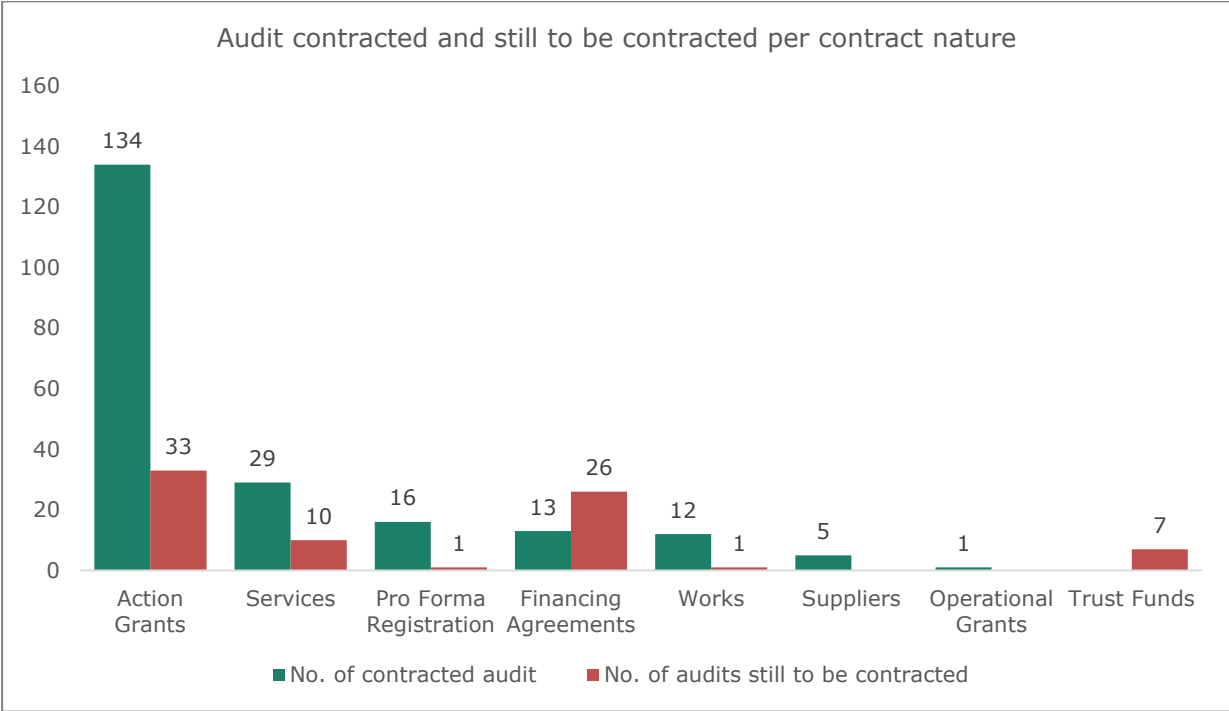
In the tables below, the TOP 10 Delegations are sorted by the highest number of audits in the audit plan with a green KPI result.

The BOTTOM 10 Delegations are sorted by the highest number of audits still to be contracted.

TOP 10 Delegations	Total no. of audits	KPI result
North Macedonia	25	100.00%
Algeria	24	91.67%
Morocco	17	64.71%
Kosovo*	15	93.33%
Georgia	15	66.67%
Lebanon	15	66.67%
Tunisia	13	61.54%
Bosnia & Herzegovina	12	100.00%
Serbia	12	83.33%
Jordan	11	63.64%

BOTTOM 10 Delegations	No. of audits still to be contracted	KPI result
Israel	7	41.67%
Morocco	6	64.71%
Tunisia	5	61.54%
Georgia	5	66.67%
Lebanon	5	66.67%
Armenia	4	60.00%
Turkey	4	60.00%
Jordan	4	63.64%
Belarus	3	70.00%
Syria	2	33.33%

In terms of nature of contracts, action grants represent the highest number of audits planned and contracted.

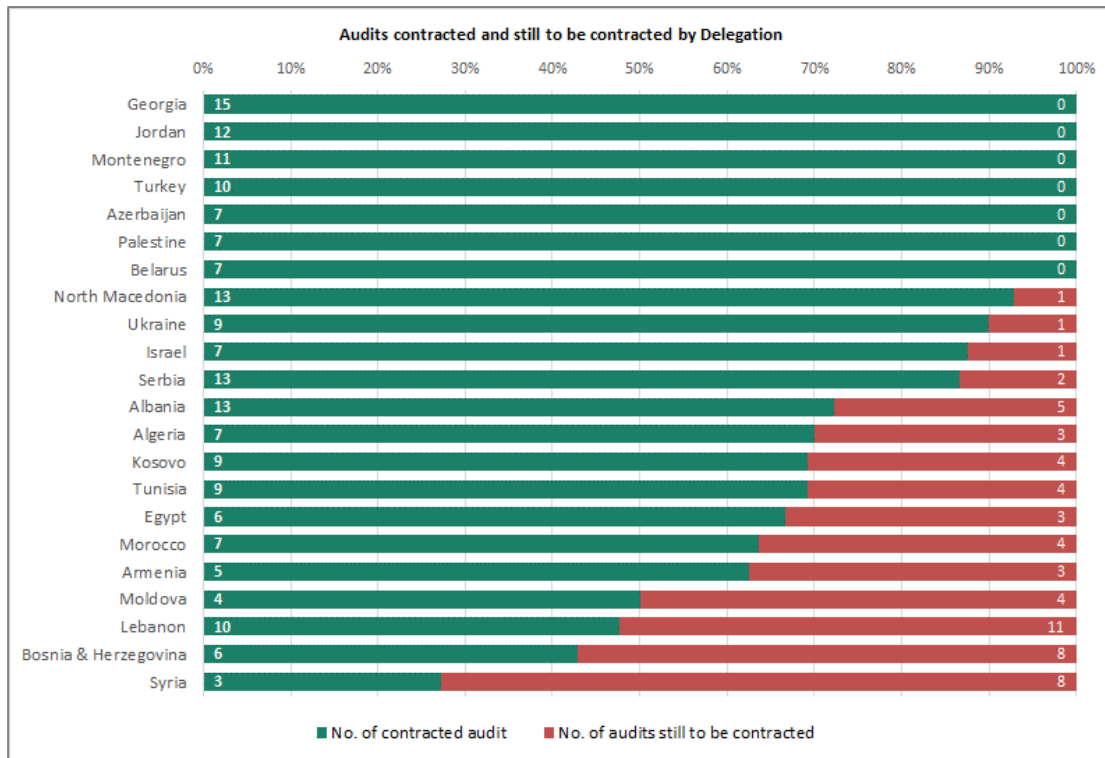


KPI 22 – % implementation of the Annual Audit Plan year N-1

At NEAR level, 73.78% of the audits foreseen in the Annual Audit Plan N-1 have been contracted. This result is well above the benchmark of 40% and improved compared to prior year (i.e. 69.98%). All NEAR Directorates reached the target.

73.78%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 22 audit plan N-1	100.00%	64.84%	82.98%	75.28%	90.00%	73.78%
Number of audits in audit plan N-1	10	111	47	89	10	267
Number of audits contracted	10	72	39	67	9	197
Number of audits still to be contracted	0	39	8	22	1	70

In terms of Delegations, 21 Delegations have a green KPI, out of which 7 have achieved a 100% implementation rate. Only Syria with its 27.27%, has not met the set benchmark of 40%.

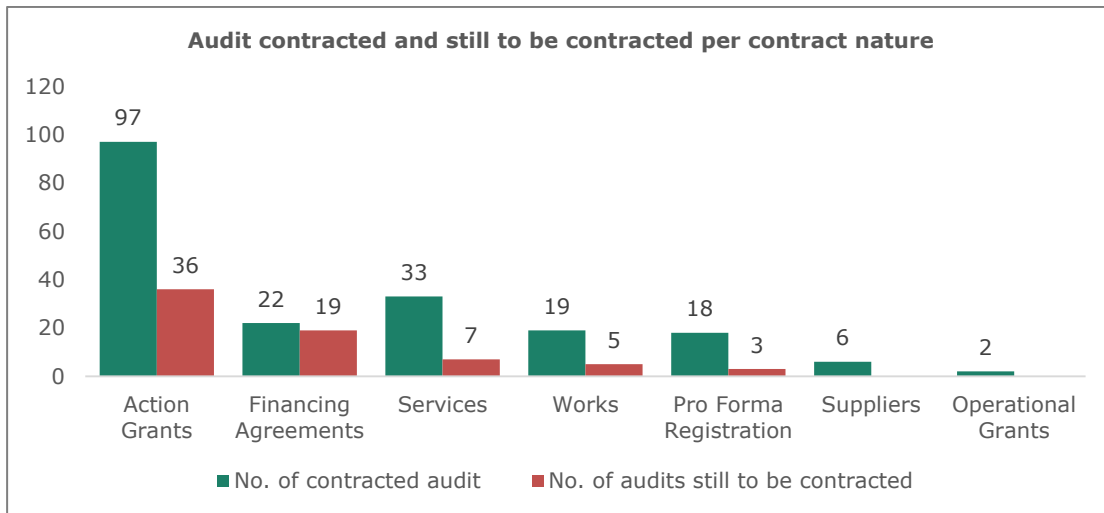


The TOP 10 Delegations are sorted by the highest number of audits in the audit plan with green KPI result. The BOTTOM 10 Delegations are sorted by the highest number of audits still to be contracted. In both tables, Lebanon is on the top of the lists, as the Lebanese Delegation had planned 21 audits of which 11 still need to be contracted.

TOP 10 Delegations	Total no. of audits	KPI result
Lebanon	21	47.62%
Albania	18	72.22%
Georgia	15	100.00%
Serbia	15	86.67%
North Macedonia	14	92.86%
Bosnia & Herzegovina	14	42.86%
Kosovo*	13	69.23%
Tunisia	13	69.23%
Jordan	12	100.00%
Montenegro	11	100.00%

BOTTOM 10 Delegations	No. of audits still to be contracted	KPI result
Lebanon	11	47.62%
Bosnia & Herzegovina	8	42.86%
Syria	8	27.27%
Albania	5	72.22%
Moldova	4	50.00%
Morocco	4	63.64%
Kosovo*	4	69.23%
Tunisia	4	69.23%
Armenia	3	62.50%
Egypt	3	66.67%

Action grants represent the highest number of audits planned and contracted.

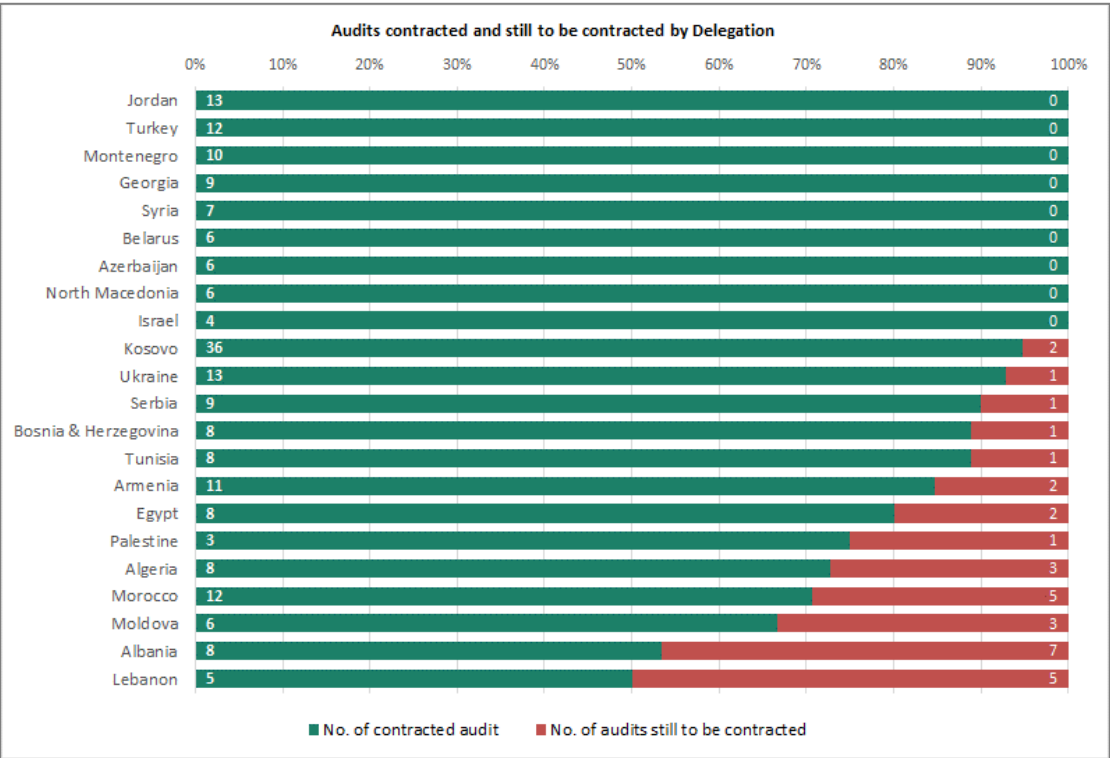


KPI 23 – % implementation of the Annual Audit Plan year N-2

At NEAR level, 86.35% of the audits foreseen in the Annual Audit Plan year N-2 have been contracted. This is significantly above the target of 60% and in line with prior year. All Directorates have reached the target.

86.35% =	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 23 audit plan N-2	100.00%	81.00%	88.46%	87.91%	92.86%	86.35%
Number of audits in audit plan N-2	14	100	52	91	14	271
Number of audits contracted	14	81	46	80	13	234
Number of audits still to be contracted	0	19	6	11	1	37

At Delegation level, 20 out of 22 Delegations were on target, with 9 Delegations achieving 100% implementation rate. Only Lebanon and Albania with respectively 50% and 53.33% did not met the benchmark value.



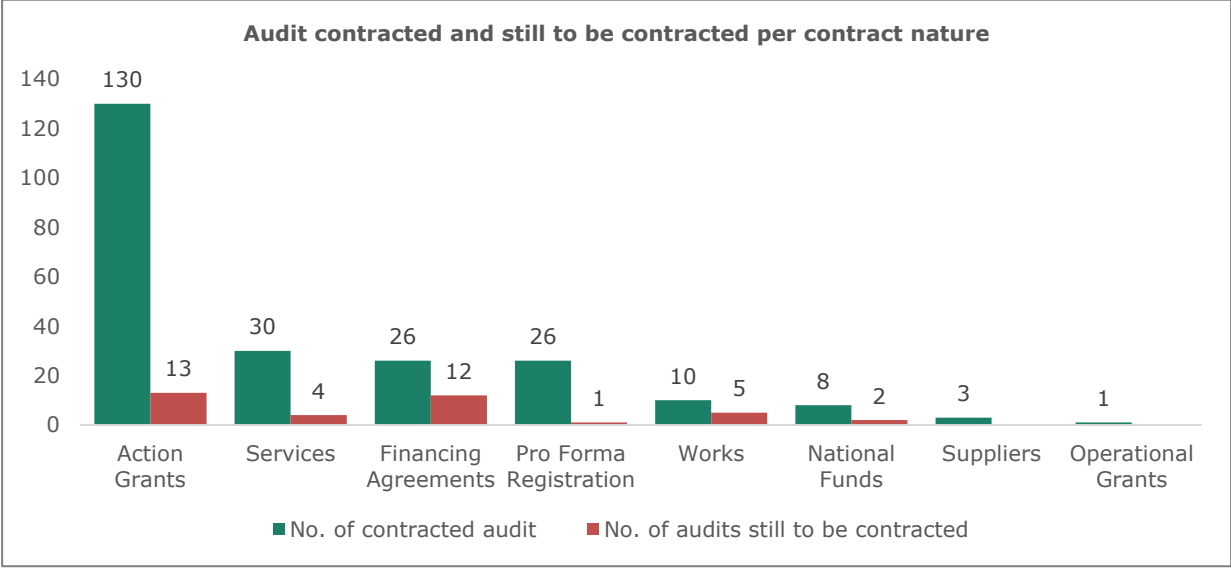
The TOP 10 Delegations are sorted by the highest number of audits in the audit plan with green KPI result. It is worth noting that Kosovo* has achieved a remarkable result of contracting 36 out of the 38 planned audits.

The BOTTOM 10 Delegations are sorted by the highest number of audits still to be contracted.

TOP 10 Delegations	Total no. of audits	KPI result
Kosovo*	38	94.74%
Morocco	17	70.59%
Ukraine	14	92.86%
Jordan	13	100.00%
Armenia	13	84.62%
Turkey	12	100.00%
Algeria	11	72.73%
Montenegro	10	100.00%
Serbia	10	90.00%
Egypt	10	80.00%

BOTTOM 10 Delegations	No. of audits still to be contracted	KPI result
Albania	7	53.33%
Lebanon	5	50.00%
Morocco	5	70.59%
Moldova	3	66.67%
Algeria	3	72.73%
Egypt	2	80.00%
Armenia	2	84.62%
Kosovo*	2	94.74%
Palestine	1	75.00%
Bosnia & Herzegovina / Tunisia	1	88.89%

Like KPI 21 and KPI 22, the majority of audits in audit plan N-2 relates to action grants. The still to be contracted audits are mainly concerning action grants and financing agreements.

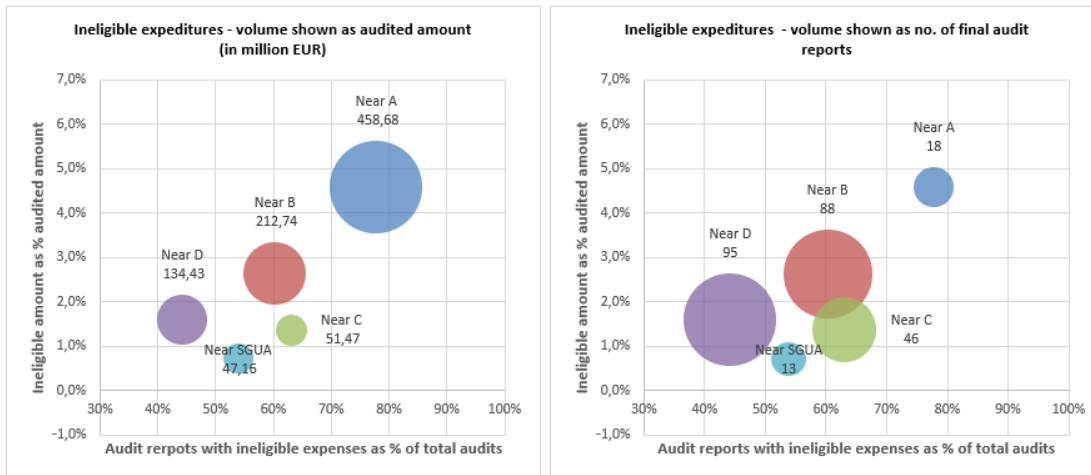


KPI 24 – Ineligible amounts identified by audits as a % of the audited amount

At NEAR level, 3.30% or EUR 29.85 million of audited expenditure was found to be ineligible, which is an enormous increase compared to the 1.26% or EUR 10.75 million of 2018. As shown in the table below, NEAR A has the largest audited amount and the largest ineligible expenditure found. Near C, Near D and Near SGUA have scored below the set benchmark of 2%.

3.30 ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 24 audit ineligible	4.59%	2.64%	1.36%	1.59%	0.71%	3.30%
Ineligible expenditure (in M€)	21.06	5.61	0.70	2.14	0.34	29.85
Audited expenditure (in M€)	459.68	212.74	51.47	134.43	47.16	904.49

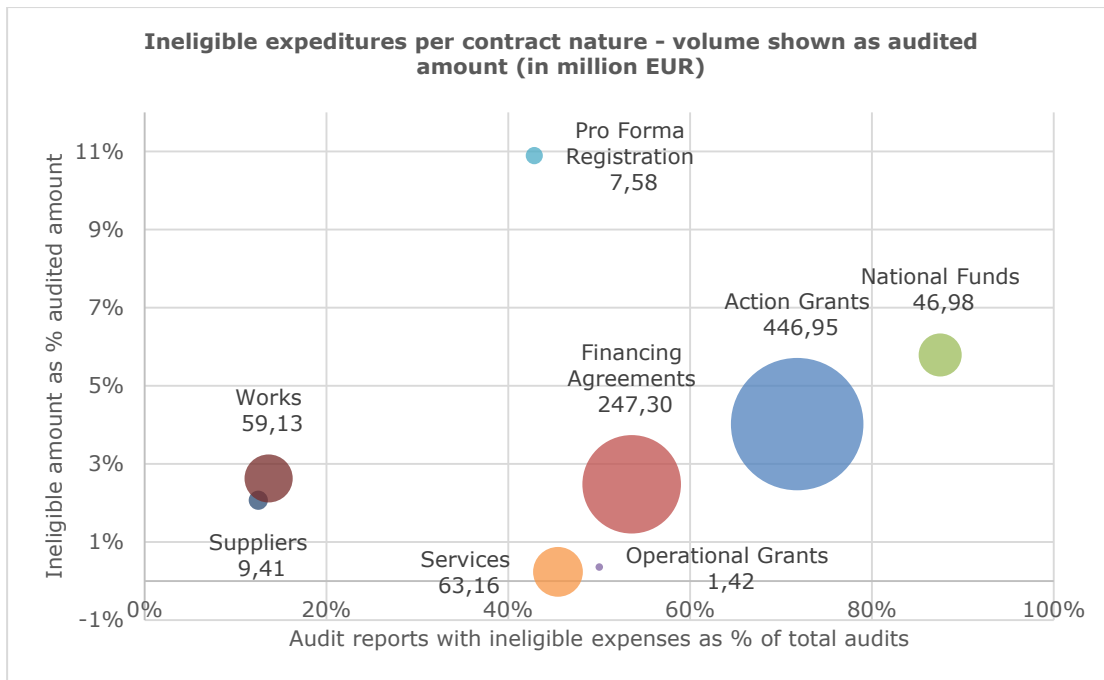
The graphs below show the performance of the Directorates with the y-as as the results of KPI 24 (i.e. ineligible amount as percentage of the audited amount) and the x-as the percentage of final audit reports with ineligible expenses. The sizes of the bubbles in the left graph represent the volume of the audited amounts in million EUR, while in the right graph the sizes are given by the number of final audit reports.



Near A has received 18 final reports (15 EVRs and Verification Mission Reports and 3 Systems Audit Reports), but the total amount audited is the largest (i.e. EUR 458,68 million). Moreover, Near A has the highest % in terms of ineligible amount and the highest percentage in the terms of final audit reports with ineligible amounts found (i.e. 78%), only one out of the 15 EVRs verification missing reports did not find any ineligible expenses.

Even though Near C and D have lower than 2% ineligible amounts found, both Directorates have received respectively 46 and 93 audit reports. Thus, this might imply that that both Directorates have shown efforts in identifying ineligible amounts. Moreover, 37% of the audit reports for Near C do not have ineligible expenses, while 55% is true for Near D. As such, the combination of high number of audits performed with low number of contracts found with ineligible amounts and overall lower ineligible amounts per contract found, could be an indication that Near D has an effective project management in place with adequate controls.

The graph below shows the results of KPI 24 per contract nature. Pro Forma Registration contracts have the highest percentage in terms of ineligible amount found compared to audited amount (i.e. 11%), while Services (0.2%) and Operational Grants (0.4%) have the lowest percentage of ineligible amount found. With regard to the number of audit reports, almost 88% of National Funds audits have reported ineligible amounts, these followed by Action Grants (72%) and Financing Agreements (54%); while Suppliers (13%) and Works (14%) contracts have the lowest rates.



Overall, the main findings from the final audit reports were related to missing timesheets, lack of supporting documents for expenses incurred, costs incurred without prior approval from the Contracting authority, costs incurred outside implementation period and VAT included on invoices.

In response to ineligible amounts found, required procedures were initiated by the Delegations in order to recover or deduct expenditures on the relevant projects.

The tables below show the TOP 10 Delegations based on the KPI result, amount of ineligible expenditures found and amount of audited expenditure. Overall, 12 out of the 22 Delegations have reached the benchmark value of at least 2%.

Turkey (as part of Near A) stands out in terms of volume of audited expenditure, amounting to EUR 458.68 million, which corresponds to 50% of all audited expenditures across all Delegations. Moreover, the ineligible costs found for Turkey corresponds to 71% of all ineligible amounts reported.

It is also worth noting that among the TOP 10 Delegations, even though 5 Delegations (i.e. Syria, Ukraine, Kosovo*, Lebanon and Albania) have scored high in terms of the biggest value of audited expenditure, their KPI results are below the benchmark value of 2%.

TOP 10 Delegations	KPI result
Azerbaijan	6.98
Palestine	6.74
Turkey	4.59
Tunisia	4.51
Egypt	3.83
Jordan	3.38
Armenia	3.09
Algeria	3.00
Serbia	2.67
Israel	2.38

TOP 10 Delegations	Sum of ineligible amounts (in M€)
Turkey	21.06
Tunisia	2.03
Serbia	1.50
Palestine	0.79
Algeria	0.66
Egypt	0.65
Syria	0.54
Jordan	0.40
Ukraine	0.34
Azerbaijan	0.27

TOP 10 Delegations	Sum of audited expenditure (in M€)
Turkey	458.68
Serbia	56.25
Syria	47.59
Ukraine	47.16
Tunisia	44.93
Kosovo*	30.99
Lebanon	30.72
Algeria	22.15
Albania	17.33
Egypt	17.05

ANNEX 12: Performance tables

The performance reported in this Annex is based on a set of indicators that were established in the **Strategic Plan 2016-2020 of DG NEAR**. Latest known results 2019 about the state of play of those indicators³³ give information about the progress made in 2018 towards the achievement of objectives set for 2020.

During the strategic planning period, DG NEAR works towards the achievement of **7 specific objectives**, which make a contribution to **4 general objectives** of the Juncker Commission.

The ENI and the IPA II instruments are the key tools facilitating year-to-year progress towards fulfilling the 7 specific objectives. To this end, reference is made under each specific objective to the **spending programme** that supports the objective (**IPA II or ENI**) in the Performance Tables of this Annex.

The purpose of **ENI and IPA II** is laid down in the respective legal basis covering the period of the financial perspective 2014 to 2020. Their objectives and indicators have been feeding the establishment of the strategic planning 2016-2020 and, therefore, **indicators reported in this Annex** generally reflect the legal requirements of the 2014-2020 programmes also laid down in the **programme statements**³⁴ on a year-to-year basis.

The achievements of DG NEAR described below are therefore- to the greatest possible extent- aligned with the performance information included in the **programme statements** for the Draft Budget 2020.

³³ and in comparison with a baseline set for the majority of cases.

³⁴ The Programme Statements for 2017 are to be found in the Commission documents, COM(2017) 400 - May 2017, as one of the twelve 'Working Documents' accompanying the Draft Budget adoption. The IPA and ENI Programme Statements constitute the main instrument for justifying the operational appropriations requested by the Commission in the Draft Budget. These Statements are coherent with the corresponding legal bases and provide details on the resources that are dedicated to each spending Programme.

General objective 1- A Stronger Global Actor – Corporate Impact Indicators

General objective 1: A stronger global actor		
Corporate Impact indicator: GDP per capita (current prices-PPS) as % of EU level in countries that are candidates or potential candidates for EU accession		
Source of data: Eurostat		
Baseline (2014)	Interim Milestone	Target 2020
32.5% ³⁵ for WEB (except Kosovo* ³⁶) 62% ³⁷ for Turkey (baseline according to Eurostat)		Increase by 2020
Latest known results 2019 Western Balkans: 33,6 % (excluding Kosovo*) Turkey: 64%		
Corporate Impact indicator: Ranking to measure political stability and absence of violence in countries part of the European Neighbourhood Policy		
Definition: This indicator measures perceptions of the likelihood that the government will be destabilised or overthrown by unconstitutional or violent means, including politically motivated violence or terrorism. Higher values in percentile rank indicate better governance ratings. For Neighbourhood South (NS): Number of countries in a percentile rank above 10 For Neighbourhood East (NE): Number of countries in a percentile rank above 30 Source of Data: Worldwide Governance Indicators (WGI) project (WB group) http://info.worldbank.org/governance/wgi/index		
Source of Data: Worldwide Governance Indicators (WGI) project (WB group) http://info.worldbank.org/governance/wgi/index		
Baseline (2014)	Interim Milestone (2015)	Target 2020
Neighbourhood East: 33.89 4 countries above 30 Neighbourhood South: 11.99 5 countries above 10	4 countries above 30	Neighbourhood East: Increase the number of countries above 30 to 5 Neighbourhood South: Increase the number of countries above 10
Latest known results 2019 Neighbourhood East: 29.76- 4 countries above 30 Neighbourhood South: 14.38- 6 countries above 10		

³⁵ Updated info from central services for this baseline at the end of 2017: 34%

³⁶ No 2014 data available for Kosovo*

³⁷ Updated to 64% as per info from central services for this baseline end 2017

General objective 1- A Stronger Global Actor - Neighbourhood

Specific objective: 1

Increased stability in the Neighbourhood in political, economic, and security related terms

Related to spending programme ENI

Result indicator: For Neighbourhood countries, development of more tailor-made partnerships covering core issues of common interests

Definition: The purpose of the reviewed ENP is to build more effective partnerships between the EU and the neighbourhood; hence having an indicator on the new partnerships is highly relevant to measure the success of this policy.

Differentiation is the hallmark of the new ENP, recognising that not all partners aspire to EU rules and standards, and reflecting the wishes of each country concerning the nature and focus of its partnership with the EU. Therefore, the partnerships should be tailor-made.

Core issues proposed for cooperation will notably include economic development for stabilisation (e.g. economic modernisation, employment, transport, connectivity, energy, climate action), the security dimension, and migration and mobility.

At the core of the revised ENP, there is also the idea that the ENP and the related partnerships should reflect EU interests and the interests of our partners.

DG NEAR will contribute to launching work leading to the development of these new partnerships, working in close cooperation with the EEAS. It will support the development of partnerships, where relevant with its financial assistance.

Source of data: European Commission (DG NEAR)

Baseline	Interim Milestone 2017	Target 2020
Not applicable	<ul style="list-style-type: none"> Complete negotiation on new association agreements with Armenia and Azerbaijan. Complete discussions with interested countries on more tailor-made partnerships 	<ul style="list-style-type: none"> New association agreements in force or provisionally applied with Azerbaijan and Armenia. New priorities established

Latest known results (situation on 31/12/2019)

Armenia has concluded a Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU in November 2017, which has provisionally entered into force in June 2018.

Negotiations are ongoing for a new agreement with Azerbaijan.

The EU policy towards Belarus is guided by the February 2016 Council conclusions, negotiations continue towards the EU Belarus partnership priorities.

Result indicator: Deep and Comprehensive Free Trade Agreements (DCFTA) with Morocco and Tunisia

Definition: Continued participation in EU's awareness raising and negotiation efforts in relation to DCFTA with Morocco and Tunisia. Ensure implementation of financial assistance to accompany the DCFTA negotiations

Source of data: European Commission (DG TRADE and NEAR)

Baseline 2015	Interim Milestone 2017	Target 2020
	Both DFCTA negotiated	New DCFTA in force or provisionally applied

Latest known results (situation on 31/12/2019)

DCFTA talks with Tunisia launched in October 2015 with good progress in areas such as customs and trade facilitation, competition, trade and sustainable development, energy and raw materials, financial and telecom services. In 2019, negotiations have taken place in a delicate political environment ahead of the elections and mounting criticism by civil society. In this difficult context, the fourth round of talks in April had a mixed outcome. Discussions will only resume once a Government is in place.

No progress so far on DCFTA discussions with Morocco. However, a DG TRADE mission took place in November 2019 to prepare a possible next round of negotiations planned for 2020 - in line with the declaration adopted by the EU-Morocco Association Council meeting of 27 June 2019

Result indicator: Joint programming: development of joint programmes between the Commission's financial assistance and that of the Member States

Definition: This indicator looks at the number of joint programmes for financial assistance implementation which are concluded with EU Member States within the period covered by the Strategic Plan

Source of data: European Commission (DG NEAR)

Baseline 2014	Interim Milestone 2018	Target 2020
No joint programmes concluded	Neighbourhood East : 3 programmes concluded	4 programmes concluded
	Neighbourhood South : 5 programmes concluded (Algeria, Egypt, Lebanon, Morocco, Palestine)	5 programmes concluded

Current situation 2019

Armenia: Development partners' joint analysis of the situation on Armenia was carried out in 2018. In 2019, the EU led the donor coordination exercises in crucial reform areas such as justice, fight against corruption, and police reforms. As a result, joint key messages of the EU, EU member states and donor community to the government were communicated to the government. The work towards the Joint Programming agenda in Armenia will be continued in 2020.

Azerbaijan: Following previous efforts in terms of an EU+ joint analysis of the vocational education and training (VET) sector, a number of donors withdrew from the sector. Therefore, no further steps of joint programming are pursued but the joint analysis has improved the coordination among the remaining donors and the government.

There is currently no Joint Programming in **Belarus**, however a joint analysis was done in 2016 and a donor coordination meeting was organised in 2019 by EEAS/DG NEAR in Brussels.

In **Georgia**, the post-2020 Joint Programming exercise was concluded on 11 February 2020 under the heading "European Partners Working Better Together in Georgia". The European development partners have drawn up brief sector gap analyses and formulated corresponding "joint European messages" in key thematic areas. The outcome is constituting a Joint Analysis with joined up policy messages. These messages will allow communicating identified gaps and advocating overall priorities and desired governmental actions in a consistent way. The joint key messages are expected to be used within the reinvigorated Government-led coordination platforms in 2020 and in other dialogue

opportunities with stakeholders. The European development partners have already engaged in joint implementation of various programmes and this cooperation has the potential to be expanded further. Engaging in further joint implementation and the use of the joint European messages is intended to build momentum and gradually lead towards Joint Programming in Georgia.

Moldova: In 2019, the EU Delegation to the Republic of Moldova together with the EU Member States and Switzerland implemented the first European Joint Development Cooperation Strategy to the Government of the Republic of Moldova, that had been concluded in 2018.

1 joint programme concluded for **Palestine**.

Main outputs in 2019:

Delivery on legislative proposals pending with the legislator

Description	Indicator	Target date
Contribution to the adoption of the regulation for the Neighbourhood, Development and International Cooperation Instrument (NDICI).	Political agreement	First Semester 2019

Latest known results (situation on 31/12/2019)

The EP established its first reading position in March 2019, while on the Council side COREPER reached a partial general approach on 12 June and adopted an additional mandate relating to the EFSD+ on 25 September 2019. Trilogues have started in October. With a decision on the horizontal MFF issues including amounts and governance still pending, an overall political agreement on the instrument is likely to be reached only in Autumn 2020.

Important items from work programmes/financing decisions /operational programmes

Description	Indicator	Target date
Implementation of the revised Association Agendas and Partnership Priorities	Multiannual and annual programming documents are in line with the revised Association Agendas and Partnership Priorities	Throughout 2019

Latest known results (situation on 31/12/2019)

Single Support Frameworks (SSFs), Multiannual and annual programming documents elaborated and adopted in line with revised Association Agreements (AA) and Partnership Priorities (PPs), and 2019 Annual Action Plans and Special Measures processed as planned.

Armenia: the Programming is based on the Partnership Priorities (adopted in 2018) and the Comprehensive and Enhanced Partnership Agreement (CEPA) (which is ongoing ratification).

Azerbaijan: Partnership Priorities Facility under the Azerbaijan Multi-Annual Action Programme 2019-2020 was adopted and is fully in line with the AZ Partnership Priorities for 2018-2020.

Belarus: Partnership Priorities not yet adopted. The Special Measure 2019 was adopted in December 2019.

Georgia: The Association Agenda 2017-2020 continues to be implemented. A revised version of the Association Agenda will be prepared for the post-2020 period.

Moldova: The Association Agenda 2017-2020 continues to be implemented. A revised version of the Association Agenda will be prepared for the post-2020 period

Description	Indicator	Target date
New agreement with Azerbaijan	Agreement with Azerbaijan concluded and signed	December 2019

Latest known results (situation on 31/12/2019)

Agreement negotiations are ongoing, with open issues particularly as concerns trade, energy and support to civil society (Countries own grants rules).

Description	Indicator	Target date
Joint communication to the European Parliament and the Council on "Strengthening EU support for Tunisia" rolled out and the EU-Tunisia privileged partnership further deepened	<ul style="list-style-type: none"> • Implementation of strategic priorities EU-Tunisia for the period 2018-2020 • Implementation of the provisions of the joint communication and of the Single Support Framework 2017-2020 continued • As a follow-up to the 12 July joint High-level mission, led by Commissioner Hahn, enhanced coordination in place to encourage Tunisian stakeholders in taking and implementing key reforms • Continued joint reflection on the future of the EU-Tunisia relation beyond 2020 	Throughout 2019

Latest known results (situation on 31/12/2019)

As a follow-up to the 12 July 2018 joint High-level mission, led by Commissioner Hahn, an enhanced coordination is in place to encourage Tunisian stakeholders to implement key reforms – also linked with the Compact with Africa.

A follow-up mission planned in July 2019 was postponed due to the situation in Tunisia (terror attacks and hospitalisation of the late President Essebsi).

A joint stock-taking paper had been prepared with all 8 EFIs/IFIs. Its content, together with an analysis of the latest developments, will feed the preparation of the follow-up mission planned in 2020.

Jointly with the EEAS, objective to revive the reflection on the future of the EU-Tunisia relation beyond 2020 and to proceed to an update of the Strategic Priorities for the post-2020 period.

Description	Indicator	Target date
Coordinated efforts with the International Financial Institutions to support Partner Countries in their implementation of structural reforms	<ul style="list-style-type: none"> • Joint programmes for structural reforms agreed with the International Financial Institutions • Annual AMICI (A Southern Mediterranean Coordination Initiative) Mapping updated (for the South) • MENA days with the World Bank and the EIB organised • Board of the Structural reform facility East organised in 2019 informing better policies and coordination with IFIs 	At least one joint programme approved per region (Western Balkans, East, South) by the end of 2019

Latest known results (situation on 31/12/2019)

- Finalised AMICI mapping on EU investments in the Southern Neighbourhood was presented to Member States at the ENI committee of July 2019.
- MENA days with the World Bank and the EIB took place in Brussels on 16-17 May 2019, and with the EIB only, on 23-24 October 2019, as well as Country discussions with all EU Delegations in October 2019.
- NIP pipeline meetings with European Finance Institutions were also held three times in 2019.

A country report on the Investment Climate Action Plans was issued by EBRD under the Structural Reform Facility and country consultation organised in all 6 Eastern Partnership countries.

The 2019 IPA II programme for Albania allocated EUR 50 million on social inclusion with a focus on education and employment. The 2019 IPA II programme for North Macedonia allocated EUR 16.5 million on youth was adopted in December 2019.

In its Opinion, the Commission also encouraged Bosnia and Herzegovina, at all levels of government, to adopt and implement socio-economic reform measures, in line with the policy guidance set out in the joint conclusions of the economic and financial dialogue, while involving international financial institutions. The entity-level governments and the State-level government have endorsed such a reform programme in October 2019 and January 2020 respectively.

Description	Indicator	Target date
ENI annual programmes 2019 ENI country action programmes and regional programmes for all countries of the Neighbourhood region Relevant Special Measures (including Syria and possibly Libya).	<ul style="list-style-type: none"> • Adoption 	Throughout 2019

ENI umbrella programme allocations	<ul style="list-style-type: none"> Decision 	
<p>Latest known results (situation on 31/12/2019)</p> <p>ENI South 2019 Annual Action Plans and Special Measures were processed as planned whereas for the ENI East countries, the situation is as follows :</p> <p>Armenia: the Annual Action Programme 2019 was adopted by the end of the year</p> <p>Azerbaijan: Multi-Annual Action Programme 2019-2020 was adopted.</p> <p>Belarus: the Special Measure 2019 was adopted in December.</p> <p>Regional Action Programmes: Commission Decisions on Regional Programmes East (RAP 1, 2, 3, 4 and 5) were adopted by the end of the year.</p> <p>As part of the multi-annual programming 2018-2020, the 2019 Annual Action Programme for Ukraine was divided in two parts: the first part was adopted in May 2019, the second part was adopted in October 2019.</p>		
Description	Indicator	Target date
Enhanced security cooperation with Neighbourhood countries	<ul style="list-style-type: none"> Support to the roll-out of the ENP review for the Security Chapter Support to the implementation of the Joint Communication on Security Sector Reform (2016) Adoption of Euromed Justice and Police programme as well as activities on disaster risk reduction and prevention 	Throughout 2019
<p>Latest known results (situation on 31/12/2019)</p> <p>The 3rd issue of EEAS-Commission Services non paper on the state of play of the ENP Security Chapter presented in PSC in July 2019</p> <ul style="list-style-type: none"> Continued work under the informal inter-service SSR (Security Sector Reform) task-force. Work in progress for preparing a SSR coordination matrix for Lebanon The 2019 regional Security Package adopted on 30 July 2019 C(2019)5693 		
Description	Indicator	Target date
<p>Conclusions of the review of EU support to the two-state solution in the context of the MEPP implemented</p> <p>Reinforced link between direct EU financial assistance and actual progress in key reforms</p> <p>Promote further the transformative approach for UNRWA</p>	<ul style="list-style-type: none"> COM services/EEAS internal report on the "review implementation" Signing of Financing Agreement "Pegase" with the Palestinian Authority on a new set of reforms EU-UNRWA strategic dialogue held First pilot action as regards the transformative should be implemented in 2019 	Throughout 2019

Description	Indicator	Target date
Latest known results (situation on 31/12/2019)		
<ul style="list-style-type: none"> • The review is being implemented in the AAP 2019 (Decision adopted 19 November 2019) and in the EU-UNRWA PEGASE Modifying Decision (Decision adopted on 28 November 2019). • In 2019, HQ authorized two partial disbursement of the 2018 incentive-based tranches, for a total of EUR 14 million. • UNRWA's top up of EUR 21 million was processed in due time, allowing for the payment to be made before the end of the year. • Studies, aiming at assessing possible ways to implement the EU approach to UNRWA, are ongoing in Palestine and Lebanon. 		
<p>Capacities of civil society in the Southern and Eastern Neighbourhood strengthened</p> <p>i) support to enhance the mechanism for structured dialogue;</p> <p>ii) new programmes for youth and culture, continued communication and media development work;</p> <p>iii) implementation of Young Mediterranean Voices initiative at regional level.</p>	<p>Southern Neighbourhood:</p> <p>actions to support civil society capacities:</p> <ul style="list-style-type: none"> • Effective dialogue through the Majalat Civil Society Hub; high-level Civil Society forum South is held. • New initiatives to support Youth and Culture. Successful communication and extension of media programmes. • Regional Campaign to Prevent Violence Against Women and Girls in the Southern Neighbourhood countries <p>Eastern Neighbourhood</p> <ul style="list-style-type: none"> • Civil Society Forum with its reformed Working Groups and contributing to policy discussions, in particular, within Eastern Partnership multilateral architecture. • Monitoring Matrix for enabling environment of civil society in the Eastern Partnership countries rolled out 	<p>Throughout 2019</p>
Latest known results (situation on 31/12/2019)		
<p>Southern Neighbourhood :</p> <p>Majalat Civil Society Forum South was held in Brussels on 2-3 December 2019. New regional contracts to support youth and culture in the region were signed. Preparation for support to independent media is ongoing under the regional programming 2020.</p> <p>Young Mediterranean Voices initiative carried out at regional level with creation of 150</p>		

+debate clubs, training of 6500 young people in debate skills and 19 high level policy makers outreach events organised.

The Regional Programme on Combating Violence against Women in the Southern Neighbourhood was officially launched in Amman on 2-3 May 2019 and 2 additional Regional Experts Roundtables were held in Beirut.

The Regional Forum on gender discrimination in legislation was held in Tunis in December 10-11 2019, with the support of both the Tunisian Government and Jordanian Governments as well as the Council of Europe, which participated in the forum with specific input on the Istanbul Convention

Eastern Neighbourhood:

Support to the EaP Civil Society Forum is ongoing: Working Groups and National Platforms receive support to implement advocacy initiatives and strengthen their technical capacities; the CSF secretariat and the National Platforms are engaging in a broad consultation exercise in order to feed into the structured consultation on the future of the EaP.

With EU support, the European Centre for Non-Profit Law has created the first version of the Monitoring Matrix for the enabling environment of civil society in the EaP, launched the Matrix's website (www.csometer.info), engaged in consultations with local CSOs in the region to validate that framework and started monitoring.

The second phase of the EU4Youth initiative (which helps improve the conditions for youth to study, work, participate in society and fulfil their potential in EaP societies) has been prepared and is expected to start in 2020.

Description	Indicator	Target date
Support the Development of key regional institutions	Support to the UfM Secretariat, under new leadership, the Anna Lindh Foundation and the League of Arab States	Throughout 2019

Latest known results (situation on 31/12/2019)

- Annual recurring operating grant for the functioning of the UfM Secretariat.
- As to the Anna Lindh Foundation, 18th meeting of ALF Heads of Networks in April 2019, Board Meeting held in November 2019 and preparations ongoing for ALF 4th MEDFORUM to be held in April 2020 in Croatia.
- Five training activities finalised for the League of Arab States

Description	Indicator	Target date
Implemented TAIEX activities contributing to AA/DFCTA priorities and security sector reform;	Events took place	Throughout 2019

Latest known results (situation on 31/12/2019)

TAIEX organised 230 activities in the Neighbourhood region, 139 in the ENI East and 91 in the ENI South. Additionally, ENI beneficiaries participated in 10 Multi Country workshops.

Specific objective: 2
Strengthened Eastern Partnership; support regional cooperation between

southern neighbours, including through the Union for the Mediterranean; promote cross border cooperation between member states and partner countries

Related to spending programmes ENI

Result indicator: Number of ministerial, platform and panel meetings under the Eastern Partnership.

Definition: DG NEAR, in coordination with the EEAS and the line DGs, is supporting policy dialogue in the Eastern Partnership countries at different levels (ministerials, platforms, panels), in view of enhancing relations with partner countries and developing our sectorial reforms and cooperation. This process is expected to become more focused and results-oriented ensuring closer links between policy priorities and financial support within the spirit of the four priority areas agreed at the Riga Summit (May 2015) and on the basis of the ENP Review Communication, which promotes partnership, ownership and differentiation. DG NEAR provides funding for the organisation of policy dialogue events through the dedicated Facility.

Source of data: Events facility contract managed by NEAR

Baseline 2014	Interim Milestone 2016	Target 2020
Between 70 and 80 policy dialogue events were organised	80 policy dialogue events organised	This target is based on the 2014-2015 Management Plans. 90 policy dialogue events organised

Latest known results 2019

In 2019, 109 EaP events have been organised in the 6 EaP countries, Brussels and some EU Member States.

Result indicator: Progress on Eastern Partnership (EaP) priorities.

Definition: The main four priority areas of the EaP were defined at the Riga summit in 2015. Progress can be monitored in the sectoral policy platforms and other relevant activities/events. DG NEAR mainly supports the different processes through policy coordination and financial assistance.

Source of data: DG NEAR, European Council and outcomes from platforms and ministerial sectoral meetings, implementation of relevant assistance projects.

Baseline 2015	Interim Milestone 2016	Target 2020
Establishment of the main priority areas at the Riga Summit in 2015 <ol style="list-style-type: none"> 1. strengthening institutions and good governance 2. increasing mobility and people to people contacts 3. market opportunities 4. interconnections. 	Strategic progress mainly in the areas of: <ul style="list-style-type: none"> • Market opportunities: Development of the three DCFTAs (i.e. Ukraine, Georgia, Moldova) and assistance provided • Interconnections: Approval of the extension of the core TEN-T network at 	Significant progress in the four priority areas established at the Riga Summit in 2015.

	<p>ministerial level.</p> <p>Endorsement of the single project pipeline by the EaP countries, IFIs and the EU.</p>	
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Latest known results 2019

Based on our 2019 monitoring of the 20 Deliverables for 2020, progress has been noted in all areas, particularly in the areas of stronger economy, stronger connectivity and stronger society. Some challenges still remain in the area of rule of law, shrinking space for civil society and independent media.

Result indicator: Increased credibility of the Union for the Mediterranean through a high number of ministerial meetings establishing regional sector priorities and through the engagement of regional cooperation, finance and planning ministers via the holding of UFM ministerial conferences on regional cooperation and planning

Definition: DG NEAR, in coordination with the EEAS and the line DGs, is supporting policy dialogue in the Southern Neighbourhood countries at different levels (ministerial, platforms etc.), in view of enhancing relations with partner countries and developing our sectorial reforms and cooperation. It also provides funding for the organisation of policy dialogue events through its projects and a dedicated facility.

The Ministerial meetings are organised under the Union for the Mediterranean (UfM). A dynamic regional dialogue could be expected to generate ministerial meetings in a given sector about every 2 to 3 years.

This indicator is relevant to measure the results of DG NEAR's under this specific objective as the Southern Neighbourhood as such remains one of the least integrated in the world, hence organising regional cooperation meetings can prove already challenging. Indeed, the overall political climate in this region remains tense, affecting the possibilities for regional cooperation.

Whilst in recent years there has been progress on specific regional agenda-setting, there is also a need to ensure cross-cutting political and financial support to these agendas. This can be achieved with a closer involvement of ministers in charge of international cooperation/national budgets etc.

Source of data: Unit NEAR B2 and events facility contract managed by NEAR

Baseline 2015	Interim Milestone 2016	Target 2020
Three ministerial establishing regional sector priorities	Three ministerial foreseen in 2016 establishing regional sector priorities	Three ministerial per year (15 in total)

Latest known results 2019

Overall, the target of holding three UfM Ministerial per year was successfully reached in 2016, 2017 and 2018 although the year 2018 was marked by a change of leadership within the UfM Secretariat (new Secretary General took office in July 2018) and a tense regional context (among others due to a change of US policy towards the Middle East), which rendered the organisation of Ministerial conferences in Neighbourhood south countries more difficult.

During 2019, the Secretariat of the Union for the Mediterranean (UfM Secretariat) continued to work under the working methodology endorsed by its 2017 Roadmap. Composed of three dimensions, this methodology aims to create effective links between political decisions taken by member states, and their translation into region-wide, cooperation projects, which in return nourish the definition of relevant policies. As such, it has continued to act as a platform for regional dialogue and cooperation and to support the implementation of labelled projects and the formulation of new initiatives, with the

objective of contributing to the enhancement of regional stability, development and integration.

- UfM Ministerial on Blue Economy Brussels, 17th November 2015
- UfM Ministerial on Cooperation and Planning, 02 June 2016, Jordan
- 3rd UfM Ministerial Conference on Employment and Labour, 26-27 September 2016, Jordan
- Union for the Mediterranean Ministerial Meeting on Energy, Rome, 1st December 2016
- UfM ministerial meeting on Water, Malta, 27 April 2017
- UfM Ministerial on Sustainable Urban Development, Cairo 22 May 2017
- 4th UfM Ministerial Meeting on Strengthening the role of Women in Society, Cairo, 27 November 2017
- 10th Union for the Mediterranean Trade Ministerial Meeting, Brussels, 19th March 2018
- The third edition of the UfM Regional Forum brought together on 8 October 2018 in Barcelona the Foreign Affairs Ministers from UfM Member States to reaffirm their political commitment to increasing cooperation and integration in the region.
- In partnership with the Portuguese Republic, the UfM Secretariat organized the fourth edition of the UfM Women Conference, the regional conference on women's empowerment in the Euro-Mediterranean region, on 10-11 October 2018 in Lisbon.
- 4th UfM ministerial meeting on employment and labour, 2,2 April 2019, Cascais, PT
- 4th UfM Regional forum, 10 October 2019, Barcelona, ES "Paving the way forwards" with a focus on climate change

Baseline 2015	Interim Milestone 2016	Target 2020
Ministries of Finance, Planning and International Cooperation relatively un-engaged in regional cooperation. No cooperation ministerial ever held	UfM Ministerial on Regional Cooperation and Planning successfully organised in 2016	A regular process of coordination around financing of regional integration is operational

Latest known results 2019

An Employment Ministerial was held in April 2019, highlighting four priorities for action, stressing the need to measure the impact of policies and agreeing to launch a Community of Practice to be co-ordinated by the UfM Secretariat.

UfM Business Forum created in 2019.

In October 2019 the Ministers of Foreign Affairs of the UfM gathered in Barcelona for the fourth UfM regional forum.

Result indicator: Progress on specific regional objectives defined in ministerial declarations under the Union for the Mediterranean.

Definition: Each Ministerial meeting indicates specific regional cooperation and integration objectives, and progress is monitored in the various sectoral policy platforms put in place to enable discussions on issues and progress. Progress is dependent on many stakeholders' actions, and is not fully under control of DG NEAR directly. DG NEAR supports the developments measured by this indicator through its policy coordination role and its financial assistance (in particular regional projects).

Source of data: UfM Secretariat, line DGs and EU agencies, UN, and NEAR B2

Baseline 2014	Interim Milestone	Target 2020
N.A.		<p>Tangible progress in the key elements for regional integration and cooperation identified in the Ministerial Declarations, such as:</p> <ul style="list-style-type: none"> • Regional transport network identified • Progress in depolluting the Mediterranean • Electricity connections between countries enhanced
<p>Latest known results 2019</p>		
<p>In October 2019 the Ministers of Foreign Affairs of the UfM gathered in Barcelona for the fourth UfM regional forum.</p> <p>They set the regional priorities for the coming year and re-affirmed their strong commitment to Euro-Mediterranean Co-operation and to the region's inclusive and sustainable development. The UfM Regional Forum provided the occasion to present ground breaking findings of the first ever scientific report on climate and environmental change in the Mediterranean area.</p>		
<p>Result indicator: Number of Financing Agreements signed with partner countries under the new ENI CBC programmes</p>		
<p>Definition: The signature of the Financing Agreement (FAs) between the Commission and partner countries in the new ENI-CBC programmes, allows for the implementation of the ENI-CBC programmes adopted by the Commission.</p> <p>16 ENI-CBC programmes were included in the ENI-CBC programming documents. An additional programme was included (Baltic Sea) but its implementation is part of DG REGIO's portfolio. The total EU's financial contribution amounts to approximately EUR 1 billion.</p> <p>Out of the above 16 programmes, 13 were adopted by the Commission in 2015. Due to political reasons, two programmes (PL-RU and LT-RU) were submitted to the Commission for adoption and were approved only in 2016, and the other programme (Mid-Atlantic) was cancelled.</p> <p>25 FAs to implement the 15 ENI-CBC adopted programmes were signed between 2016 and 2018 and are in force.</p> <p>Source of data: DG NEAR as responsible DG for the ENI-CBC programmes</p>		
Baseline 2015	Interim Milestone	Target 2016
0	n/a	25 FAs signed between the Commission & participating countries, corresponding to the 15 ENI-CBC programmes adopted by the Commission.
<p>Latest known results 2019</p>		

16 CBC programmes are in place.

24 of 25 Financing Agreements (corresponding to the 15 CBC programmes) entered into force by end 2018. The last one entered into force in January 2019.

Main outputs in 2019:

Description	Indicator	Target date
Follow-up of 2017 Brussels Summit commitments and of the "20 Deliverables for 2020", including monitoring via new institutional set-up.	<ul style="list-style-type: none"> Platforms and Panels, monitoring the implementation of the "20 Deliverables". 	All by the end of 2019
Communication activities related to the 10 th anniversary of the Eastern Partnership	<ul style="list-style-type: none"> Active communication campaign and series of events held. 	

Latest known results (situation on 31/12/2019)

A Large-scale regional campaign was launched in February until end May 2019. Key pillars included launch event with 100 Young European Ambassadors and high-level events in Brussels. Public events were organised in six countries led by delegations (on the occasion of Europe Days). A dedicated website and campaign reached over 2 million people on social media. Extensive media outreach (including press trips, press packages and media pitching) resulted in 43 million people potentially reached via TV, radio and news sites on the Eastern Partnership 10th anniversary.

At the High Level Event celebrating 10 years of the Eastern Partnership, President Juncker presented the Top 10 Achievements of the EaP since 2009. He also launched a structured consultation on the future direction of the Eastern Partnership. This process includes a dedicated website and a large number of events and concludes at the end of October 2019.

Two meetings of Platform 1 (good governance and security) were organised in 2019 (February and December), as well as 5 panels on Rule of law, Public Administration Reform and Security.

One meeting of Platform 2 (economic development and market opportunities) was organised in 2019 (April), as well as 4 panels on Agriculture; Trade (2); and Harmonisation of Digital Markets).

EU policies related to climate neutrality and the European Green Deal were in the focus of discussion of Platform 3 meetings in 2019, conducted in March and November. Meetings of the Panels on Transport, Energy, and Environment and Climate were organised.

Description	Indicator	Target date
At least one sub-granting scheme from to civil society in each of the EaP countries	<ul style="list-style-type: none"> Strategic partners identified and sub-granting calls launched in all 6 countries 	By end of 2019
69 Civil Society Fellows in the Eastern Partnership	<ul style="list-style-type: none"> Fellows are selected and trained 	

Latest known results (situation on 31/12/2019)

Following a call for proposals, 12 Framework Partnership Agreements have been concluded with Strategic partners and 4 Specific Grants awarded. These grants will support sub-

granting schemes to strengthen civil society organisations in all 6 EaP countries and Russia. During 2019, the third generation of 20 Civil Society Fellows was selected under the EaP Civil Society Facility, and the fellows have embarked on a comprehensive cycle of capacity building and networking activities. This brings the total number of EaP Civil Society Fellows to 60 for 2017-2019. A new call for applications for the 2020 Fellowships is currently under evaluation.

Under the EU4Youth Capacity building component around 500 Civil Society Fellows have been selected since 2017.

Description	Indicator	Target date
Support the UfM sector policy dialogue with partner countries	<ul style="list-style-type: none"> Union for the Mediterranean declarations are followed up through yearly sector dialogues involving the full range of relevant stakeholders; 	Throughout 2019
Provide institutional support to the UfM	<ul style="list-style-type: none"> UfM Roadmap and new approach to labelling are implemented 	

Latest known results (situation on 31/12/2019)

Key sectoral policy dialogues have been held, among which the following:

- the UfM Energy Platforms in Barcelona in January
- the Intellectual Property Rights Experts Meeting on the Fight against Piracy and Counterfeiting
- the UfM Focal Points meeting on Trade and Investment Facilitation Mechanism (TIFM) in Brussels in March
- the UfM Trade SOM in October
- the UfM Working Groups on Land, Air and Maritime Transport & Logistics in November
- the UfM Working Group on Energy Efficiency for Appliances in December and
- the UfM Working Group on Industrial Cooperation in December 2019.

UfM Ministerial on Labour and Employment took place in Portugal in April 2019.

UfM roadmap ongoing.

Description	Indicator	Target date
2019 ENI Multi-country Programmes for both East and South	2019 Programmes adopted by the Commission	Throughout 2019

Latest known results (situation on 31/12/2019)

The Regional Annual Action Plan South has been adopted and 5 Commission Decisions on Regional Programmes East (RAP 1, 2, 3, 4 and 5) have been adopted in 2019.

Description	Indicator	Target date
Advancing TEN-T long-term investment action plan	<ul style="list-style-type: none"> • Endorsement of the TEN-T Investment Action Plan • Streamlining projects through the creation of 	Throughout 2019

	<p>technical assistance facility and preparation of the pipeline</p> <ul style="list-style-type: none"> • Related institutional and regulatory reforms continued • Start of implementation of quick-win strategic investment projects identified by the TEN-T Investment plan, funded by the Neighbourhood Investment Platform (NIP) 	
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Latest known results (situation on 31/12/2019)

New investments in transport adopted, notably the Lebanese roads and safety project of the EIB in April 2019. With EUR 20 million NIP grants, the EU supports a EUR 500 million-investment programme.

Regulatory and institutional reforms in the transport sector adopted by national Parliaments in Egypt and Tunisia.

- Egypt : Law setting up a Land Transport Regulatory Authority (LTRA) to promote reforms in the field of land transport on 4 February 2019; starting of the process for the opening of the Accord Européen sur le Transport Routier (AETR) for accession to Egypt at the 20th session of the AETR Group of Experts, held in Geneva, on 18 February 2019;
- Tunisia: support accession to the UN 1997 Agreement concerning the Adoption of Uniform Conditions for Periodical Technical Inspections of Wheeled Vehicles and the Reciprocal Recognition of such Inspections.

The TEN-T action plan has been finalised after consultations with all the partners. It was communicated in the Transport Ministerial (06 June 2019) and welcome by all partners. This is accepted as a basis for future investment.

Work on the facility has been launched and is expected to be approved later in the year.

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument (TAIEX)	Implemented regional TAIEX activities.	Throughout 2019

Latest known results (situation on 31/12/2019)

TAIEX organised 32 Multi Country Workshops in the IPA and ENI regions. Out of them 5 Multi Country Workshops were organised gathering IPA and ENI beneficiaries from East and South

General objective 1 – A Stronger Global Actor – Enlargement

Specific objective: 3

The enlargement countries are more ready to join the EU, in particular as regards the fundamental areas of rule of law, public administration reform and economic development, reaping benefits of closer integration with the EU before accession and ensuring continued progress in the accession negotiations where relevant.

Related to spending programme IPA

Result indicator: Readiness indicators on fundamental areas of political criteria (Areas: Judiciary, Fighting organised crime, Freedom of expression, Fight against corruption, Public administration reform).

Definition: These indicators aim at showing where the seven enlargement countries stand in terms of their preparations for meeting key areas of the political accession criteria, namely the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and Public administration reform.

In each of these areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation – Moderately prepared – Good level of preparation – Well Advanced

These indicators have been introduced in the enlargement country reports of 2015. For further details, please see the Communication on the EU Enlargement Strategy³⁸.

These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy and financial assistance as regards two main fundamentals of the enlargement strategy (i.e. The rule of law and fundamental rights and public administration reform). DG NEAR role is to support the enlargement countries to address the core issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.

Source of data: Annual enlargement country reports – European Commission

Baseline 2015	Interim Milestone 2018	Target 2020
Five cases of early stage of preparation in these areas	Reduced number of cases of early stage of preparation in these areas	A majority of countries are moderately prepared in these areas ³⁹

Latest known results 2019

In terms of **progress**, according to the 2019 country reports⁴⁰, candidate countries and potential candidates made "some progress" (12 cases) and "good progress" (6 cases) towards meeting the political criteria.

In Turkey there was backsliding in public administration reform, fight against corruption, functioning of the judiciary, and freedom of expression.

³⁸ COM (2016) 715 final, 09.11.2016

³⁹ Assuming that there will not be any backsliding on these areas, the target implies that by 2020 at least 3 more countries become moderately prepared on the functioning of the judiciary; at least four more countries become moderately prepared on the fight against corruption; at least four more countries become moderately prepared on the fight against organised crime; at least four more countries become moderately prepared on freedom of expression. As for the public administration reform area, a majority of countries are moderately prepared in this area already in 2015.

⁴⁰ This information will be updated upon adoption of enlargement package 2020.

In terms of **readiness**, there was six cases of "early stage of preparation" in these areas of functioning of judiciary (Bosnia Herzegovina, Kosovo*, Turkey), fight against organised crime (Kosovo*), fight against corruption (Turkey) and freedom of expression (Turkey), and four case of "early stage /some level of preparation".

Under the "moderately prepared" category, there has been no change since the 2015 baseline, with five cases on public administration reform. However, the 2019 report noted improvement in North Macedonia, which reached "some level of preparation/ moderately prepared" in two areas: functioning of judiciary and fight against corruption.

Result indicator: Readiness indicators on fundamental areas of Economic criteria (i.e. functioning market economy and competitiveness in the EU)

Definition: These indicators aim at showing where the seven enlargement countries stand in terms of their preparations for meeting key areas of the two economic accession criteria, namely the existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the Union.

In each of these areas, the state of play, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced.

These indicators have been introduced in the enlargement country reports of 2015. For further details, please see the Communication on the EU Enlargement Strategy⁴¹.

These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy and financial assistance as regards one main fundamental of the enlargement strategy (i.e. economic criteria). DG NEAR role is to support the enlargement countries to address the core issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.

Source of data: Annual enlargement country reports – European Commission

Baseline 2015	Interim Milestone 2018	Target 2020
Four cases of early stage of preparation in these areas	Reduced number of cases of early stage of preparation in these areas	A majority of countries reach a good level of preparation in these areas ⁴²

Latest known results 2019

According to the 2019 country reports⁴³, candidate countries and the potential candidates made some progress on meeting the economic criteria.

In Turkey, there has been backsliding in the area of functioning market economy, although the country remained at a "well advanced" stage of preparation.

This indicator remained stable in 2019 compared to the baseline, with four cases of early stage of preparation.

Result indicator: Degree of readiness and alignment to the *acquis* as reflected in the

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

⁴¹ COM (2016) 715 final, 09.11.2016

⁴² Assuming that there will not be any backsliding on these areas, the target implies that by 2020 at least two more countries reach a good level of preparation on the functioning market economy; at least three more countries reach a good level of preparation on the capacity to cope with competitive pressures and market forces within the Union.

⁴³ This information will be updated upon adoption of enlargement package 2020.

country reports		
<p>Definition: These indicators aim at showing where the seven enlargement countries stand in terms of their preparations for fulfilling the obligations stemming from the membership, including the alignment to the <i>acquis</i>.</p> <p>In each of the <i>acquis</i> chapters⁴⁴, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced</p> <p>For further details, please see the Communication on the EU Enlargement Strategy⁴⁵.</p> <p>These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy and financial assistance as regards the third accession criteria⁴⁶. DG NEAR role is to support the enlargement countries to address the issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.</p> <p>Source of data: Annual enlargement country reports – European Commission</p>		
Baseline 2015	Interim Milestone 2018	Target 2020
51 cases of early stage of preparation in the 35 chapters ⁴⁷ .	Reduced number of cases of early stage of preparation in these areas	A majority of countries are moderately prepared in these areas.
Latest known results 2019		
31 cases of early stage of preparation in the 35 chapters in the six Western Balkan countries.		
4 cases of early stages of preparation for TK in the 2019 country report.		
Result indicator: Public Administration Reform (PAR) strategy framework, which is in line with the Principles of Public Administration		
<p>Definition: This indicator aims at showing the progress of the seven enlargement countries with the preparation, adoption and implementation of a strategic framework on PAR, addressing the following core areas of PAR: Policy development and coordination, Public service and human resources management; Accountability of Administration and Service delivery. These core areas are in line with the new approach on PAR, as advocated since the 2014-15 enlargement strategy and further defined by the Principles of Public.</p> <p>Source of data: National authorities in the Enlargement countries leading Public Administration Reforms</p>		
Baseline 2015	Interim Milestone 2018	Target 2020
3 countries	5 countries are implementing a PAR strategy framework in line with the Principles of Public Administration	7 countries are implementing a PAR strategy framework
Latest known results 2019		

⁴⁴ BiH and Kosovo* are assessed according to the European Standards, not the chapter structure.

⁴⁵ COM (2016) 715 final, 09.11.2016

⁴⁶ This criteria is about the administrative and institutional capacity to effectively implement the *acquis* and ability to take on the obligations of membership.

⁴⁷ BiH and Kosovo* are assessed according to the European Standards, not the chapter structure.

Albania

The country has Public Administration Reform Strategy since 2015 and extended its duration to 2022. Its Action Plans for 2018-2022 have been revised accordingly. The strategy received assistance through a sector reform contract under IPA 2015.

Bosnia and Herzegovina

The countrywide strategic framework on public administration reform (PAR) for 2018-2022 has been adopted by the State, the Federation entity and the Brčko District, but not by the Republika Srpska entity.

Kosovo*

The strategic framework for public administration reform consists of 4 strategies on better regulation, policy planning and coordination, modernisation of public administration and public financial management. Implementation has been weak, mainly due to over-ambitious planning and lack of resources. The strategy received assistance through a sector reform contract under IPA 2016.

The Republic of North Macedonia

The public administration reform strategy is in place since 2017. A monitoring framework for the 2018-2022 public administration reform is in place. The public administration reform is now costed as a separate budget programme in the state annual budget. Despite that, the implementation of the reform strategy is still not financially sustainable and continues to be largely dependent on external donor funding.

Montenegro

The country has a Public Administration Reform Strategy in place since 2016. The strategy is being implemented with substantial financial support from an IPA-funded sector reform contract since 2017. The first fixed variable tranche was paid in 2019.

Serbia

The country has a Public Administration Reform Strategy in place since 2015. The strategy is being implemented with substantial financial support from an IPA-funded sector reform contract since 2016. The third fixed tranche and the second variable tranche were paid in 2019.

Result indicator: Public Financial Management (PFM) reform programmes

Definition: This indicator aims at showing the progress of the seven enlargement countries with the preparation, adoption and implementation of credible and relevant PFM reform programmes.

The 2013-14 and 2014-15 enlargement strategies have gradually introduced a new policy on Public Financial Management (PFM) in the enlargement countries. Improved public financial management, including revenue administration and collection are of fundamental importance for the functioning of the state and for implementing the reforms needed for EU integration. Countries have been invited to prepare "credible and relevant" PFM reform programmes/strategies

Both the enlargement strategy and the budget support guidelines highlight that an acceptable PFM reform programme is both relevant and credible. Relevance means how key constraints and weaknesses identified in different assessments (e.g. PEFA, SIGMA baseline assessment, IMF Tax Administration Diagnostic Assessment Tool TADAT) are addressed in the PFM strategy/programme. Credibility refers to the quality of the reform process in terms of its 'realism', appropriate sequencing and prioritisation of actions, institutional arrangements, allocation of resources, implementation track record and political commitment to the reforms.

Source of data: Ministries of Finance in the Enlargement countries

Baseline 2015	Interim Milestone 2018	Target 2020
Only 1 country implements a credible and relevant PFM reform programmes	5 countries are implementing credible and relevant PFM reform programmes	All 7 countries are implementing credible and relevant PFM reform programmes by 2020
Latest known results 2019		
<p>Albania</p> <p>The country has Public Financial Management Strategy since 2014 and extended its duration to 2022 following a mid-term review. The 2018 annual PFM monitoring report was published in 2019. The strategy received assistance through a sector reform contract under IPA 2014.</p> <p>Bosnia and Herzegovina</p> <p>The state level and the District of Brcko have developed and adopted their PFM strategies but not the Republika Srpska entity.</p> <p>Kosovo*</p> <p>The PFM strategy covers the period 2016-2020. It is complemented by the 2017-2021 National Public Procurement Strategy, adopted in January 2017, and the 2015-2019 Public Internal Financial Control Strategy (PIFC), adopted in 2015. Kosovo* published the 2018 Action Plan for Public Financial Management Reform Programme as well as a semi-annual PFM monitoring report for 2019 (January-June 2019). IPA supports the implementation of the PFM reform programme through a sector reform contract under IPA 2017.</p> <p>The Republic of North Macedonia</p> <p>The country has a PFM reform programme covering the period 2018-2021. It issued an annual monitoring report on the implementation of the 2018 Action Plan for Public Financial Management Reform Programme as well as a semi-annual PFM monitoring report for 2019 (January-June 2019). The 2019 Action Plan was presented in 2018 and formally endorsed in March 2019.</p> <p>Montenegro</p> <p>The country has had a Public Finance Management Reform Programme since 2016. The 2018 annual PFM monitoring report was published in 2019.</p> <p>Serbia</p> <p>The country has had a Public Finance Management Reform Programme since 2016 that covers all relevant sub-systems. The 2018 annual PFM monitoring report was published in 2019.</p>		

Main outputs in 2019:		
Description	Indicator	Target date
Contribution to the adoption of the IPA III regulation	Political agreement	First semester 2019
Latest known results (situation on 31/12/2019)		
<p>The EP established its first reading position in March 2019, and on the Council side GAC reached a partial general approach on 19 March. Trilogues have started in December 2019.</p> <p>With a decision on the horizontal MFF issues including amounts and governance still pending, an overall political agreement on the instrument is likely to be reached only in Autumn 2020.</p>		

Implementation of the Western Balkans Strategy (specific 2019 output/milestone to achieve under the strategy)	Significant progress made in the implementation of the Action Plan of the Strategy. In particular: <ul style="list-style-type: none"> – Compared overview and recommendations of the law enforcement capacities of the WB partners – New Action Plan on Firearms adopted EBCGA Status Agreements signed 	By the end of 2019
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Latest known results (situation on 31/12/2019)

Significant progress has been achieved. In particular, overview and recommendations on law enforcement in the Western Balkan partners have been delivered. The existing plan on firearms has been reviewed and the adoption is foreseen in 2020. All five EBCGA Status Agreements have been negotiated. Three agreements were signed in the course of 2019 (Albania, Montenegro, Serbia). The agreements with Bosnia and Herzegovina and North Macedonia are pending signature.

Description	Indicator	Target date
Contribute to draft Council Conclusions	Adoption of the Council Conclusions	June 2019

Latest known results (situation on 31/12/2019)

The Commission provided input to the June and October 2019 Council Conclusions for the opening of accession negotiations with North Macedonia and Albania. The European Council decided to revert to this issue before the Zagreb Summit in May 2020.

Description	Indicator	Target date
Enlargement package, consisting of a Communication and country reports	Package is completed and published	2019

Latest known results (situation on 31/12/2019)

The enlargement package, consisting of a Communication and 6 Staff Working Documents (country reports), was adopted by the College on 29 May 2019. In light of the significant progress achieved and the relevant conditions being met, the Commission recommended that the Council opens accession negotiations with Albania and North Macedonia.

Description	Indicator	Target date
Preparations for the Enlargement package 2020	Guidance note issued and process launched.	Autumn 2019

Latest known results (situation on 31/12/2019)

Guidance note issued and process launched leading to the publication of the Enlargement package 2020 on 12 November 2019.

TAIEX facilitated 16 peer reviews in relation to the implementation of the accession requirements.

Description	Indicator	Target date
Accession negotiations:	Progress on accession negotiations with	Throughout 2019

<p>This includes preparing Benchmark Reports, and Draft Commission Positions (DCP), as well as monitoring progress in fulfilling the rule of law interim benchmarks for Serbia and Montenegro in view of preparing non-papers (twice a year) to the Member States and interim benchmark reports (IBAR).</p>	<p>Montenegro/Serbia through preparation and submission of DCPs and benchmark assessment reports to COELA on chapters where the necessary conditions have been fulfilled</p>	<p>Several reports/DCPs per year, as necessary</p>
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Latest known results (situation on 31/12/2019)

Accession negotiations with Montenegro: No additional chapters were opened in 2019, but work continued on benchmarks assessment under all chapters. One chapter only remains to be opened (chapter 8-Competition); at the end of the year the Council agreed on the fulfilment of the opening benchmarks for this chapter. Overall, 32 chapters are opened, three of which are provisionally closed. The Commission's Non-paper on the state of play regarding chapters 23 and 24 for Montenegro was discussed in the Council Working Group in November 2019.

TAIEX facilitated 8 peer reviews in relation to the implementation of the accession requirements.

Accession negotiations with Serbia: chapter 9 (Financial services) was opened at the Inter-Governmental Conference of 27 June and chapter 4 (Free movement of capital) was opened at the Inter-Governmental Conference of 10 December 2019.

The Opening Benchmark Assessment Reports on chapter 11 (Agriculture and rural development) and on chapter 22 (Regional policy and coordination of structural instruments) were presented to the Working Party on Enlargement and Countries Negotiating Accession to the EU on 8 February 24 September 2019 and has gathered 15; and 7 green lights during the reporting period. The Council also discusses chapter 2 (Freedom of movement for workers) - 11 green lights; chapter 14 (Transport Policy) - 3 green lights; and chapter 21 (Trans-European networks) - 10 green lights.

The Draft Common Position on Serbia for chapter 21 and the Opening Benchmark report on Serbia for chapter 11 were presented to COELA in January and February 2019, respectively. The fourth Serbia non-paper to the EU Member States was reported to the Member States in November 2019.

TAIEX facilitated 4 peer-review missions in 2019 in the following areas: implementation of the new Law on Asylum; terrorism/countering violent extremism; high level corruption, organised crime and money laundering and on public procurement

Description	Indicator	Target date
Albania: follow-up to the Commission's conditional recommendation and Council conclusions to open accession negotiations	Country annual report and preparatory work (including explanatory sessions on all acquis chapters) completed	Q3/2019

Latest known results (situation on 31/12/2019)

The Commission issued its annual country report on Albania and recommended again opening of accession negotiations in May 2019. In June 2019, the Council decided to revert to this issue no later than October 2019. The explanatory sessions continue.

TAIEX organised in 2019 the explanatory meetings for 33 negotiating chapters of the acquis. TAIEX facilitated two peer review in direct relation with this objective, in particular a peer review on public procurement and on the fight against organised crime and

corruption.		
Description	Indicator	Target date
North Macedonia follow-up to the Commission's recommendation and Council conclusions to open accession negotiations	Country annual report and preparatory work (including explanatory sessions on all acquis chapters) completed	Q3/2019
<p>Latest known results (situation on 31/12/2019)</p> <p>The North Macedonia annual report was completed according to the schedule.</p> <p>The Commission recommended again opening of accession negotiations in May 2019.</p> <p>In October 2019, the European Council decided to revert to this issue before the Zagreb summit in May 2020.</p> <p>The explanatory sessions on all chapters of the acquis were completed in December 2019.</p> <p>TAIEX facilitated 3 peer reviews in direct relation with this objective, in particular</p> <ul style="list-style-type: none"> • peer review in the field of freedom of expression as a follow up of the two reports of the Senior Experts' Group or so called Priebe's Reports, with particular focus on media sector and status of implementation of the recommendations, • peer review on public procurement which enabled to assess the effectiveness of the public procurement system with a particular focus on vulnerable sectors and oversight systems, and • peer review on the enforcement of civil and commercial decisions, which provided the European Commission and the beneficiary country with an assessment of the country's capacity to effectively enforce judicial decisions in civil and commercial matters. <p>TAIEX also organised 21 explanatory meetings.</p>		
Description	Indicator	Target date
Kosovo*: Progress in delivery of reform commitments under the SAA assessed European Reform Agenda	Kosovo* annual report completed and meetings and follow up under the SAA	Q4/2019
<p>Latest known results (situation on 31/12/2019)</p> <p>The Kosovo* annual report was completed according to schedule. The Commission has continued to support Kosovo*'s implementation of commitments under the SAA and European Reform Agenda.</p> <p>However, due to the political situation (resignation of the Prime Minister in July 2019, and subsequent parliamentary elections in October 2019), the reform has been slow and the EU-Kosovo* Stabilisation and Association Council could not be held in 2019.</p>		
Description	Indicator	Target date
Commission Opinion on the merits of Bosnia and Herzegovina's application for EU membership	Adoption by College, prepared on basis of in-depth analysis of detailed answers from BiH on all areas of the EU acquis and necessary follow up; deployment of expert missions; comprehensive	Q4/2019

	stakeholder consultation and – possibly drafting of the opinion itself.	
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Latest known results (situation on 31/12/2019)

The College adopted the Commission Opinion on 29 May 2019. Several peer reviews and expert missions have been carried out in preparation.

TAIEX facilitated 3 peer reviews in direct relation with this objective, in particular a peer review on status, autonomy and accountability of law enforcement agencies and peer review on law enforcement, which provided the fundamental insight into the existing condition of the police system in BiH after the latest reform. The third review was case-based on public procurement and enabled to assess the effectiveness of the public procurement system with a particular focus on vulnerable sectors and oversight systems.

Description	Indicator	Target date
Coordination of the Economic Reform Programmes (ERP) exercise for the Enlargement countries and adoption together with Enlargement package as integrated process Key economic recommendations feed fully and directly into the overall conclusions and recommendations for the enlargement policy	2019 assessments and draft council conclusions adopted	First semester 2019

Latest known results (situation on 31/12/2019)

The 2019 ERP assessments were published in April. More focus was put on the key structural challenges of the economy.

https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance_en

Joint Ministerial conclusions including country specific policy guidance were adopted on 17th May 2019:

<https://www.consilium.europa.eu/en/press/press-releases/2019/05/17/western-balkans-and-turkey-joint-conclusions-of-the-economic-and-financial-dialogue-of-17-may-2019/>

The 2020 ERP Guidance note was also provided to the countries in June 2019:

https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance_en

The ERP process was reinforced with two regional projects: Support enlargement countries on costing and budgeting of the structural reforms and Strengthening the Central Banks capacities in the Western Balkans.

Description	Indicator	Target date
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<p>Implementation and/or adoption of comprehensive public administration reform (PAR) programmes and public financial management reform programmes (PFM) to support the development of horizontal capacities to implement the acquis.</p>	<p>Number of countries</p> <ul style="list-style-type: none"> • Participation in PAR Special Groups/PAR policy dialogue • Contribution to preparation and/or participation in PFM Dialogue 	<p>All Western Balkans countries and at least 2 ENP countries;</p> <p>At least 5 Western Balkans countries and 1 ENP East country.</p>
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Latest known results (situation on 31/12/2019)

All 6 Western Balkans countries and 3 ENP countries have an ongoing PAR policy dialogue with the European Commission. Western Balkans and Ukraine have the same policy dialogue format, while PAR policy dialogue with Georgia and Armenia is more linked with ongoing PAR budget support efforts. BiH PAR Special Group 30 January; Albania PAR Special Group 9-10 April, and technical PAR dialogue 4-5 November; Ukraine PAR High level PAR Dialogue 27 March; Armenia PAR policy dialogue 23-24 May; PAR Special Group in Montenegro 10-11 October; Serbia PAR Special Group 14 October; North Macedonia PAR Special Group 17 September.

5 Western Balkan countries (with the exception of Bosnia and Herzegovina) organise a PFM dialogue meeting on the basis of government PFM monitoring report. From ENP countries, 1 country (Ukraine) organises a PFM dialogue meeting on the basis of government own PFM monitoring report. PFM dialogues took place as follows: Ukraine 26 March; Albania 9-10 April; Kosovo* 21 May; Armenia 23-24 May, Montenegro 10 October, North Macedonia 16 September, Serbia 14 October.

<p>Monitoring the Stabilisation and association agreements (SAA) and the implementation of structural reforms in the Western Balkans (WB) and the Association Agreement with Turkey</p>	<p>SAA and AA Council, Committee, and Sub-committee / Special Groups meetings held with the Western Balkans countries.</p>	<p>All Western Balkans countries:</p> <ul style="list-style-type: none"> • 1 SA Council • 1 SA Committee • 7 Sub-committees + 1-2 PAR Special Group (and, for Kosovo*, a normalisation Special Group) • Turkey: 1 Association Council and 1 Association Committee and at least 4 Sub committees
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Latest known results (situation on 31/12/2019)

Albania: SAA meetings foreseen thus far in 2019 took place according to schedule with the exception of the Sub-Committee on Innovation, Information Society and Social Policy, which was postponed from 5 December 2019 to 23 Jan 2020 because of the November 2019 earthquake.

Bosnia and Herzegovina: All SAA meetings (except SA Council organised by the EEAS) took place in 2019.

Montenegro: All SAA meetings foreseen in 2019 took place according to schedule.

North Macedonia: All SAA meetings foreseen in 2019 took place.

Kosovo*: All SAA meetings (except Stabilisation and Association Council and Special Group on Normalisation organised by the EEAS) took place in 2019.

Serbia: All SAA meetings took place in 2019, except the Stabilisation and Association

Council, which was postponed from mid-December until after the new College taking office.

Turkey: Following a four-year hiatus, the EU and Turkey held their 54th Association Council on 15 March 2019. In its conclusions of July 2019, the Council decided to suspend any further meetings of the Association Council. Seven sub-committee took place in 2019.

Given that the College considered suspending also meetings of the Association committee, no meetings took place in 2019. In its conclusions of 15 July 2019, the Council decided not to hold further meeting of the EU-Turkey high-level dialogues for the time being.

Inputs were provided to the preparation of sub-committees regarding chapters: 5, 16, 32, 20, 17, 3, 26. Attendance has been ensured as much as possible, as well as thematic assistance to Geographical Directorates.

Concerning the Enlargement Package, coherence was ensured for chapters-related elements and economic criteria

Description	Indicator	Target date
Complement the enlargement process through Initiatives at multi-country level in close co-operation with civil society, regional organisations, public administrations and IFIs.	Initiatives implemented	Throughout 2019

Latest known results (situation on 31/12/2019)

Under the first part of the Multi-country Programme 2019 adopted in July, support to strengthening **regional cooperation** and the development of a competitive Regional Economic Area (REA) has been decided.

In the field of **reconciliation**, support continued to overcome the legacy of the past and to strengthen good neighbourly relations. In particular, a dedicated regional action on regional cooperation to resolve missing persons' cases resulting from the conflicts in the 1990s was launched with the International Commission on Missing Persons. Political and financial support was provided to truth-seeking processes at regional level through RECOM - a regional civil society network for the establishment of a Regional Commission for the Facts about War Crimes and Other Serious Violations of Human Rights on the Territory of the Former Yugoslavia in the period 1991-2001. The use of culture as a vector for reconciliation was enhanced through the launch of a dedicated Western Balkans window in the EU's Creative Europe Programme.

On **rule of law, democracy, human rights and media freedom**, support has continued to focus on increasing compliance and implementation of European standards and the EU *acquis*. The joint EU-Council of Europe Horizontal Facility for the Western Balkans and Turkey was renewed and expanded in 2019 to include more emphasis on regional cooperation and specific work with Turkey. In line with the Sofia Declaration and the Sofia Priority Agenda, an action supporting a more effective administration of justice in organised crime and corruption cases in the Western Balkans through trial monitoring was adopted. The action will be implemented with the OSCE.

On the **fight against organised crime**, there has been an increased focus on work with EU Justice and Home Affairs agencies and operational support to cross-border investigations of serious organised crime. Two Europol Liaison Officer were deployed (Albania, Bosnia and Herzegovina) which has enhanced information exchange and cooperation between beneficiaries and Europol.

The **Integrative Internal Security Governance** mechanism established to support a more coordinated approach to security cooperation in the Western Balkans was calibrated to be fit for purpose.

The 2019 **ERP assessments** were published in April. Bigger focus was put on the key structural challenges of the economy. Joint Ministerial conclusions including country-specific policy guidance were adopted on 17 May 2019. The ERP process was reinforced with two regional projects: Support enlargement countries on costing and budgeting of the structural reforms and Strengthening the Central Banks capacities in the Western Balkans.

Continuous support provided to the implementation of the **Central Europe Free Trade Agreement (CEFTA)**. Ongoing support provided to development of investment policies at regional level and their alignment with EU and international standards. Support provided to development of smart specialization strategies, to SMEs and to strengthen competitiveness.

On **migration**, support to promote protection sensitive migration management measures in the Western Balkans and Turkey entered its second phase in 2019. Continued support is provided to improve the management of mixed migration flows, strengthen asylum and return mechanisms, improve information exchange and support more resilient local communities.

On **Roma**, a highly successful Roma awards event took place in Brussels celebrating the work of 14 'Unknown Heroes', outstanding Roma women promoting Roma integration at local level.

Additionally, further support through the **Civil Society Facility and media** programme has been provided to improve media freedom and pluralism, through new programmes with the European Endowment for Democracy and UNESCO, as well as to enable Civil Society Organisations to advocate for democracy, good governance, a better environment and anti-corruption at central and local level.

Description	Indicator	Target date
Monitoring of implementation of EU-Turkey Statement, including Joint Action Plan on Migration	Periodical reports	Throughout 2019

Latest known results (situation on 31/12/2019)

NEAR A5 and the EU Delegation in Turkey have been contributing, as appropriate, to the weekly ISAA reports that provide a situational picture on the migratory situation. A core part of that report concerns the implementation of the EU-Turkey statement. DG NEAR has also contributed to the Commission reports on the implementation of the European Agenda on Migration.

https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/20191016_com-2019-481-report_en.pdf

Description	Indicator	Target date
3 rd Western Balkans media days	Event	Q3/2019

Latest known results (situation on 31/12/2019)

The Western Balkan Media Days were held on 12 and 13 September 2019 in Podgorica

Description	Indicator	Target date
2019 IPA II country and multi-country action programmes	Adoption	Q3/Q4 2019

Latest known results (situation on 31/12/2019)

All IPA II Annual and Multi annual Action Programmes for the year 2019 were adopted.

Albania: The Annual Action Programmes 2019 and 2020 for Albania were presented at the

IPA Committee in November 2019. The 2019 Action Programme was adopted in December 2019.

Bosnia and Herzegovina: The Annual Action Programmes 2019 and 2020 for Bosnia and Herzegovina were presented at the IPA Committee in November 2019. The 2019 Action Programme was adopted in December 2019.

North Macedonia: The IPA II National Programmes for North Macedonia 2019 and 2020 have been presented by the IPA Committee in November 2019. The 2019 programme has been adopted in December 2019.

Kosovo*: The IPA 2019 Annual Action Programme - part I was adopted in May 2019. Part II of the 2019 programme was adopted in December 2019.

Montenegro: The preparation of the Montenegro Action Programme 2019 was successful; the programme was presented at the IPA Committee in October 2019 and the financing decision was taken in November 2019.

Serbia: The preparation of the IPA 2019 Annual Action Programme was completed according to schedule. The Programme was presented at the IPA Committee in November 2019 and adopted by the College in December 2019.

Concerning the **multi-country programmes**, the Action Programme for the year 2019 was adopted in July 2019. Additionally, the Multi-country Action Programme for Western Balkans Guarantee for the years 2019-2020, the Multi-country Action Programme for Connectivity for the years 2019-2020, as well as an amendment of the Multi-country Action Programme for the year 2019 were adopted in November 2019.

The **2020 programming exercise** has been front-loaded with all country programmes discussed at the IPA Committees in Q4/2019. The exceptions were the 2020 programme for Serbia (part 2), Kosovo* and for multi-country. These have required more extensive discussion/consultation process with the authorities and will be presented in the course of 2020.

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	Implemented TAIEX events in the field of rule of law and public administration reform.	Throughout 2019

Latest known results (situation on 31/12/2019)

18 TAIEX events were organised on Public Administration Reform (12 for the Western Balkan region, 1 for ENI East and 5 for ENI South).

On Public Financial Management, 33 TAIEX events were implemented throughout the year (9 for ENI East, 4 for ENI South and 20 for IPA countries).

3 TAIEX strategic events on the Economic Reform Programme took place in 2019.

A TAIEX Multicountry Workshop on EU Funds 2014-2020: Effective spending of EU Funds-Financial Management of IPA Funds took place in October 2019.

On rule of Law, 160 TAIEX events were organised in 2019 (92 in IPA region, 18 in ENI South and 37 in ENI East). In addition, 13 multi-country workshops were organized.

Specific objective 4:
Improved connectivity within the Western Balkans and with the EU.
Improved good neighbourly relations among Enlargement countries with a view to overcoming the legacy of the past

Related to spending programme IPA

Result indicator: Progress in completing the Core transport network and the Core transport corridors.

Definition: The EU adopted, in January 2014, a new transport infrastructure policy to put in place a powerful European transport network across the 28 Member States. These new guidelines refocus transport financing on a tightly defined new core network, the **Trans-European Transport Core Network (TEN-T core network)**, which will form the backbone for transportation in Europe's single market. It will remove bottlenecks, upgrade infrastructure and streamline cross border transport operations for passengers and businesses throughout the EU. Within the **Western Balkans Six framework**, the European Commission and the six Prime Ministers from the Western Balkans agreed, on 21 April 2015 in Brussels, on **indicative extensions of the TEN-T core network in the Western Balkans region**. In Riga, on 22 June 2015, the Western Balkans Six Transport Ministers confirmed the maps of the comprehensive and core networks extending the TEN-T network in the Western Balkans. A **list of priority projects** was agreed at the Vienna Summit in August 2015.

Source of data: East Europe Transport Observatory (SEETO) Annual Report; Western Balkans Investment Framework Annual Assessment

Baseline 2015	Interim Milestone 2018	Target 2020
24 priority projects on the list agreed in Vienna	At least 33% priority projects approved/under implementation	75% of 24 priority projects identified in Vienna approved/under implementation

Latest known results 2019

There has been significant progress in completing the Core transport network and the Core transport corridors (65% out of the 24 priority projects approved and under implementation, compared to 54 % at the end of 2017).

In 2019, construction works have been initiated on 6 connectivity projects.

Result indicator: Progress in implementing the Projects of Energy Community Interest.

Definition: The South East Europe Energy Strategy adopted in October 2013 outlines the key objectives and actions needed to create a regional energy market, as well as the investment needs for energy efficiency and renewable energy. A list of Projects of Energy Community Interest (PECI) was subsequently adopted, identifying in particular the electricity and gas interconnections as key areas that would contribute to the Western Balkans economic development and further EU integration

Source of data: Energy Community Annual Report (revision of the PECI list in 2016); Western Balkans Investment Framework Annual Assessment

Baseline 2015	Interim Milestone 2018	Target 2020
20 electricity and gas projects in 2013 PECI list	At least 33% of the 20 relevant PECI project approved/under implementation	At least 75% of the 20 relevant PECI projects approved/under implementation

Latest known results 2019
 Currently the Energy Community Secretariat is working in order to agree on the 2020 PECE list, which will supersede the one in force since 2018.

Result indicator: Progress in implementing the soft measures on energy and transport

Definition: As agreed at the Vienna Summit in August 2015, the Western Balkans countries have to complement the investments through the implementation of soft measures aiming to increase the added value of the infrastructure investments. **The soft measures will require limited funding but a strong political commitment.** They include measures such as aligning and simplifying border crossing procedures, railway reforms, information systems (ITS), road safety and maintenance schemes, unbundling and third party access, regulator independence, licensing and permitting regimes, customer switching, etc.

Source of data: Conclusions of Western Balkans Ministerial meetings and Summits

Baseline 2015	Interim Milestone 2016	Target 2020
40 short and long term measures for energy and transport agreed in Vienna New baseline 2016, updated after the Paris summit: 86 measures for transport/84 measures for energy	50% of short term measures in Vienna list implemented	85% of all 40 soft measures in Vienna list implemented

Latest known results 2019

Transport:

With reference to Connectivity reform measures (CRM) in transport sector there is some progress. One of the greater developments in the reporting period were the activities undertaken in the frame of the four projects carried out by Connecta Technical Assistance on four regional measures: road safety, maintenance, Intelligent Transport System (ITS), and road border-crossing facilitation.

The following represents a summary of all measures from the Connectivity reform measures management plan (CRMMP) which entails the regional and national measures originally agreed at the Western Balkans Summit in Vienna in 2015 and the additional measures agreed at the 2016 Summit in Paris. In total, the Western Balkans have implemented **13 transport measures or 15%**. Frontrunner is Albania with 3 implemented measures, Serbia 3, Montenegro 2, Kosovo* 2, the Republic of North Macedonia 2 and Bosnia and Herzegovina 1.

Overall score (regional and national measures combined) – Albania 80%, Bosnia and Herzegovina 30%, the Republic of North Macedonia 55%, Montenegro 81%, Serbia 74%, Kosovo* 61%.

Energy:

The EU funded technical assistance provided by the Energy Community Secretariat proved very useful to support concrete measures in the six Western Balkans countries, but still overall, the level of achievement remains unsatisfactory.

Fully implemented measures: Albania 1, Bosnia and Herzegovina 2, Kosovo* 3, Montenegro 5, North Macedonia 3 and Serbia 4.

In total the Western Balkans have implemented energy measures at 60%. Frontrunner is Montenegro with 75%, Serbia with 70%, Albania 58%, Kosovo* 57%, the Republic of North Macedonia 56% and Bosnia and Herzegovina 48%. In 2019 overall progress, which includes also regional measures, represent less than 5% of achievement compared to

2018.		
Result indicator: European Commission contributes to smooth organisation of Berlin process summits.		
Definition: The European Commission is looking at boosting regional economic development and connectivity in the Western Balkans as well as to improve good neighbourly relations between Western Balkans countries. The aim will be to continue progress achieved to date, notably through the "Berlin process" and the "Western Balkans Six" format, which brings together heads of state and government from the region and is strengthening the countries' ownership of regional co-operation.		
Source of data: Conclusions of Western Balkans Ministerial meetings		
Baseline 2015	Interim Milestone 2016-2018	Target 2020
N/A	Connectivity Package endorsed by summit At least 2 Western Balkans Ministerial meetings organised in preparation of summit	Connectivity Package endorsed by summit At least 2 Western Balkans Ministerial meetings organised in preparation of summit
Latest known results 2019		
The 2019 connectivity package of 8 new infrastructure projects worth 180 MEUR was endorsed in June 2019 and presented at the Western Balkans Summit in Poznan on 4-5 July 2019. Also at the Poznan Summit, the Roma Integration Declaration, and the joint Statement on "Clean Energy Transition in the Western Balkans", signed in Podgorica in February 2019, were endorsed. The Poznan Summit was preceded by the sectoral ministerial meetings of the Ministers of Interior, the Ministers of Economy and the Ministers of Foreign Affairs on 4 July 2019.		

Main outputs for 2019:		
Description	Indicator	Target date
IPA I and II implementation and budgetary execution	The benchmarks for KPIs on contract and payment are met	December 2019
Latest known results (situation on 31/12/2019)		
The targets concerning contracts and payments were met by December 2019. See also Annex 11 of the AAR on KPI Analysis.		

Description	Indicator	Target date
Progress on the connectivity reform measures on transport and energy;	Endorsement of the 2019 connectivity package for the Western Balkans.	Mid 2019
Progress in completing the Core transport network and the Core transport corridors; progress in implementing the Projects of Energy	Seat of the Transport Community Treaty set up	

Community Interest and the set-up of the seat, administrative arrangements, etc. of the Transport Community Treaty.		
<p>Latest known results (situation on 31/12/2019)</p> <p>The 2019 connectivity package of 8 new infrastructure projects worth 170 MEUR was endorsed in June 2019 and presented at the WB Summit in Poznan in July 2019.</p> <p>The Seat of the Transport Community Treaty has been set up in Belgrade, with temporary staff recruited and acting Director appointed. Official opening in September 2019.</p> <p>Limited progress in the implementation Connectivity reform measures on transport and energy during 2019.</p>		
Description	Indicator	Target date
Implementation of the Western Balkans Strategy (specific 2019 output/milestone to achieve under the strategy)	<p>Significant progress made in the implementation of the Action Plan of the Strategy. In particular:</p> <ul style="list-style-type: none"> - Western Balkans Guarantee instrument launched - Progress in the implementation of REA Multiannual Action Plan - Transport Community Secretariat operational - Energy Community Treaty amended, including reciprocity between WB6 and Member States <p>Opening up a dedicated WB window of Creative Europe programme</p>	By the end of 2019
<p>Latest known results (situation on 31/12/2019)</p> <p>The call for proposal for the EUR 150 million Western Balkans Guarantee was launched at the end of 2019 with the aim to further crowd in private sector investments in the region.</p> <p>There has been progress in the implementation of REA (regional roaming agreement signed, negotiations of Additional Protocol on Services, agreement on rules of Mutual Recognition of Academic Qualifications reached, agreement on common investment standards reached); the Transport Community Secretariat is operational; a dedicated WB Window under the EU Programme Creative Europe has been adopted as part of the multi-country programme 2019; clean energy transition declaration adopted, bringing the Western Balkans closer to achieving climate targets;</p> <p>Negotiations on the amendment to the Energy Community Treaty are still on-going (no agreement was reached at the Ministerial Council in December 2019).</p>		
Description	Indicator	Target date
IPA I and IPA II implementation/budgetary execution	Benchmarks for KPIs on contract and payment are met.	December 2019

Latest known results (situation on 31/12/2019)		
The targets concerning contracts and payments were met by December 2019. See also Annex 11 of the AAR on KPI Analysis.		
Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	Implemented TAIEX activities in the field of energy, transport, connectivity	Throughout 2019
Latest known results (situation on 31/12/2019)		
Throughout 2019, 82 TAIEX events in the field of energy, transport, and connectivity were implemented in the IPA region.		

General objective 2 – Towards a New Policy on Migration

Specific objective: 5 : Stem the influx of irregular migrants to the EU by addressing the root causes of destabilisation, forced displacement and irregular migration in Enlargement and Neighbourhood countries. Promote mobility and mutually beneficial migration.		
Related to spending programmes IPA and ENI		
Result indicator: Implementation of the Facility for Refugees in Turkey		
Definition: The implementation of this facility will be measured by the amount for which the Steering Committee of the Facility has provided guidance and by the amount committed.		
<p>The Facility for Refugees in Turkey is the answer to the October 2015 European Council's call for significant additional funding to support refugees in Turkey. The Facility will provide a joint coordination mechanism for actions financed by the EU budget and national contributions made by the Member States, designed to ensure that the needs of refugees and host communities are addressed in a comprehensive and coordinated manner.</p> <p>To ensure coordination, complementarity and efficiency in the financing, the Steering Committee of the Facility will provide strategic guidance and decide on which types of actions will be supported and through which financing instruments. The Steering Committee will monitor and assess the implementation of the Facility. It will be composed of representatives of Member States, the Commission and of Turkey, in an advisory capacity.</p> <p>The assistance provided under the Turkey Refugee Facility will be conditional on the compliance by Turkey with the EU-Turkey Joint Action Plan, which aims to bring order into migratory flows and help to stem irregular migration, and the EU-Turkey Statement from 29 November 2015.</p> <p>DG NEAR will be in charge of chairing the Steering Committee, managing its secretariat; and implementing the actions conducted under IPA. This result indicator is of high relevance to measure the results of DG NEAR's action on this specific objective since the Facility will be managed by DG NEAR and because Turkey, by its geographical position, is a major first reception and transit countries for migrants.</p>		
Source of data: Facility monitoring reports		
Baseline 2015	Interim Milestone 2016	Target 2017

Not applicable	EUR 2 billion, on which Steering Committee has provided guidance	EUR 3 billion on which Steering Committee has provided guidance. Corresponding amounts should be committed by 31.12.17
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Latest known results 2019

In 2019, the operational envelope of **Facility for Refugees in Turkey** (EUR 6 billion) was fully committed. Three new contracts were signed for the construction of water and wastewater infrastructure, and for enhancing employability skills of host communities and refugees in line with labour market needs. Over 4,000 Turkish language trainers were employed to give language training to over 230,000 children, and more than 52,000 students received catch-up and back-up training. As of June 2019, the number of educational personnel trained reached over 170,000. Around 5,000 staff were supported through salaries or incentives. By the end of June 2019, 179 Migrant Health centres were fully equipped and operational, with around 3,000 healthcare personnel recruited to date. Through this support, over 9 million primary health care consultations were carried out.

Furthermore, full programming of the second tranche was also achieved. In July 2019 the Commission adopted a Special Measure on health, protection, socio-economic support and municipal infrastructure, for a total amount of EUR 1.41 billion. In November 2019, a Support Measure on monitoring and evaluation, audit and communication was adopted with an envelope of EUR 11.34 million.

Result indicator: Implementation of the EU Regional Trust Fund in response to the Syrian Crisis

Definition: The EU Regional Trust Fund in response to the Syrian Crisis (EUTF) will continue its activities, mainly linked to the contracting and delivery of projects adopted by two Board meetings and identified until end 2015 and the preparation of a new pipeline of projects, in all the countries affected by the Syrian crisis.

The EUTF was established **in December 2014** with the overall objective to provide a coherent and reinforced **aid response to the Syrian crisis on a regional scale**, responding in the first instance to the needs of refugees from Syria in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards resilience and early recovery.

Following the Commission Communication of 23 September 2015 with proposals on Managing the refugee crisis, the Commission inter alia proposed a **substantial increase of funding in support of Syrian refugees** and their host countries through the Trust Fund, amounting to more than EUR 500 million in appropriations. It has also received contributions and pledges from 19 Member States amounting to EUR 60 million.

The Trust Fund is **managed by DG NEAR** who chairs the TF board and is in charge of developing actions to be submitted to the board.

Source of data: N/A

Baseline 2015	Interim Milestone 2016	Target 2020
2 Board meetings held Actions for EUR 387.5 million adopted EUR 17.5 million contracted	At least 2 Board meetings held At least Actions for EUR 250 million adopted At least EUR 300 million contracted	At least EUR 1 billion mobilised and implemented through the Fund (target from 23 Sept 2015 communication)

Latest known results 2019

The EU Regional Trust Fund in response to the Syrian Crisis provided significant support in education, livelihoods, health and social protection across the region, with a view to addressing the needs of hosting countries in a situation of protracted and significant refugee presence. The EUTF Syria reached a total volume of EUR 1.9 billion.

Result indicator: Implementation of the Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa – North of Africa Window.

Definition: The European Commission has launched an “Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa”, made up of **EUR 1.8 billion** from the EU budget and European Development Fund, combined with contributions from EU Member States and other donors. The EU Trust Fund for Africa was signed by the President of the European Commission Jean Claude Juncker, along with 25 EU member states, as well as Norway and Switzerland, and was launched at the Valletta Summit on Migration on November 12th 2015 by European and African partners.

The Trust Fund benefits a coherent group of countries across Africa crossed by the major migration routes. These countries are part of three regional operational windows: the Sahel region and Lake Chad area, the Horn of Africa and the North of Africa.

DG NEAR is in charge of managing the North of Africa window, comprised of Morocco, Algeria, Tunisia, Libya and Egypt.

The North of Africa window will be focused at improving migration management in all its aspects, including contributing to the development of national and regional strategies on migration management, containing and preventing irregular migration and fight against trafficking of human beings, smuggling of migrants and other related crimes, effective return and readmission, international protection and asylum, legal migration and mobility, enhancing synergies between migration and development.

The first operational committee of the North of Africa window will take place around mid 2016 to examine a first pipeline of projects. The preparation of projects for 2017 will start in parallel and it is expected that the following operational committees will be able to achieve a higher level of commitments.

Source of data: Reports of the operational committee of the North of Africa window

Baseline 2015	Interim Milestone 2016	Target 2020
Launching of the North of Africa window – No operational committee + preparation of a first pipeline of projects	Operational committees of the NA window approve a pipeline of EUR 40 million	Projects worth the totality of ENI + MS funds pledged are approved by the operational committees.

Latest known results 2019

The pace of implementation of the **EUTF for Africa** continued to increase considerably with new programmes approved for a total amount of EUR 807 million. DG NEAR increased its engagement in the protection of vulnerable migrants and the fight against trafficking of human beings and smuggling of migrants. Assistance to Libyan municipalities to promote alternative livelihoods and support the resilience of local communities hosting migrants remained a key priority. The EUTF for Africa also adopted a large new budget support programme to support the actions of the Moroccan authorities on the management of migratory flows. The EUTF adopted also new programmes to promote mobility and legal migration from North Africa region as a safe alternative to irregular migration and in line with the priorities of the new Commission.

Result indicator: Further Visa liberalisation with relevant countries (i.e. Georgia, Armenia, Ukraine, Kosovo*, Turkey)

Definition: Visa liberalisation is the result of 'Visa Liberalisation Dialogues' conducted between the EU and third countries. Through the Visa Dialogues, the EU takes gradual steps towards the **long-term goal of visa-free travel** for short term stays on a case-by-case basis, provided that conditions for well-managed and secure mobility are in place. These dialogues are reserved for enlargement and East neighborhood countries.

Visa-free regime can fulfill the purpose of **increasing people-to-people contacts between the EU and the third countries**, hence helping to develop special relationships between the EU and the concerned Neighbourhood countries or helping to advance the integration process in case of Enlargement countries.

In terms of process, the Commission reports on the implementation by the third country of the related **Visa Liberalisation Action Plan** (VLAP). Once all benchmarks are met by the third country in a sustainable manner, the Commission is in a position to propose to transfer this country to the list of third countries whose nationals are exempt from visa requirement (Regulation 539/2001). Finally, the European Parliament and the Council decide whether to approve the Commission's proposal, taking into account possible migration and security risks.

Within the Commission, DG HOME is in the lead for conducting Visa Liberalisation Dialogues, with support from DG JUST, the EEAS and DG NEAR.

Source of data: European Commission (DG HOME and DG NEAR)

Baseline 2015	Interim Milestone 2016	Target 2020
<p>Ukraine: Ukraine meets criteria for visa liberalisation, based on the commitments taken in the sixth VLAP report</p> <p>Georgia: Positive appraisal of benchmarks under the Visa Liberalisation Action Plan</p> <p>Armenia: Preliminary discussions on Visa Liberalisation</p> <p>Kosovo*: visa liberalisation dialogue launched with Kosovo* on 19 January 2012</p> <p>Turkey: visa liberalization dialogue started in December 2013</p>	<p>Ukraine: Entry into force of visa liberalisation for Ukraine</p> <p>Georgia: Entry into force of visa liberalisation for Georgia</p> <p>Armenia: Discussions on Armenia's request to launch a Visa Liberalisation Dialogue</p> <p>Kosovo*: Visa liberalisation possibly granted to Kosovo*</p> <p>Turkey: Visa liberalisation granted to Turkish citizens in the Schengen zone by October 2016 once the requirements of the Roadmap are met.</p>	<p>Armenia: Advancement on fulfilling benchmarks for Visa Liberalisation</p>

Latest known results 2019

The Second Report under the **Visa Suspension Mechanism** was adopted in December 2018. Ukraine, Georgia and Moldova continue to fulfil the visa liberalisation benchmarks, despite noting an increase in unfounded asylum seekers in the EU from Georgia and Moldova.

As regards Armenia and Azerbaijan **Visa Facilitation Agreement and Readmission Agreements** (VFRA) are in place for over five years now. Following the assessment of the Commission, the visa facilitation and readmission agreements with Armenia are being satisfactorily implemented. The launch of a Visa Liberalisation Dialogue is subject to

further conditions being met, and a respective decision of the Council.

For Belarus the first mobility dialogue took place in 2017, and a VFRA was signed on 8 January 2020.

Main outputs in 2019:

Description	Indicator	Target date
Implementation of Facility for Refugees in Turkey Mobilise the remaining funds of the second tranche of the Facility in 2019. Contract the bulk of allocated funds under NEAR responsibility	Contracts signed	Throughout 2019

Latest known results (situation on 31/12/2019)

EUR 5.94 billion was committed by the end of the year (out of EUR 6 billion) and only EUR 0.71 billion was contracted from EUR 1.92 billion newly committed in 2019 because of delays linked to the issue of compliance with EU restrictive measures by implementing partners.

After the two calls of expression launched in December 2018 in the areas of municipal infrastructure and socio economic support, a number of pillar assessed entities for signature of contracts were selected. However, DG NEAR also requested pillar assessed entities to integrate a clause on the EU restrictive measures in the template of the contribution agreements. Some entities did not accept the proposed clause and this has led to delays in the negotiations and finalisation of the contracts.

Description	Indicator	Target date
EU regional Trust Fund in response to the Syrian Crisis: implementing initiatives	Initiatives launched and implemented	Throughout 2019

Latest known results (situation on 31/12/2019)

Implementation ongoing with an overall budget to date of EUR 1.9 billion, providing concrete support to Syrian refugees, host communities and internally displaced persons affected by the conflict in Syria, with a focus on Lebanon, Jordan, Turkey and Iraq. Out of this total amount, EUR 1.9 billion has been committed and EUR 1.5 billion has been contracted, out of which EUR 1 billion has been disbursed. 85 projects, both national and regional, have been contracted reaching overall 4.3 million people.

Description	Indicator	Target date
Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa – North Africa: implementation of the work programme	Work programme implementation	Throughout 2019

Latest known results (situation on 31/12/2019)

The Work programme is being implemented.

The North of Africa window of the Trust Fund for Africa operates in Libya, Morocco, Tunisia, Egypt and Algeria. Its global objective for the North of Africa window of the EUTF is to

contribute to safe, secure, legal and orderly migration from, to and within the region and support an effective management of migration flows that protects human rights.

Under this window, the contributions from EU and MS and other donors (considering the expected contributions from the EU during last part of the year) amount to a total of EUR 813,7 million (including administrative costs). Out of this total amount, EUR 759 million have been committed and 45 projects have been contracted for a value of EUR 600 million, out of which EUR 337 million have been disbursed.

Description	Indicator	Target date
Third Brussels conference on Syria (1) garnering political support (2) providing the stage for Syria's civil society – especially women and youth. (3) ensure that humanitarian needs are met and that efforts in support of refugee-hosting countries in the region are maintained	Conference held	Spring 2019

Latest known results (situation on 31/12/2019)

The third Brussels conference was held on 12-14 March 2019. It refocused attention on the need for a political settlement under UN auspices and successfully managed to mobilize significant pledges to address the needs of people inside Syria as well as those displaced in the region/host communities.

US\$ 7 billion (EUR 6.2 billion) was pledged for 2019 and multi-year pledges of close to US\$ 2.4 billion (EUR 2.1 billion) for 2020 and beyond. In addition, international financial institutions and donors announced around US\$ 21.01 billion (EUR 18.5 billion) in loans on concessional terms.

Description	Indicator	Target date
Implementation of the Lebanon and Jordan 'Compacts' and of output papers of Brussels Conference on Supporting the Future of Syria and the Region	Review of EU and partner country commitments displayed in the output documents of the conference	Q1/2019, in preparation of the third Brussels Conference for Syria

Latest known results (situation on 31/12/2019)

Maintained strong monitoring of the financial pledges and policy commitments highlighted in the output documents of the Brussels II conference, notably through independent reporting to assess their level of delivery issued in March and September 2019 for Jordan and Lebanon.

Description	Indicator	Target date
Support migration management in Ukraine: implementation of €28 million programme "Support for Migration Management and Asylum Management in Ukraine"	Continued implementation	Throughout 2019

Latest known results (situation on 31/12/2019)

An €28 million programme on "Support for Migration Management and Asylum Management in Ukraine" has been implemented during 2019.

General objective 3 – A Resilient Energy Union with a Forward Looking Climate Change Policy

Specific objective: 6 Increased energy security and more effective climate policies in the Enlargement and Neighbourhood countries as well as increased energy connectivity between the EU and these countries

Related to spending programmes IPA and ENI

Result indicator: Number of sector dialogues on gas, renewable energy and energy Efficiency at regional level.

Definition:

Eastern Partnership (EaP):

At regional level, meetings of the regional EaP Platform 3 on Energy Security, which supports dialogue in developing electricity, gas and oil interconnections, as well as improving energy efficiency and renewable energy sources.

Neighbourhood South:

The progressive integration of the energy markets in the Mediterranean is a key aspect of the ENP Review and one of its objectives. Such integration could only be achieved through the establishment and functioning of dedicated international fora where the policy priorities and the actions to implement them are discussed and adopted. In the Mediterranean region, this is currently done through the sector policy dialogues under the UfM umbrella (i.e.: the UfM Energy Platforms in the field of Gas; Regional Electricity Markets; Renewable Energies and Energy Efficiency). The level of activity and relevance of these policy dialogues is measured through the frequency of their meetings and the quantity and quality of the results that are produced therein. Therefore the number of meetings held in the framework of each policy dialogue can be considered as an appropriate indicator to be employed.

Together with DG ENER, DG NEAR is leading the policy dialogues that are being shaped in the framework of the three UfM Energy Platforms. More specifically, NEAR regularly provides technical input regarding the following aspects: definition of the platforms' work programmes and activities; identification and formulation of policy priorities in the energy sector; logistical aspects that are linked to the organisation of the platforms' meetings. This work is essential to achieve the desired frequency of policy dialogue meeting and the quality of their results. In addition, DG NEAR provides a more political contribution, by regularly cooperating with DG ENER in view of the UfM Energy Ministerial meetings. Finally, DG NEAR manages two contracts with the key technical partners of the UfM Regional Electricity Markets Platform: MEDREG and MED-TSO.

Source of data:

- EaP: Platform 3 meetings funded by regional EaP events facility.
- Neighbourhood South: DG NEAR and DG ENER internal reporting. UfMS activity report and minutes of meetings.

Baseline 2015	Interim Milestone 2016	Target 2020
EaP: 2 per year	EaP: 2 meetings per year	UfM :30 meetings in total

UfM: 1 meeting of the Regional Electricity Platform (REM) and 1 meeting for the Gas Platform	UfM :The target is 2 meetings per year for each UfM Platform until 2020	
<p>Latest known results 2019</p> <p>EaP: The Platform 3 on Connectivity met in March and November 2019, with several of its 4 Panels meeting at least once a year bringing together EU and EaP representatives. High-Level Dialogues on Energy Efficiency took place with EaP countries.</p> <p>Since 2014 (including 2014), 29,5% of the NIP funds (EaP) have been committed to Energy and Environmental projects, in particular for Renewable Energy and Energy Efficiency.</p>		
<p>Result indicator: Neighbourhood East - Number of investments from the Neighbourhood Investment Facility (NIF) adopted on Renewable Energy and Energy Efficiency</p>		
<p>Definition: Strategic investment projects on Renewable Energy and Energy Efficiency funded by the NIF – Neighbourhood East</p> <p>Source of data: NIF Board decisions</p>		
Baseline 2015	Interim Milestone 2018	Target 2020
0	2 per year	2 per year (based on desk evaluation)
<p>Latest known results 2019</p> <p>The High-Level Energy Efficiency Initiative launched by Commissioner Hahn was implemented, bringing together international financial institutions in upscaling energy efficiency reforms and investments. Targeted work started in pilot countries Ukraine and Georgia. In Georgia, a dedicated programme on energy efficiency will provide technical assistance and investment grants to roll out energy efficiency in public buildings. Going forward, the Initiative has been extended to Armenia in March 2019. Azerbaijan decided to join the E5P programme in late 2019. Under the Covenant of Mayors, working with municipalities to introduce the EU climate and energy goals, the number of signatories increased to 431 in 2019 compared to 397 at the end of 2018). Over 30 pilot projects continue to be implemented in the areas of energy efficiency and climate action. Additional investments for the private sector are foreseen through the "Sustainable Energy and Connectivity" investment window of the recently launched External Investment Plan.</p>		
<p>Result indicator: Neighbourhood South - At least 30% of the Neighbourhood Investment Platform (NIP) grant investments in the Southern Neighbourhood will be devoted by 2020 to facilitate investments in the Renewable Energy and Energy Efficiency Sectors</p>		
<p>Definition: Facilitating investments to establish better and more sustainable energy interconnections (between the EU and neighbouring countries and between the neighbouring countries themselves), improving energy efficiency and demand management, promoting the use of renewable energy sources, strengthening energy security through diversification of energy supplies and energy market integration are part of the NIP strategic orientations and priority objectives adopted by the Commission with the agreement of partner countries for the period 2014-2020.</p> <p>The NIP is a blending designed to combine EU grants with other public and private financing. By reducing, through co-financing, the overall cost or risk of the project or by subsidising interest rates and/or financing technical assistance, the Facility will encourage the beneficiary governments, private sector and/or public institutions to carry out essential investments in sectors which would otherwise be postponed due to lack of resources.</p> <p>The role of DG NEAR is to discuss and promote with the European Financial Institutions, in close association with the concerned EU Delegations, the identification and submission to the NIP of investment projects in the targeted sector.</p>		

Source of data: NIP Secretariat and NIP Annual Reports		
Baseline 2014	Interim Milestone 2018	Target 2020
The base line was 20% to 25% of NIP grants for the Energy sector	NA	At least 30% of the NIP grant investments in the Southern Neighbourhood will be devoted by 2020 to facilitate investments in the Renewable Energy and Energy Efficiency Sectors
Latest known results 2019		
As much as 41% of the NIP annual envelope 2018 (contracted in 2019) has been used for climate-related operations in Neighbourhood South and since 2014, 39% of the NIP funds have been committed to Renewable Energy and Energy Efficiency projects.		
Result indicator: Progress in implementing the Projects of Energy Community Interest → See description of this indicator under Specific objective 4		

Main outputs in 2019:		
Description	Indicator	Target date
Participate and support Energy Community Treaty	Winter Package 2016 to be adopted by the Energy Community (EnC) Contracting Parties, EnC Contracting Parties continue implementation of Energy Community Treaty obligations in line with agreed deadlines.	December 2019.
Latest known results (situation on 31/12/2019)		
<p>For the implementation of the Energy Community Acquis, the Energy Community Secretariat's work program under EU4Energy Governance project goes much more in details and offers technical assistance to assist to the drafting of specific legal acts and provide specific studies and analyses (3 specific studies were developed in 2019 for Ukraine).</p> <p>The first joint workshop co-organised by the Energy Community Regulatory Board (ECRB), the European Commission Eastern Partnership programme and the Council of European Energy Regulators (CEER), held on 21-22 May in Minsk, paved the way for closer cooperation among energy regulatory bodies of the Energy Community Contracting Parties, remaining Eastern Partnership countries and the EU. The event was supported by the EU4Energy Governance project implemented by the Energy Community Secretariat.</p> <p>The Energy Community 17th Ministerial Council Meeting took place in Chisinau on 13 December 2019 with conflictual discussions (mainly with Serbia) on the enforcement of ECT provisions (e.g. sanctions and penalties).</p> <p>This overall situation could affect our cooperation on energy reforms with Georgia, Moldova and Ukraine (Contracting Parties) In the Western Balkans, the implementation of EnCT obligations is not progressing as expected. The Contracting Parties have made progress in their first energy transition (a transition from foreclosed, post-socialist energy sectors to open and regionally integrated energy markets), but still need to catch up.</p> <p>In 2019 all contracting parties however made progress in the implementation of their obligations (BiH +3%; GE +2%; XK +7%; MD +6%; ME +2%; MK +10%; RS +1%; UA +10%), with the exception of AL (-0.6%).</p>		

Description	Indicator	Target date
Contribute to the alignment with "acquis" by candidate countries	Outputs related to negotiations and alignment by candidate countries to EU standards, acquis on related chapters (Energy etc.) and Energy Community Treaty obligations. High Level Energy Dialogue with Turkey.	Throughout 2019 Serbia and Montenegro, in particular, will continue towards full alignment

Latest known results (situation on 31/12/2019)

Candidate Countries are working on a methodology to set their 2030 energy and climate goals in order to move forward with the preparation of the National Energy and Climate Plans, NECPs.

However, in light of Turkey's continued and new illegal drilling activities, the 15 July 2019 Foreign Affairs Council concluded that no further meetings of the EU-Turkey high-level dialogues, including the Energy dialogues, would take place for the time being.

Description	Indicator	Target date
Support the Western Balkans in diversification of energy supply and towards energy efficiency targets	<ul style="list-style-type: none"> Energy ministerial meeting organised Additional IPA funding allocated to REEP (Regional Energy Efficiency Programme) 	1 st quarter 2019 3 rd quarter 2019

Latest known results (situation on 31/12/2019)

Podgorica Ministerial on clean energy transition held in February 2019. Podgorica Statement endorsed at Poznan Summit.

EUR 30 million has been allocated to the REEP for the Western Balkans (REEP Plus Replenishment under the Multi-country programme 2019 adopted in July. The Contribution Arrangement was signed in December 2019.

Description	Indicator	Target date
Contribute to the ENP review roll-out – Priority actions on Energy and climate change policy: strengthened energy dialogue with Neighbourhood partners	<ul style="list-style-type: none"> Strengthened energy dialogue with Neighbourhood partners Regular EU4Energy Policy meetings are organised. Euronest Parliamentary Assembly (Committee on Energy Security) kept regularly informed of technical assistance and policy dialogue Regional and sub-regional measures further developed EaP Energy Panel is organised twice a year with all partners' participation in line with the identified working plan. 	Throughout 2019

Latest known results (situation on 31/12/2019)

The Annual Meetings of the Energy Platforms took place in January 2019 in Barcelona.

New regional programmes to promote the Energy Transition in the Southern Neighbourhood were adopted in July 2019 - C(2019) 5693.

Events, combining policy fora, capacity building and training, have been developed under EU4Energy. 24 topics are covered under the three main themes of energy security, energy markets and sustainable development.

The third meeting of the Energy Panel took place in Brussels on 17 June 2019. The meeting gathered participants from the six partner countries and discussions focused on reviewing the work in progress on the Energy Deliverables and the implementation of energy reforms.

The fourth meeting of the Energy Panel took place in Vilnius, Lithuania on 17 and 18 October 2019. The meeting gathered participants from the six partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), from Member States and other European entities as well as the IEA and IRENA.

The main thematic focused on the opportunities and challenges of the integration of renewable energy into the energy systems.

The Committee on Energy Security of the Euronest Assembly, gathering MEPs and Members of the Parliaments of the Eastern Partnership countries, met in Brussels on 29 January 2019 under the topic of "Solidarity and approximation in energy sector - towards the regulatory framework". The item 'Ten years of the EU-EaP cooperation in energy' at the agenda was discussed.

The Euronest ENE Committee took place in Tbilisi, Georgia, on 8 December 2019 and was attended by NEAR and EUD senior staff. The dominating thematic topics were the EU green policy and the Eastern Partnership, the past and future energy cooperation and the Covenant of Mayors.

Launch and first year of implementation of EU4Climate in 2019. The first Steering Committee of EU4Climate was held in Vienna on 28 May where the Work Programme was adopted.

Description	Indicator	Target date
<p>Enlargement and ENP – High Level Energy Efficiency initiative</p>	<p>Implementation of new regional programme supporting renewable energy and energy efficiency in the Western Balkans.</p> <p>Implementation of measures agreed for Tunisia, Georgia and Ukraine.</p> <p>Focus on implementation of the already adopted AAPs in Ukraine (for 2017-18) and Georgia (for 2018) as part of the EU-IFIs initiative.</p> <p>Roll out the joint cooperation to Armenia.</p>	<p>Throughout 2019</p>

Latest known results (situation on 31/12/2019)

Continued implementation of the Regional Energy Efficiency Programme for the Western Balkans (REEP and REEP Plus), as well as the Green for Growth Fund (GGF). An additional amount of EUR 30 million allocated for REEP Plus Replenishment under the Multi-country programme 2019 adopted in July.

For Tunisia, the "Objectif Transition Energétique" budget support programme (approved as part of the Annual Action Programme 2017) is being implemented.

The two decisions (adopted in 2017 and 2018) on "Energy Support Programme for Ukraine" have been implemented in 2019. The programme focuses on support energy

efficiency in Ukraine, including a significant contribution to a dedicated Energy Efficiency Fund for residential buildings and first operations started in 2019.

Georgia Energy Efficiency Programme approved by NIP boards in 2018 and 2019 with first TA contract signed. Initiative in Armenia launched with a joint EU-IFIs mission in March 2019; next steps under discussion with GoA and IFIs for 2020. Energy Efficiency Board to be created to decide on policy and approve a pipeline of projects.

Description	Indicator	Target date
Identify and manage the Neighbourhood Investment Platform (NIP) projects on climate.	Progress towards the 20% target of climate-related funding in investment projects	Throughout 2019

Latest known results (situation on 31/12/2019)

The target was exceeded in 2019 since 75% of the NIP funds were committed to climate related operations.

FINTECC project proposal has been developed to promote climate technology transfer for industries and industrial processes, and develops specific measures necessary to create enabling environments and systematically address policy, institutional, financial, technical and awareness barriers for the 6 Eastern Partnership countries (contract prepared but not signed yet with EBRD).

Description	Indicator	Target date
Contribute to ENP review roll-out: actions related to climate policy	New regional programmes on climate action and green economy are launched for Southern Neighbourhood Countries	December 2019

Latest known results (situation on 31/12/2019)

The ClimaMed project is ongoing since June 2018 with a 4-year duration. More than 80 cities in the Southern Neighbourhood already received support to draft their sustainable Energy and Climate Action Plan.

The EU4Climate regional programme, covering Eastern Partner countries, has started. The six partner countries stressed their strong interest in the programme to achieve forward-looking climate policies towards a greater ambition and the work plan was endorsed.

The EU4Environment regional programme, covering Eastern Partner countries, has started. The six countries re-confirmed high interest to pursue activities carried out in 2013-2018 under the "Greening Economies in the Eastern Neighbourhood programme" and endorsed country-specific work plans;

The joint EU-UNDP "Environmental Monitoring of the Black Sea" Project conducted an additional Joint Open Sea Survey in July-August 2019;

The six Eastern Partner countries have received support for river-basin management plans development, with five plans being under development.

Description	Indicator	Target date
Implement ENP priorities on environment including support to green economy, implementing the Barcelona Convention on the Depollution of the Mediterranean	Successful experiences in green economy promotion are scaled up and extended to new countries (Algeria); number of green businesses increase.	December 2019

Latest known results (situation on 31/12/2019)

The activities of the Regional project SwitchMed II started beginning of 2019. Its aim is to further support and scale up the transition towards a circular economy.

The results of the region project SwitchMed I inspired the formulation of the AAP2018 programme "Ecovertec", whose Financing Agreement was signed in 2019 and whose activities are being defined together with AFD and UNIDO.

The Water and Environment project (WES) started its activities in May 2019. The purpose of this project is to reduce the pollution reaching the Mediterranean Sea and to strengthen the efficient use of water.

The European Environmental agency with the DG NEAR funds is supporting the Neighbourhood South countries to jointly report on the pollution pressure reaching the Mediterranean Sea.

DG NEAR is as well supporting the development of a network of Marine Protected areas to protect the biodiversity.

Under the AAP2020, a programme on integrated waste management and one on blue economy, both deriving from past experiences and lessons learnt in the respective sectors (e.g. DIVECO, PAPSE) are being formulated.

Description	Indicator	Target date
Implement TAIEX and Twinning events to align to and implement EU standards and legislation/acquis. Enhanced cooperation with DG CLIMA (ECRAN programme)	TAIEX events implemented	Throughout 2019

Latest known results (situation on 31/12/2019)

EPPA was launched in February 2019 following the call for proposals initiated by DG ENV in 2018. The overall objective of EPPA is to strengthen the implementation of the EU Environmental acquis in the Western Balkans and Turkey, while the focus is on addressing trans-boundary environmental issues.

TAIEX was involved in EPPA since the beginning as part of the evaluation committee of the tender procedure. TAIEX will support EPPA with a number of activities each year. The TAIEX EPPA workshop on Marine Litter that took place in September was the first strategic event organised in collaboration with DG ENV and the EPPA Consortium responsible for the implementation of the Programme.

The strategic collaboration between TAIEX and EPPA will further support TAIEX to streamline and prioritise its support to the Western Balkans and Turkey in the field of Environment.

Following events took place in 2019 :

- TAIEX EPPA Regional Workshop on Managing Marine Litter, Split, 11-12 September
- TAIEX EPPA Regional Workshop on Ambient Air Quality Directive, Podgorica, 24-25 September
- TAIEX EPPA Regional Workshop on Water Management, Skopje, 15-16 October
- TAIEX EPPA Regional Workshop on Industrial Emissions, Ankara, 18-19 November
- TAIEX EPPA Regional Workshop on Biodiversity, Brussels, 19 November
- TAIEX EPPA Regional Workshop on Air Quality Directive, Podgorica,

24-25 November

Climate & environment-related actions are also part of Twinning and TAIEX. Support was provided by TAIEX to Azerbaijan for two missions on Ozone-Depleting Substances and Fluorinated Gases in 2017 and to Armenia for one mission on Strengthening Monitoring and Forecasting Capacities for Weather and Climate Hazards in 2019.

Description	Indicator	Target date
<p>ENP review roll-out – Priority actions on Energy</p> <p>Development of enhanced collaboration with IFIs on-energy efficiency</p>	<ul style="list-style-type: none"> • EU4Energy national work plans are implemented and new plans are developed for the next period. • New phase for the EU4Energy programme post spring 2020 is formulated • Contracting and implementation of Energy Efficiency / Renewable Energy instruments in Western Balkans • Implementation of regional actions for the Southern Neighbourhood on energy security and climate change, mitigation and adaptation (EUR 19 million) are ongoing, new actions supporting UfM energy platforms are designed • Energy window of the new EFSD guarantee scheme is being implemented in coordination with EU delegations 	<p>December 2019</p>

Latest known results (situation on 31/12/2019)

Support to UfM Energy Platforms Med. provides substantial deliverables and outcomes that promote a gradual integration of energy systems around the Mediterranean.

EU4Energy is improving the regulatory and policy frameworks of the energy sector for the 6 Eastern partner countries (as of today 56 regulatory acts and technical reports were developed by the Energy Community Secretariat and 29 by the Energy Charter Secretariat) and work programmes were endorsed. The new programme **EU4Energy Phase II** has been formulated to foster the low carbon and clean energy transition in the six EaP partner countries.

The work on energy statistics has paid off: 60% of data from our partner countries are harmonized with EU and international standards under EU4Energy in 2019, while it was 10% at the start of INOGATE project in 2012.

The Action Document of EU4Energy Phase II (ENI 2019 RAP 4) has been adopted and published in November 2019.

Azerbaijan had joined the E5P fund. New projects received funding, e.g. in Belarus and Moldova. Actual disbursement increased substantially.

General objective 4 : A New Boost for Jobs, Growth and Investment

Impact indicator: Europe 2020 target - Employment rate population aged 20-64

Source of the data: EUROSTAT Labour force statistics in Enlargement and ENP-South countries, 2019 edition

Baseline (2014)	Interim Milestone	Target 2020
69.2%		at least 75%

Latest known results 2019

	2017
Montenegro	58.2%
North Macedonia	54.8%
Albania	63.9%
Serbia	61.5%
Bosnia and Herzegovina	46.6%
Kosovo	34.4%

Employment rate was 45,7% in 2019 in Turkey (15-64 age; the percentage for 20-64 age is not available). The rate was 47,4% in 2018.

Specific objective 7: Increased prosperity in the Enlargement and Neighbourhood countries and in the EU through increased economic and trade opportunities between the EU and these countries

Related to spending programmes IPA and ENI

Result indicator: Initiative on the enhancement of EU-Turkey bilateral trade relations and modernisation of the EU-Turkey Customs Union (CU).

Definition: The main policy objective of this initiative is **to enhance the bilateral preferential trade** framework by **extending the CU to other areas** (agriculture, services and public procurement) and improving the functioning of current mechanisms.

This indicator will measure the progress of the negotiation between Turkey and the EU with a view to modernising the EU-Turkey Customs Union.

This indicator is particularly relevant to this specific objective since **Turkey is the EU's 6th biggest trading partner** and accounts for nearly 4% of its total trade. Three fourths of FDI inflows to Turkey originate in the EU, mainly greenfield and services investments. Enhancing economic integration by improving market access in agricultural and public procurement markets, and fostering investments in the services sectors through better opening and regulatory alignment would increase further market integration to the benefits of both parties.

DG NEAR will work jointly with DG TRADE on this initiative, in a supportive and complementary role.

Source of data: European Commission (TRADE and NEAR)

Baseline 2016	Interim Milestone 2017	Target 2018
Existing Customs Union	Conduct negotiations for	Upgraded/extended CU in

Agreement EU-Turkey (in force since 1996)	modernising Customs Union with Turkey	force or provisionally applied, including new mechanisms
<p>Latest known results 2019</p> <p>DG NEAR continued to monitor developments in Turkey and manage bilateral relations, notably through numerous bilateral meetings, such as the EU-Turkey Association Council (the first since 2015), the Customs Union Joint Committee, two IPA Joint Monitoring Committees, seven sub-committee meetings.</p>		
<p>Result indicator: DCFTA Facility for Georgia, Moldova and Ukraine</p> <p>Definition: DG NEAR, jointly with European Financial Institutions (EFIs) – the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) in the first place – has put in place the DCFTA Facility for SMEs to help SMEs to seize new trade opportunities opened thanks to the DCFTA and to comply with the DCFTA provisions.</p> <p>Source of data: European Commission (TRADE and NEAR)</p>		
Baseline 2015	Interim Milestone	Target 2018
		<p>The two DCFTA Facilitation programmes with the EIB and the EBRD will generate approximately 13,750 sub-loans to companies. Other objectives include to:</p> <ul style="list-style-type: none"> • improve technical and SPS standards leading to enhance the competitiveness of SMEs in the DCFTA signatory countries • transfer knowledge on how to use the opportunities and address the challenges resulting from the DCFTA implementation.
<p>Latest known results 2019</p> <p>DCFTA facility contracts supporting access to finance in Georgia, Moldova and Ukraine and adaptation to the DCFTA regulation on-going.</p>		
<p>Planned evaluations:</p>		
<ul style="list-style-type: none"> • Economic governance, 2016 – thematic: The evaluation, including open public consultation has been completed. However, the relevant Staff Working Paper is planned to be completed in 2018⁴⁸. • Competitiveness, 2016 – thematic: completed in 2017⁴⁹ 		

⁴⁸ Link: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/170818_thematic_ev_of_economic_governance_-_final_report.pdf, also see Annex 9 of DG NEAR AAR 2017

Main outputs in 2019:

Description	Indicator	Target date
Turkey Customs Union: Support DG TRADE in following discussions by MS on the mandate and perspective of initiating negotiations when political conditions are ripe.	Negotiations initiated Decide planning reference: 2015/TRADE+/035	Once political conditions permit

Latest known results (situation on 31/12/2019)
The June 2019 Council conclusions stated (for the second year in a row) that political conditions do not allow for any further work on the modernisation of the Customs Union for the time being.

Description	Indicator	Target date
Support to the development of a Regional Economic Area in the Western Balkans	Implementation of measures in the agreed Roadmap of the Regional Economic Area.	Continuous, several measures have already been adopted (eg Regional Investment Reform Agenda).

Latest known results (situation on 31/12/2019)
Progress has been achieved on the implementation of REA, however mainly on technical level (signature and entry into force of regional roaming agreement, negotiations of Additional Protocol on Services, agreement on rules of Mutual Recognition of Academic Qualifications reached, agreement on common investment standards reached).

Description	Indicator	Target date
Rolling out the External Investment Plan: -Contracting of all Proposed Investment Programmes (PIPs) with financial institutions under the EFSD, according to the approvals made in 2018. -Launch and conclusion of the EFSD first evaluation, as per the EFSD Regulation -Delivery of the first annual report under the EIP, as per the EFSD Regulation	<ul style="list-style-type: none"> Adoption and signature of PIPs (Proposed investment Programme) with IFIs Evaluation report, in draft or final version 2019 Annual report of the EIP 	<p>by Q2 2019 for both the stand alone and core guarantee instrument</p> <p>End 2019</p> <p>May 2019</p>

Latest known results (situation on 31/12/2019)
Roll-out of the EIP ongoing according to plan. All PIPs submitted for approval have received a positive opinion by the EFSD Operational Board and have been approved by the Commission.
In addition to Nasira Guarantee signed in 2018, NEAR has finalised 3 additional guarantee agreements worth €170 million that will help unlock almost €2 billion to invest in renewable

⁴⁹ Link: https://ec.europa.eu/neighbourhood-enlargement/tenders/monitoring-and-evaluation_en, also see Annex 9 of DG NEAR AAR 2017

energy, urban infrastructure and start-ups in the Neighbourhood region. The guarantees were signed with the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and the Spanish development cooperation agency (AECID).

Negotiation of remaining guarantee agreements is ongoing and are foreseen to be signed before end-2020.

EFSD Evaluation. An Independent external study to review the initial functioning of the EFSD in terms of effectiveness, efficiency, relevance coherence and its value added was finalised in 2019. Main findings underline the high relevance of the EFSD to the needs for a new global development finance. The study provided a number of recommendations, which will be considered and concrete measures will be included in the Commission's Implementation report.

The second Annual report was published in June 2019.

https://ec.europa.eu/commission/eu-external-investment-plan/external-investment-plan-progress-so-far_en

Description	Indicator	Target date
Support and implementation of projects improving access to finance and harness the growth potential of SMEs (small and medium-sized enterprises), via the Western Balkans Enterprise Development & Innovation Facility (EDIF) and European Fund for South East Europe (EFSE)	• EDIF Youth Guarantee scheme (EUR 10m) is launched	First half of 2019
	• Phase II of the EDIF Advice for Small Businesses Programme (EUR 15 m) is programmed	First half of 2019
	• A proposal to promote Entrepreneurship and MSE Development in the Western Balkans is developed under the EFSE Development Facility.	End of 2019

Latest known results (situation on 31/12/2019)

The EDIF Youth Guarantee scheme has been launched following the signature of the Delegation agreement with the European Investment Fund with an amount of EUR 10 million.

EUR 15 million has been allocated for Phase II of the EDIF Advice for Small Businesses Programme under the Multi-country programme 2019 adopted in July

A proposal to promote Entrepreneurship and MSE Development in the Western Balkans is under discussion to be developed under the EFSE Development Facility. It has been included as part of the 2020 Multi-country programme.

Description	Indicator	Target date
Pursue technical support to economic and public institutions' reforms in Southern Neighbourhood countries. • Continued support to ongoing economic,	-Private-public economic dialogues increase at regional and country level -SMEs accessing services or finance increased	Throughout 2019

<p>business climate and institutional reforms in countries like Tunisia, Morocco and Jordan;</p> <ul style="list-style-type: none"> • Contribute to economic diversification in countries like Algeria and Libya; • Support economic diplomacy efforts by DG GROW in countries like Tunisia; <p>Continued support to the private sector</p>	<p>-Relevant ecosystems for innovation and social business are strengthened at regional level</p> <p>- Financing Agreement is signed with Algeria on "programme d'appui à une transition vers une économie verte et circulaire" (EUR 20 million)</p>	
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Latest known results (situation on 31/12/2019)

Libya: Support to economic diversification continues to be a priority in Libya. The activities of the new "European Union for Private Sector in Libya" (EUR 7 million) programme started in April 2019, building on the results of the ongoing "Support to Libya for Economic Integration, Diversification and Sustainable Employment" (EUR 7.5 million). In addition, the new "EU for Private Sector Development in Libya" programme (EUR 4 million) was adopted in October 2019. It will contribute to private sector development and economic diversification through the development of a platform for a public-private dialogue and support to MSMEs competitiveness.

Facilitating access to finance through the "EU Initiative for Financial Inclusion" has continued throughout 2019. Since 2015, the initiative has enabled more than 200 000 MSMEs in the Neighbourhood South to access finance.

Algeria: the draft Financing Agreement was endorsed by the Algerian authorities and sent to HQ to be signed by exchange of letters.

Jordan: signature by Csr Hahn of a EUR 20 million Financing agreement on innovation in Jordan in June 2019 & new large scale Action Document on Economic reforms being prepared as part of AAP 2019.

Tunisia: support to economic, business climate and institutional reforms has continued, and intensified, through the implementation of various cooperation programmes. As part of the Multiannual Action Programme 2019-20, a EUR 120 million budget support programme "Appui à la gouvernance économique" was adopted to further accentuate EU support to economic, business climate and institutional reforms. A EUR 30 million top-up to this programme has been proposed under the Annual Action Programme 2020, together with a EUR 33 million top-up to the "Programme d'appui à la réforme de la Justice" (PARJ3) to strengthen commercial law.

Morocco: a program in support to "Public Administration Reform" for an amount of EUR 40 million was adopted at the end of 2019 as part of the AAP 2019.

The UfM Trade Ministerial meeting is to be held during the first quarter of 2020.

Supporting Twinning projects in Southern Neighbourhood:

- Tunisia TN 15 ENI OT 02 18 - Project title : *Appui institutionnel pour l'amélioration des performances du système de recherche et innovation tunisien*. Implemented by Spain from January 2019 until July 2021 (ongoing)
- Morocco MA 14 ENI EC 01 17 (MA/55) – Project title: *Appui au développement de la surveillance du marché*. Implemented by France from May 2018 until March 2020

(ongoing)

- Jordan JO 13 ENPI TR 01 17 - Project title: *Support the preparation for the negotiation of the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA)*. Implemented by Germany, Austria and Sweden from January 2018 until July 2019
- Algeria DZ 16 ENI AG 01 18 – Project title: *Appui à la mise en place d’une démarche qualité au sein des services de la protection des végétaux et des contrôles techniques*. Implemented by France and Italy from May 2019 until May 2021 (ongoing).
- Algeria DZ 16 ENI OT 01 18 - Project title: *Appui au Ministère de l’Enseignement Supérieur et de la Recherche Scientifique pour le renforcement des compétences pédagogiques des enseignants chercheurs et des capacités de gouvernance des gestionnaires*. Implemented by Spain from July 2019 until January 2022 (ongoing).

Description	Indicator	Target date
<p>Support economic growth, private sector development and investments at regional level in the Southern Neighbourhood, also by means of improved coordination with IFIs</p> <p>Launch regional actions notably through blending and aimed at boosting trade, competitiveness and investment in the Southern Mediterranean,</p> <p>Support UfM sector policy dialogue with Line DGs and Southern Mediterranean partner countries on economic cooperation through dedicated regional platforms.</p>	<ul style="list-style-type: none"> • NIF "Trade & competitiveness" facilities with EIB and EBRD finance value chains in Tunisia, Morocco, Egypt and Jordan for a total of € 50 mio, • Based on the experience of the High Level mission in Tunis in July 2018, another coordinated event is organised in at least a country to enhance the Government's engagement towards jointly agreed reforms • In Tunisia, coordination is enhanced (incl. further alignment with other budget support contributors) to nudge Tunisian stakeholders in taking and implementing key reforms • Number of operations supported in the Neighbourhood South through the EIP/EIP (i.e. the EFSD guarantee) • The second UfM Trade and Investment Ministerial takes place with all participants present. 	<p>Throughout 2019</p>

Latest known results (situation on 31/12/2019)

- Implementation of the NIP Trade and Competitiveness Facilities with EBRD continued in 2019 with work on value chains in Tunisia, Morocco, Egypt and Jordan.
- A new EUR 11mio regional package **on trade and investment** was approved in October 2019, covering three programmes that will be implemented by the International Trade Centre (ITC), the Organisation for Economic Co-operation and Development (OECD), and the International Labour Organization (ILO). Its objective is three-fold: first, to expand the scope and reach of the Trade and Investment Facilitation Mechanism (TIFM); second, to contribute to a better investment climate in the region; and third to help strengthen trade and investment policy reforms, in particular their links with quality job creation. The actions will contribute to the operationalization of the third pillar of the External Investment Plan (EIP), which aims at fostering policy dialogue for an improved investment climate
- The second UfM Trade and Investment Ministerial is under preparation for the first semester 2020.
- UfM Sector policy dialogue on economic cooperation deepened through a number of platforms, such as the UfM Focal Points meeting on Trade & Investment Facilitation Mechanism (TIFM) in March 2019 in Brussels, the UfM Experts Technical meeting on Industrial Cooperation & Support to an enabling business environment in June 2019 in Brussels and December 2019 in Barcelona.
- A UfM Ministerial on Employment and Labour was held in Portugal on 2 and 3 April and a DG GROW Workshop Economic Governance was held on 26&27 June in Brussels
- Jordan: Csr Hahn led a High Level mission to Jordan on 25 June 2019 with 8 EFIs/IFIs/partners (EIB, EBRD, KfW, AFD, IFC, WB, IMF, DFID) , following the model of the mission in Tunisia, to show international support and pass joint messages on the need for the Government of Jordan to implement its 5 years matrix of economic reforms.
- Tunisia: The actions proposed under the Annual Action Programme 2019 are largely a result of the enhanced donor coordination to encourage Tunisian stakeholders to take and implement key socioeconomic reforms, and notably the "Appui à la réforme économique" and "Appui à l'inclusion sociale en Tunisie" budget support programmes.

A new regional package on trade and investment promotion in the Neighbourhood South has been adopted in July 2019 – decision C(2019)5693. The action is articulated around 3 main components: broadening the scope of the trade and investment facilitation mechanism (TIFM); improving the investment climate in the south mediterranean region towards sustainable jobs and growth (with OECD); and strengthening trade and investment policy reforms, in particular their links with job creation and quality of work created (with the ILO).

Supporting Twinning projects in Southern Neighbourhood:

Tunisia TN/15/ENI/AG/54 – Project title : *Appui institutionnel au Ministère de l'Agriculture, des ressources hydrauliques et de la pêche (MARHP) pour renforcer ses capacités d'élaboration et de mise en œuvre de politiques agricoles et rurales inclusives, participatives et de long terme.* Implemented by France and Italy from January 2016 until April 2019

Description	Indicator	Target date
DCFTA with Tunisia , discussions relaunched with Morocco	Continued participation in EU's awareness raising and negotiation efforts in relation to DCFTA Tunisia (and possibly with Morocco) Ensure implementation of	Throughout 2019

	financial assistance to accompany the DCFTA negotiations.	
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Latest known results (situation on 31/12/2019)

DCFTA talks with Tunisia launched in October 2015 with good progress in areas such as customs and trade facilitation, competition, trade and sustainable development, energy and raw materials, financial and telecom services. In 2019, negotiations have taken place in a delicate political environment ahead of the elections and mounting criticism by civil society. In this difficult context, the fourth round of talks in April had a mixed outcome. Discussions will only resume once a Government is in place.

No progress so far on DCFTA discussions with Morocco. However, a DG TRADE mission took place in November 2019 to prepare a possible next round of negotiations planned for 2020 - in line with the declaration adopted by the EU-Morocco Association Council meeting of 27 June 2019.

Description	Indicator	Target date
DCFTA Facility for Georgia, Moldova and Ukraine in the context of the EU4Business initiative The DCFTA Facilitation programmes with the EIB and the EBRD will continue progressing positively in the provision of sub-loans to SME's and sustaining jobs. Improve technical and SPS standards leading to enhance the competitiveness of SMEs in the DCFTA signatory countries.	Positive conclusions/opinions reached by the DCFTA steering committee demonstrating an increase in SMEs competitiveness helping them to seize new trade opportunities. Second Phase of EIB DCFTA Facility successfully launched.	Throughout 2019

Latest known results (situation on 31/12/2019)

The conclusion of the steering committee were positive and demonstrated that EBRD, KFW and EIB DCFTA facilities provided financial support to 1722 SMEs.

The second phase of EIB DCFTA Facility was signed in December 2019 and will be launch in Q1 2020.

5 TAIEX Expert Missions have been organised to support the Moldovan Telecom Regulator, and supports continues to the Ukrainian one.

Description	Indicator	Target date
Support to structural reforms, address gaps in access to finance through support to local currency lending and support the harmonisation of digital markets (EU4Digital) in the Eastern Partner countries Continued work in particular with Georgia, Moldova and Ukraine to support the	Structural reform facility established EU4Digital programme operational Second Phase of EaPConnect project prepared (to start in 2020) Second Phase of Mayors for	Throughout 2019

<p>implementation of structural reforms. Renewed support to local economic development planning and urban demonstration projects Under the Mayors for Economic Growth initiative.</p> <p>Enhanced high-capacity broadband connectivity for research and education (R&E) across six EaP partner countries through a second phase of EaPConnect project.</p>	<p>Economic Growth prepared (to start in 2020)</p>	
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Latest known results (situation on 31/12/2019)

The Structural Facility was established and support to economic governance is being implemented by IMF, business climate by EBRD and financial non-banking sector by World Bank.

EU4Digital programme started operations in January 2019. Negotiations on signature of EaP regional roaming agreement, and preparation of broadband strategies in 4 EaP countries advanced throughout 2019. Further EU4Digital pilots under preparation.

The Multi-annual Action Document for second phase of Mayors for Economic Growth (to start in 2020) adopted and published in October 2019 (ENI 2019 RAP 3).

The Action Document for second phase of EaPConnect project adopted and published in October 2019 (ENI 2019 RAP 3) and contract signed with GÉANT in December 2019 (action to start in July 2020). Final evaluation of current EaPConnect project launched in December 2019 (to be completed by June 2020).

Description	Indicator	Target
Western Balkans Guarantee Facility (EDIF)	Design of the new guarantee facility for the Western Balkans approved	Mid 2019

Latest known results (situation on 31/12/2019)

The design of the new Guarantee for the Western Balkans (EUR 150 million) was approved according to schedule and the call for proposals was launched at the end of 2019.

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	TAIEX events took place	By end of 2019

Latest known results (situation on 31/12/2019)

In 2019, 10 TAIEX events were organised in relation with enterprises and industrial policy (3 for IPA countries, 5 for ENI East, 2 for ENI South).

TAIEX continues supporting Montenegro e North Macedonia with TAIEX Training Maps for Ch. 10 (Information Society and Media).

The TAIEX MultiCountry Workshop on EU-Western Balkan ICT Dialogue of 9 July, opened by Commissioner Gabriel, was the first event of this kind. Its aim was to take stock of the

progress on the implementation of the Digital Agenda for Western Balkans launched by the European Commission in 2018 and to inform the participants of the latest developments of relevant EU acquis.

ANNEX 13: GLOSSARY

AAR	Annual Activity Report
AER	Average Error Rate
AOD	Authorising Officer by Delegation
AOSD	Authorising Officer by Sub-Delegation
CBC	Cross-Border Cooperation
COELA	Council Working Party on Enlargement and Countries Negotiating Accession to the EU
CONT	Committee for Budgetary Control of the European Parliament
COPPS	Co-ordination Office for Palestinian Police Support
COTE	Centre Of Thematic Expertise
COWEB	Council Working Party on the Western Balkans Region
CSDP	European Common Security and Defence Policy
DAS	Declaration of Assurance
DG	Directorate General
DG AGRI	DG Agriculture and Rural Development
DG DEVCO	DG International Cooperation and Development
DG ECHO	DG Humanitarian Aid & Civil Protection
DG EMPL	DG Employment, Social Affairs and Inclusion
DG NEAR	DG Neighbourhood and Enlargement Negotiations
DG REGIO	DG Regional and Urban Policy
EAMR	External Aid Management Report
EaP	Eastern Partnership
EBCG	European Border and Coast Guard Agency
EBRD	European Bank for Reconstruction and Development
ECA	European Court of Auditors
EIB	European Investment Bank
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood Partnership Instrument

EP	European Parliament
ERP	Economic Reform Program
EUBAM	European Union Border Assistance Mission
EUD	European Union Delegation
EUPOL	European Union Police Mission
EUTF	European Union Trust Fund
FAFA	Financial and Administrative Framework Agreement
FAST	Financial Assistance Steering Committee
FR	Financial regulation
FRIT	Facility for Refugees in Turkey
FTE	Full-Time Equivalent
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HRVP	High Representative Vice President
IAS	Internal Audit Service
ICAT	Internal Control Assessment Tool
ICS	Internal Control System
ICT	Internal Control Template
IFI	International Financial Institutions
IMF	International monetary Fund
IO	International Organisations
IOM	International Organization for Migration
IMBC	Indirect Management by Beneficiary Countries
IMEE	Indirect Management by Entrusted Entities
IPA	Instrument for Pre-accession Assistance
JOP	Joint Operational Programme
KPI	Key Performance Indicators
LAS	League of Arab States
LISO	Local Information Security Officer
MIS	Management Information System

MS	Member State
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OLAF	European Anti-Fraud Office
PEGASE	Palestino-Européen de gestion et d'Aide Socio-Economique
PFM	Public Finance Management
PRAG actions	Practical Guide to contract procedures in EU external actions
RAP	Rules of Application / Regional Action Programme
RCS	Relevant Control System
RER	Residual Error Rate
RMF	Risk Management Framework
ROM	Result Oriented Monitoring
SBS	Sector Budget Support
SIGMA	Support for Improvement in Governance and Management
SSF	Single Support Framework
SSR	Security Sector Reform
SUDEP	Sustainable Urban Demonstration Projects
TAIEX	Technical Assistance and Information Exchange instrument
TFEU	Treaty on Functioning of the European Union
TMS	TAIEX Management System
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency
WB	World Bank
WBIF	Western Balkans Investment Facility
WGI	Worldwide Governance Indicator