



2014

Annual Activity Report

Directorate-General

HOME

Foreword

This report gives an overview of the activities undertaken by the European Commission's Director-General for Migration and Home Affairs (DG HOME) in 2014. We report on the main policy challenges faced in 2014, the responses developed by DG HOME to those challenges and the resources used.

In 2014, DG HOME designed EU policies to manage the increasing migratory pressures at EU's external borders and to respond effectively to threats to EU's internal security. Further to adoption of the new Multiannual Financial Framework for 2014-2020, DG HOME engaged actively in programming two EU funds in the area of migration and home affairs – the Internal Security Fund (ISF) and the Asylum, Migration and Integration Fund (AMIF) – that total 6.9 billion euros. In parallel, DG HOME was and will be implementing EU funds from 2007-2013.

Our Annual Activity Report assesses the effectiveness of risk management, control and governance processes in place as well as the effectiveness of the internal control system in its entirety. The systems in place enabled me to sign the Annual Declaration of Assurance without reservations.

In addition to its core tasks, DG HOME also engaged in preparing the new Commission, which took office in November 2014.

I assumed the role of the Director-General of DG HOME in May 2014 and I would like to thank all the colleagues working together with me for their efficient work and commitment throughout 2014.

For more information on the activities of DG HOME, please visit our website:

http://ec.europa.eu/dgs/home-affairs/index_en.htm

Matthias RUETE
Director-General

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INTRODUCTION:

The DG in brief

We are the Directorate-General of the European Commission in charge of the policy area known as "Migration and Home Affairs" (DG HOME thereafter). We manage policies that aim at ensuring that all activities necessary and beneficial to the economic, cultural and social growth of the EU may develop in a stable, lawful and secure environment. We prepare EU-level rules in these policy areas and watch over their application. Our DG is also responsible for funding related projects in EU States.

From an organisational point of view, in 2014 DG HOME had **four directorates** (Internal Security, Migration and asylum, Schengen and Strategy and delivery steering) and **four Task Forces** (Task Force on Irregular migration reporting directly to the Director General, Task Force on Firearms reporting to the Director Internal Security, Task Force Greece, reporting to Director Migration and asylum and Task Force Statistics reporting to the Director strategy and delivery steering). The activities of the operational services are supported by the Shared Resource Directorate (SRD), working for DG HOME and DG Justice, which covers personnel, IT as well as budgetary and control matters. The internal audit capability (SIAC) is also shared by the two Directorates-General.

In order to achieve its different objectives, DG HOME uses several management modes in the implementation of financial allocations for its actions in the fields of asylum, migration and integration and internal security and borders. DG HOME works closely together with EU States (***under shared management mode***). For actions carried out at EU level (***direct management mode***), DG HOME also directly cooperates with international and civil society organisations via grants and public contracts that are awarded through calls for proposals and procurement procedures respectively. At times, calls for experts are also organised to provide opinions and advice on specific topics.

The EU has also established agencies in the area of Home Affairs to support EU States and their citizens in coping with new tasks of specific nature. Each agency is unique and fulfils an individual function. Together, European Agency for the Management of Operational Cooperation at the External Borders (Frontex), European Police Office (Europol), European Police College (Cepol), European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), European Asylum Support Office (EASO) and EU Agency for the Operational Management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) provide information and advice, prepare and take decisions, oversee operations and support policymaking. DG HOME pays the subsidies voted by the budgetary authorities for the agencies through ***indirect management mode***.

In terms of **human resources**, 322 management and staff members were working for DG HOME and 78 for the Shared Resources Directorate and the Shared Internal Audit Capability (as compared to 322 and 75 respectively for 2013). The average age of staff members in DG HOME is 41.6 years old (40.8 for female and 42.7 for male). The proportion of female reaches 53.1 % across all grades. The female representativeness is above the average of the Commission for senior managers (40% for DG HOME against 27.1 % for the Commission) but below the average for Middle managers (16.7 % for DG

HOME against 31.2 % for the Commission).

The year in brief

Better management of migration remained a pressing challenge in 2014. The **migratory pressure** at the EU external borders further increased, with political and economic instability in many regions of the world generating a constant influx of persons towards Europe. More than 276.000 migrants irregularly entered the EU in 2014, which represents an increase of 155% compared to 2013. An increasing proportion of irregular migrants arrive in Europe through human smuggling, with smugglers forcing people to endure unsafe and inhumane travelling conditions. In 2014, 3.000 persons are estimated to have lost their lives attempting to reach Europe by crossing the sea. This showed the need to take action at EU level to support Member States tackle the challenges of responding to migratory pressure, in full respect of migrants' fundamental rights.

The **threat of terrorism** evolved in 2014, with an unprecedented number of European citizens and residents traveling to Syria and Iraq to join terrorist organisations. Upon return, those foreign terrorist fighters may pose a significant threat to security, from radicalisation and recruitment, to the perpetration of terrorist attacks in Europe. This was tragically illustrated by the terrorist attack conducted in the Brussels Jewish Museum in May 2014. The severe threat of foreign fighters increased the need for a policy response, with the European Union supporting Member States' efforts to counter terrorism and provide security to citizens.

In this context of growing challenges, DG HOME further developed policies on migration and internal security in 2014, based on Europeans' core values and principles – freedom, democracy, rule of law, equality, tolerance, and respect of human rights.

Dimitris Avramopoulos became Commissioner for Migration, Home Affairs and Citizenship with the start of the **new Commission under President Jean-Claude Juncker** in November 2014. Frans Timmermans became First Vice-President, in charge of Better Regulation, Interinstitutional Relations, the Rule of Law and the Charter of Fundamental Rights, and guiding the work of the Commissioner for Migration, Home Affairs and Citizenship and the Commissioner for Justice, Consumers and Gender Equality. In May 2014, Matthias Ruete succeeded Stefano Manservigi as Director-General of DG HOME. Belinda Pyke was acting Director-General in the interim period (April-May).

With the **Political Guidelines** presented by President Juncker in July 2014, the work towards a new policy on migration became a top priority for the Commission. The Political Guidelines stressed the need to better manage migration to protect those in need, while calling for a new European policy on legal migration to address shortages of specific skills and attract talent. The Political Guidelines underlined the need to deal more robustly with irregular migration and to secure Europe's borders. The Political Guidelines also referred to combating of cross-border crime and terrorism as a common European responsibility, stressing the need to fight terrorism and counter radicalisation while guaranteeing fundamental rights and values. These priorities will be addressed in 2015 with a European Agenda on Migration and a European Agenda on Security.

2014 marked the end of the Stockholm Programme, the multiannual programme

adopted by the European Council for the area of freedom, security and justice for the period 2010-2014. In March 2014, the Commission presented a Communication on "An open and secure Europe: making it happen" to set out its strategic vision on the future political priorities in the area of Home Affairs. The Communication contributed to the **strategic guidelines** that the European Council adopted in June 2014 for legislative and operational planning for the coming years within the area of freedom, security and justice. The strategic guidelines mirrored to a large extent the ideas set out by the Commission in its Communication on an open and secure Europe. Moreover, the guidelines set a strategic focus, as called for by the Commission and many stakeholders.

2014 marked the start of a **new generation of Home Affairs Funds** for the period 2014-2020, the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). The two new Funds are simplified and flexible instruments which effectively respond to the current and future challenges, playing an essential role in turning Union's home affairs policy objectives and priorities into tangible results. The adoption and entry into force of the basic acts, as well as of implementing and delegated acts, was a significant achievement in 2014, allowing for the start of the implementation of the new Funds. The preparation of the national programmes for the implementation of the two Funds was a major task for DG HOME in 2014 and will continue in the beginning of 2015. The implementation of the centrally managed appropriations under the two Funds started in 2014 with the adoption of the annual work programmes 2014 for the ISF and AMIF and the preparation of the 2015 annual work programme. This allowed, inter alia, the granting of substantial amounts to help Member States to cope with emergency situations in the Mediterranean Sea, or the preparation of Delegation Agreements with key actors in the field of internal security such as Europol for the implementation of the policy cycle or eu-LISA for the testing phase of the smart borders package.

The **overall Home Affairs budget** for the years 2014-20, amounts to EUR 9,26 billion,¹ as foreseen by the new Multiannual Financial Framework 2014-2020 including also EUR 2.36 billion for the funding of the six Home Affairs Agencies. DG HOME disposed in 2014 of a budget of EUR 1.21 billion (commitment appropriations authorised, 0,9% of the EU budget). In institutional terms, 2014 marked the **end of the 5-year transitional period** for police and judicial cooperation in criminal matters after the entry into force of the Lisbon Treaty. Since 1 December 2014, the normal powers of the Commission and of the Court of Justice apply to acts in this field. This opened a new era for EU policies in the area of police and judicial cooperation in criminal matters.

The Directorate General, despite a slight increase of the structural staff, is working under strong pressure to deliver on the political priorities set out by the new President of the Commission and to respond to the increasing workload.

¹ The amount as approved under Heading 3a, it does not take into consideration the expansion of Home Affairs area following the re-organisation of the Commission in 2015.

EXECUTIVE SUMMARY (SIX PAGES)

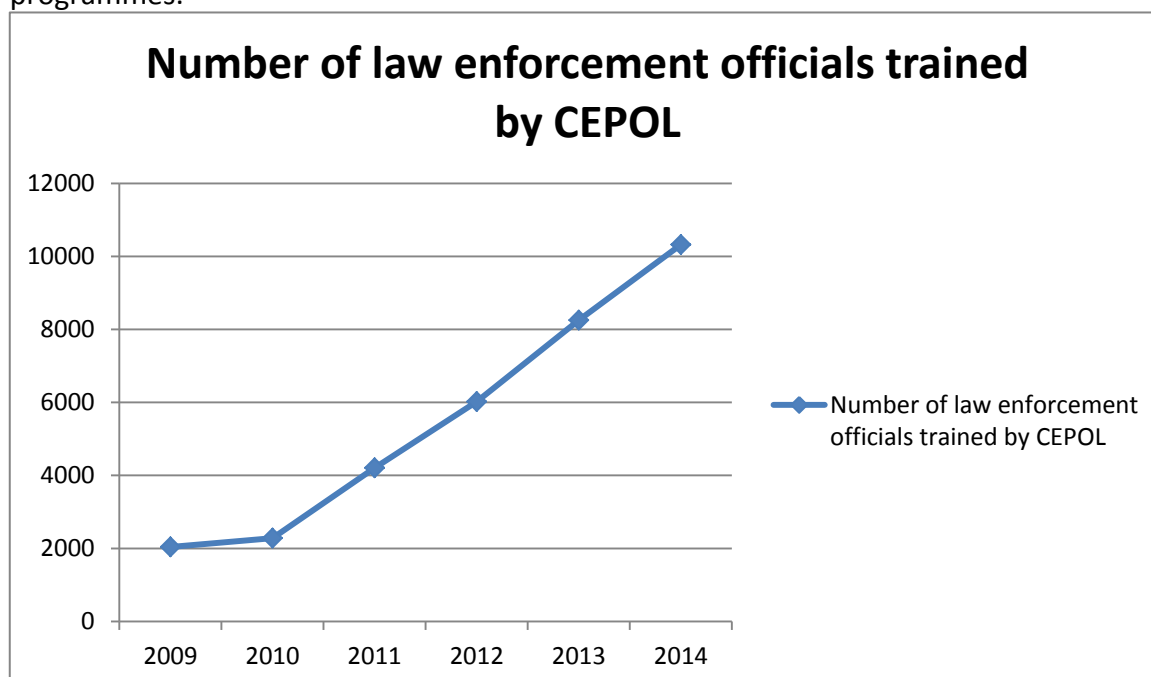
Key Performance Indicators (5 most relevant)

Three of the five key performance indicators listed in the Management Plan 2014 refer to activities under the new Home Affairs Funds: the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF).

1. Number of law enforcement officials trained on cross-border-related topics with the help of the ISF;
2. Number of target group persons who received pre or post return reintegration assistance co-financed by the AMIF;
3. Number of consular posts equipped, secured and/or enhanced with the help of the ISF to ensure the efficient processing of visa applications and provide quality service to visa applicants.

However, due to the late adoption of the multiannual financial framework for the period 2014-2020 in December 2013, the basic legal acts establishing two Home Affairs Funds were adopted in May 2014. As the national programmes for the Funds were therefore not adopted in 2014, there is no data available for these three key performance indicators for 2014.

As an alternative to **key performance indicator 1**, data is provided on the number of law enforcement officials trained by CEPOL, with the target to increase this number each year. The data illustrates that the trend continues to be positive, with a clear increase in the number of law enforcement officials trained in 2014 (10.322) compared to 2013 (8.251). It is noted that key performance indicator 1 is meant to measure law enforcement training provided by national policy academies under the national programmes.

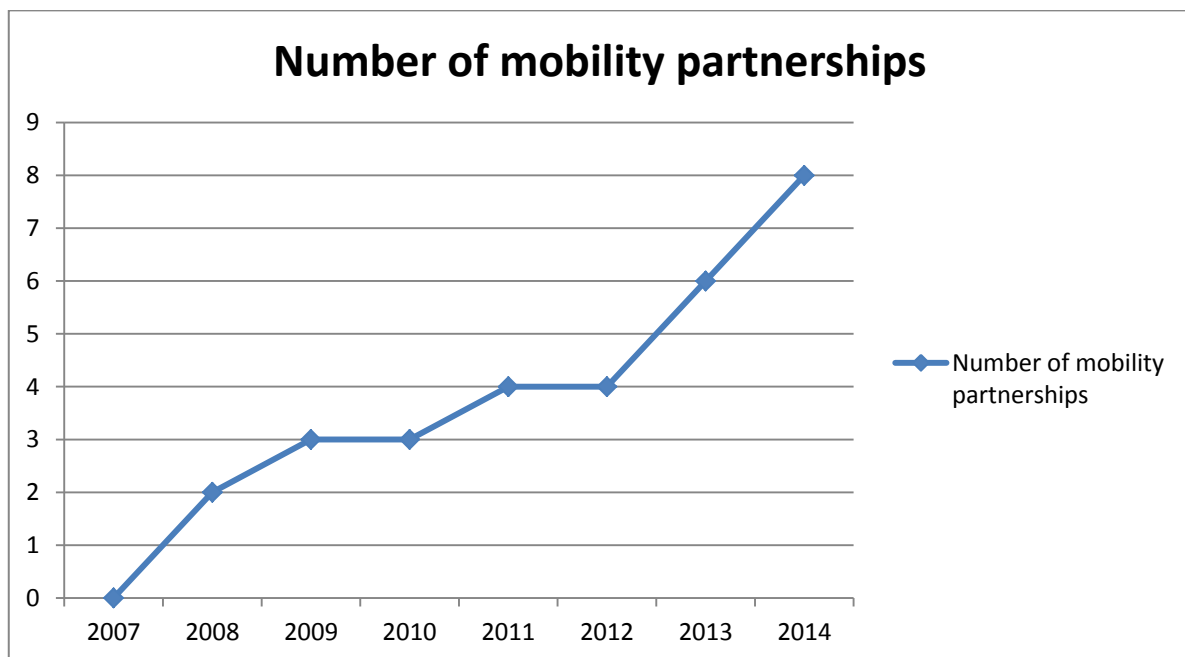


As regards **key performance indicator 2**, the only data available at this moment is the number of persons that received reintegration assistance under the General Programme “Solidarity and Management of Migration Flows” (SOLID) in the period

between 2008 and 2010 (7.636 persons). The data for the period between 2011 and 2013 will be available in 2016 only, in the context of the ex-post evaluation 2007-2013 of the Return Fund. The available data for the period from 2008 to 2010 does not provide an estimate for the number of target group persons who will in future receive pre or post return reintegration assistance co-financed by the AMIF (in November 2014, Member States estimated that until 2020, 147.460 persons will receive such assistance co-financed by the AMIF).

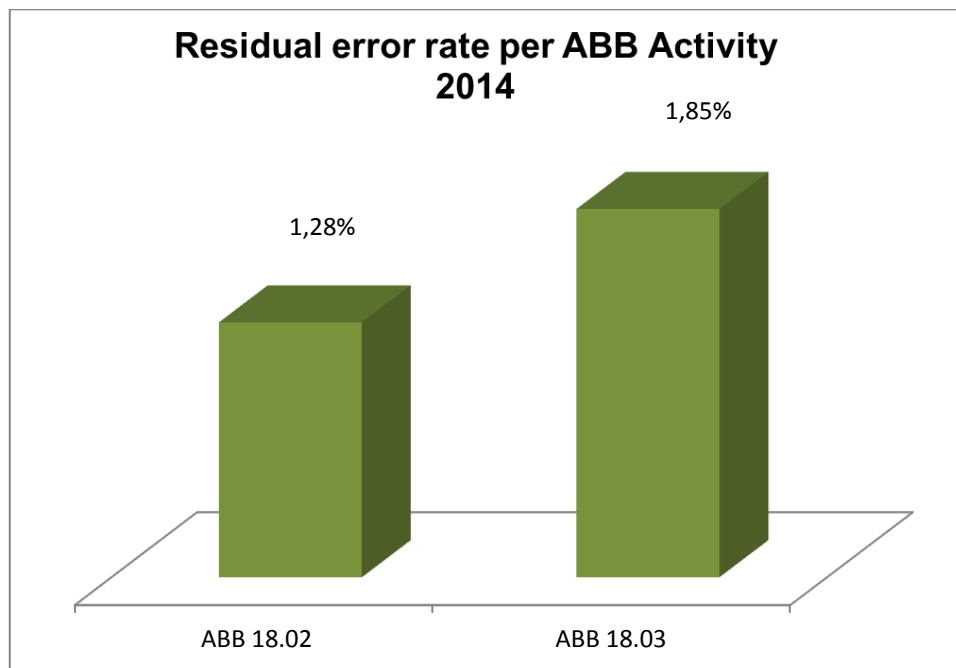
As regards key **performance indicator 3**, the only data available at this moment is the number of visa sections that were renovated, modernised or upgraded with the help of the External Borders Fund between 2007 and 2010 (210 visa sections newly built or renovated). The data for the period between 2011 and 2013 will be available in 2016 only, in the context of the ex-post evaluation 2007-2013 of the External Borders Fund. The available data for the period from 2007 to 2010 does not provide an estimate for the number of consular posts that will in future be equipped, secured and/or enhanced with the help of the ISF.

4. Number of mobility partnerships



The target for 2014 was to increase the number of mobility partnerships (baseline in 2013 was 6 mobility partnerships). This target was achieved as mobility partnerships were signed with Tunisia in March 2014 and with Jordan in October 2014, leading to a total of 8 mobility partnerships (previous mobility partnerships were signed with Moldova and Cape Verde in 2008, with Georgia in 2009, with Armenia in 2011, and with Morocco and Azerbaijan in 2013).

5. Residual error rate for all DG HOME ABB activities



When we aggregate all management modes and the associated amount at risk per ABB Activity, we note that there should be **no reservation to 2014 Annual Declaration of Assurance**, as the residual risk remains below 2% for all ABB activities. This is similar to 2013, even though the data is not directly comparable due to significant changes in ABB activities in 2014.

Policy highlights of the year (executive summary of part 1)

Migration and protection

In 2014, more than 276.000 migrants irregularly entered the EU which represents an increase of 155% compared to 2013. In 2014, the Commission mobilised approximately EUR 10 million of financial support under the External Borders Fund (EBF) and the Return Fund (RF) emergency funding, for projects dealing with the increased number of new arrivals as part of mixed migratory flows, including for reception capacity and the screening process. This amount represents almost half of the 2013 funds earmarked for emergency measures under the External Borders Fund and the full amount earmarked for emergency measures under the Return Fund.

Following the adoption of the **Common European Asylum System** in 2013, the Commission focused in 2014 on the coherent implementation and monitoring of the EU asylum acquis in order to ensure effective, safe and fair access to the asylum procedure. With a large number of Contacts Committee meetings held throughout 2014, close cooperation with the European Asylum Support Office (EASO), EU Pilots and formal infringement proceedings, the Commission worked towards full and efficient implementation of the Common European Asylum System to reduce the gap between countries that received the vast majority of asylum requests in the EU, and countries that are not confronted with this challenge. A coherent and smoothly functioning Common European Asylum System with its cross-border effects is necessary for a stable

Schengen area and furthermore has a positive impact on the quality of the functioning and outputs of the national asylum systems, and thus brings benefits for persons in need of international protection. The case of Cyprus is a positive example of how several of the issues raised with Cyprus in the area of asylum have been addressed with the use of EU funding. In 2014, Cyprus has used the 2013 European Refugee Fund emergency assistance of EUR 3.11 million to implement the measures in fulfilment of a political agreement reached with the Commission. Cyprus was successful inter alia in increasing by more than 400% its accommodation capacity for asylum seekers, while significantly improving its reception conditions. The 2013 European Refugee Fund emergency measure was also used to establish a second emergency site, as a contingency measure, for a situation of mass influx of people that may be in need of international protection. This site was used soon after its establishment following the sudden arrival of more than 300 Syrian nationals in September 2014.

In addition, the Commission presented a proposal in June 2014 amending the Dublin Regulation in order to clarify, in light of a judgement of the Court of Justice of the EU, which Member State is responsible for examining applications made by **unaccompanied minors**.

The Commission provided special support on crisis management and contingency planning to Member States facing high asylum and migratory pressure, including through **emergency assistance** under the Asylum, Migration and Integration Fund. The Commission worked on the implementation of the actions foreseen in the Commission Communication on the **Task Force Mediterranean** adopted in December 2013. Member States which received the emergency assistance were able to better handle the high asylum and migratory pressure leading to better processing of asylum seekers in those Member States. As part of the implementation of the Task Force Mediterranean, relevant support to activities with and in third countries, including resettlement and Regional Development and Protection Programmes contributed to the improvement of the concerned third countries and refugees.

A growing number of joint operations coordinated by **Frontex** in 2014 supported Member States in their efforts to achieve an efficient, high and uniform level of border control. The **Joint Operation Triton** launched on 1 November 2014 supports the Italian authorities' efforts to ensure effective surveillance of the maritime borders and to provide assistance to any person on board of a vessel in distress. Since the launch of the Joint Operation Triton, the participating authorities have dealt with 130 incidents of which 109 were search and rescue cases; 16.402 people were detected, including 15.325 persons found on boats in distress; in addition, 57 facilitators were arrested [as of 12 January 2015].

The Commission presented an in-depth analysis of the effectiveness of the EU **return policy** in a communication adopted in March 2014, together with a list of measures and actions to be taken in the next years. An effective and humane return policy is a key part of the EU migration policy. The Communication shows that the establishment of an EU return acquis over the last decade has led to significant legislative and practical changes in all Member States. The Return Directive has positively influenced national law and practice regarding voluntary departure and has been a driver for change in forced return monitoring. It contributed to a convergence — and overall to a reduction — of maximum detention periods across the EU and there has also been consistent

movement towards a wider implementation of alternatives to detention across Member States. It also limited Member States' ability to criminalise mere irregular stay, and its procedural safeguards have contributed to more legal security. Work continued in 2014 to ensure the effective implementation of the Return Directive, including through EU Pilots and formal infringement proceedings. A comprehensive horizontal monitoring exercise was carried out in 2014, which led several Member States to revise their national legislation in accordance with requests made by the Commission.

The Commission also expanded its **cooperation with countries outside the EU** that are either countries of origin or transit countries. Within the Global Approach to Mobility and Migration, a new dialogue was launched by the EU in November 2014 involving the African countries along the Horn of Africa Migration Route towards Europe (the so-called "Khartoum Process"). The Commission presented a report on the implementation of the Global Approach to Migration and Mobility 2012-2013 in February 2014. Mobility Partnerships were signed with Tunisia in March 2014 and with Jordan in October 2014 that aim at effectively managing the movement of people between the EU and these countries. New EU readmission agreements entered into force with Armenia in January 2014, with Azerbaijan in September 2014, with Turkey in October 2014, and with Cape Verde in December 2014, establishing procedures for a rapid and orderly return of persons who are irregularly residing in the EU.

The new **Schengen governance** entered into force on 27 November 2014. The Commission adopted four implementing decisions in 2014 to frame the new Schengen evaluation mechanism. The Commission also submitted the regular bi-annual reports in May and November 2014 on the functioning of the Schengen area, providing a clear account of the state of the Schengen area to ensure a coherent interpretation and implementation of the common rules amongst all Schengen participating countries.

During 2014, all the preparations for extending the European Border Surveillance System (**EUROSUR**) to the remaining Member States were carried out. As a result, all 30 National Coordination Centres were set up by December 2014 and are now operational.

EU financing in the area of border control has contributed to increasing the security and improving the protection of the EU external border. The emergency funding provided through the External Borders Fund in 2014 to Italy, Spain and Bulgaria helped these Member States to better address and manage the increased migratory pressure at their external border.

Migration and mobility

The Commission presented the 5th Annual Report on Migration and Asylum in May 2014. The report stressed that along with the need to respond to crisis situations, the EU needed **well-managed migration** that can contribute to boosting the economy, gaining access to needed skills and addressing labour market shortage. This activity led to a greater transparency and a cross-policy overview on the activities carried out at EU level and at national level in the field of immigration and asylum.

In February 2014 the co-legislators adopted the Directive on **seasonal workers**, and in May 2014, the co-legislators adopted the Directive on the conditions of entry and residence of third-country nationals in the framework of **intra-corporate transfers**.

Once the Directives are implemented in 2016, the new rules on seasonal workers will lead to greater protection for workers who come to the EU for seasonal work. For EU citizens, this will mean that the risk is reduced for distortion of the labour market through social dumping by recruiting third-country workers on less favourable conditions. The new rules on intra-corporate transferees will lead to improved possibilities for the European economy to benefit from greater flexibility for international companies to transfer third-country workers to European branches of their companies in shorter term employment. This will contribute to the Europe 2020 objective of inclusive growth. The adoption of the Directive already has strengthened the position of the EU in trade negotiation since it allows the presentation of a common framework for admission of intra-corporate transferees. Both Directives will also give clearer rules and improved possibilities to recruit third-country workers when needed for the respective type of employment, thus contributing to the Europe 2020 objective of inclusive growth.

The Commission adopted the first implementation report for the **Blue Card** in May 2014, partly based on the assessment of conformity of the transposition of the Directive as well as additional studies. The findings of the report will feed into the work on a new policy on migration – a European Agenda on Migration – as announced by President Juncker in his Political Guidelines of July 2014. This activity led to the identification of shortcomings of the implementation of the Directive in some countries, and the initiation of a process of renewed efforts to improve the EU rules for admission of highly skilled labour which is foreseen to benefit employers and migrants alike. It thus contributed to the Europe 2020 objective of inclusive growth. These activities also significantly increased the visibility of the EU Blue Card and possibilities it gives, although improvements in implementation is needed.

Negotiations continued on the proposal recasting the existing **Students and Researchers** Directives, and covering as well other groups such as school pupils, volunteers, trainees and au pairs. This activity entailed progress in negotiations towards facilitated and more transparent admission procedures for students and researchers, which will benefit host entities like universities, research organisations and companies as well as migrants. It will thus contribute to the Europe 2020 objective of smart growth through developing an economy based on knowledge and innovation.

In 2014, the Commission continued to support the **EU Immigration Portal**. The EU Immigration Portal offers practical information on European and national immigration policies and procedures. The Portal is a tool for improving communication on migration issues with third-country nationals willing to migrate to the EU and to those already in the EU who could be interested in moving from one Member State to another. It thus contributes to the Europe 2020 objective of inclusive growth.

The Commission presented the **Visa Code Review Package** in April 2014. This was an important step towards more harmonised and more modern visa issuing procedures, also taking into account the need for synergies with other EU policies, such as tourism, culture or trade. The package consisted of a report on a smarter visa policy for economic growth evaluating the implementation of the Visa Code Regulation, a proposal to recast and amend the Visa Code Regulation, and a proposal for a Regulation establishing a touring visa.

The decision to transfer the Republic of Moldova to the list of third countries whose nationals are exempt from visa requirement came into effect in April 2014. Consequently, citizens of the Republic of Moldova who hold a biometric passport can travel to the Schengen zone without a visa, which contributes to increasing their mobility and people-to-people contacts. Further progress was made in **visa liberalisation dialogues** with third countries. The Commission adopted its fourth progress report on the implementation by Ukraine of the Visa Liberalisation Action Plan (May 2014), its first report on progress by Turkey in fulfilling the requirements set in its visa liberalisation roadmap (October 2014), and its second progress report on the implementation by Georgia of the Visa Liberalisation Action Plan (October 2014).

In October 2014, the Commission adopted a report assessing the situation of non-reciprocity with certain third countries in the area of visa policy. It was the first report since the entry into force of the revised **visa reciprocity** mechanism in January 2014.

The roll-out of the **Visa Information System** continued in 2014 in five additional regions (North and Central America, the Caribbean, and Australasia in May 2014, and in Turkey and the Western Balkans in September 2014), in addition to the regions where the system was already operational (Africa, Near East and the occupied Palestinian territory, the Gulf Region, South America, Central and South East Asia). The use of the Visa Information System enhances security as Member States' consulates have access to the visa history of the applicant. Moreover, applicants with a positive visa history may prove more easily their "bone fide" and thus obtain more easily multiple entry visas with a long period of validity.

Regarding EU funding in the area of visa policy under the External Borders Fund, the majority of the spending continued to relate to information and communication technology developments (in particular the Visa Information System), consular infrastructure and trainings. These funding activities led to providing better service for visa applicants and to tackle irregular migration in an more effective manner.

Support, coordination and monitoring of different policy initiatives in the field of **integration** was reinforced in 2014 by debates held at meetings of the National Contact Points on Integration, the European Forum on Integration and dedicated conferences. In 2014, a decision was taken to enlarge the scope of the European Integration Forum to also cover topics related to migration and asylum. The European Migration Forum was thus launched. The Commission published the final report on the European modules on migrant integration developed with experts from all over the EU. This activity leads to improved awareness of positive good practice examples of integration for instance via the European website on Integration and via meetings of the National contact points, and it helps national authorities responsible for integration policies to learn about positive initiatives and shared challenges from other Member States. It thus contributes to the Europe 2020 objective of inclusive growth. The activity on the new European Integration Forum provides a direct forum for civil society organisation concerned by integration and migration policies to provide direct input into policy making in the field.

Discussions with co-legislators continued in 2014 on the strategic initiative on the functioning of **Smart Borders** consisting of proposals on the establishment of an Entry/Exit-System and on the establishment of a Registered Traveller Programme. The Commission completed in 2014 the proof of concept exercise, outlining the technical

choices and solutions available for Smart Borders with a view to allowing designing the most economic and operational technical solution. It consisted in a technical study and terms of reference for the testing phase in 2015.

Security

The issue of foreign fighters and returnees is one of the most urgent security challenges that Europe currently faces. In 2014, the Commission took a variety of actions to support Member States' efforts to counter terrorism and provide security to citizens. In June 2014, the Commission presented the third and final implementation report of the EU **Internal Security Strategy** 2010-2014. The report assesses the progress made since 2010 and identifies possible future challenges, cross-cutting objectives and emerging threats in view of a renewed Internal Security Strategy – the new European Agenda on Security as foreseen in the Commission Work Programme 2015. The report shows that since 2010, significant progress has been made to foster European internal security. The Internal Security Strategy 2010-2014 has been the backbone of EU internal security initiatives in the last years. It has contributed to further enhancing the capabilities of the EU, its Member States, and other stakeholders and to reinforcing operational cooperation among Member States. It also contributed to a more cross-sectorial approach at all levels.

In January 2014, the Commission adopted a Communication on "**Preventing Radicalisation to Terrorism and Violent Extremism: Strengthening the EU's Response**". The Communication identifies ten areas in which Member States and the EU are called to reinforce their actions to prevent extremism. In line with these recommendations, the Commission launched the process of creating the RAN (Radicalisation Awareness Network) Centre of Excellence to continue and expand its assistance to Member States, including by helping Member States to put in place de-radicalisation programmes and by fostering dialogue and cooperation with civil society. In October 2014, the RAN offered its expertise to a Member State reviewing its National Strategy on Counter Extremism. Experts from different countries were identified and involved in the review process. The review took into account the lessons learned by the RAN to strengthen the scope, objectives and tasks of the Member State' national strategy. In December 2014, an EU-funded project aiming at strengthening resilience of youngsters against violent radicalisation presented its research results supplemented by practical training tools and manuals. These tools help teachers, youth workers, educators, social workers etc. to provide young people with awareness and competence that can prevent them from becoming involved in a process of violent radicalisation.

The Commission continued to reinforce the efficiency of the **Schengen Information System** as one of the most efficient tools in following the travel routes of foreign fighters through discreet or specific check alerts or to retain them at the external borders. In 2014, the Commission prepared measures and technical upgrades of the Schengen Information System to accelerate the information exchange on terrorist suspects amongst law enforcement authorities, and to reinforce the efforts of Member States to invalidate personal identification documents of persons who may join terrorist groups outside the EU. The measures were adopted in January 2015. The Commission received very positive feedback from Member States' border guards providing evidence of the usefulness of the Schengen Information System for the combating of terrorism and serious crime.

The Commission continued in 2014 to promote its proposal for an EU **Passenger Name Record** (PNR) Directive. The adoption of this legislative act will increase the ability of national law enforcement authorities to address the threats represented by terrorism and serious crime. The funding afforded to 14 Member States through the 2012 ISEC Programme contributed also in 2014 to the aim of developing national PNR systems with effective data protection safeguards. In July 2014, the Commission presented a report on the joint review of the implementation of the Agreement between the EU and Australia on the processing and transfer of PNR data by air carriers to the Australian Customs and Border Protection Service.

The negotiations on the **Europol** Regulation, which started in March 2013, continued in 2014. The proposal aims to align Europol with the requirements of the Treaty of Lisbon by introducing – *inter alia* - a mechanism for control of Europol's activities by the European Parliament, together with national parliaments. At the same time, the objective is to increase Europol's efficiency, effectiveness and accountability. This is to be achieved by enhancing Europol's analytical capabilities and triggering operational action on the part of Member States while at the same time strengthening further the agency's data protection regime.

In July 2014, the Commission presented a proposal for a **CEPOL** Regulation to give CEPOL the appropriate legal mandate and the necessary resources to implement the EU Law Enforcement Training Scheme which the Commission had proposed in 2013. The new Training Scheme aims to equip law enforcement officials of all ranks with the knowledge and skills they need to prevent and combat cross-border crime effectively. By implementing such new approach for EU law enforcement training, the general objective of the proposal is to improve EU security and to make training consistent with evolving priorities for operational law enforcement cooperation. Discussions on the legislative proposal advanced in 2014. Following the decision by the European Parliament and the Council to move CEPOL to Budapest, a considerable effort was devoted in 2014 to the relocation of the Agency from the United Kingdom to Hungary. As a result, the Agency was successfully moved to its new headquarters without any major business discontinuity or departure of members of staff.

On 5 May 2014, the Commission adopted a Communication on a new EU approach to the detection and mitigation of **CBRN-E risks** (i.e. risks related to chemical, biological, radiological, nuclear or explosive materials) in order to strengthen Europe's efforts to better detect explosives and dangerous materials, intensify research across Europe, and build awareness in Member States. The Communication proposes to facilitate practical cooperation for the detection and mitigation of CBRN-E risks at EU level, including working with the industry, operators of facilities handling CBRN-E materials and other stakeholders. One of the actions included in the Communication is the organization of detection trials with practitioners. For instance, during summer 2014 the Commission conducted trials in relation to a threat of explosives hidden in the tablets and smartphones. Results of these trials were shared – in a classified environment – with relevant authorities of Member States and thus provided added value for Member States' CBRN-E risk experts.

The Directive on the **freezing and confiscation of criminal assets** in the European Union was adopted in April 2014. It is designed to improve law enforcement and judicial authorities' means to recover illegal profits. It provides authorities with a wider scope of

action, such as the ability to confiscate assets that have been transferred to third parties, or assets that are not linked to a specific crime but that clearly result from the convicted person's criminal activities.

The Commission launched the first-ever EU-wide **Anti-Corruption Report** in February 2014. The report analyses the situation in each EU Member State: what anti-corruption measures are in place, which ones are working well, what could be improved and how. In addition, the report describes corruption-related trends across the EU and focuses on how EU Member States deal with corruption in public procurement. The report shows how both the nature and level of corruption, and the effectiveness of measures taken to fight it, vary from one EU Member State to another. It also shows that corruption deserves greater attention in all EU Member States.

The Commission presented in October 2014 the Midterm Report on the implementation of the **EU Strategy towards the eradication of trafficking in human beings 2012-2016**, accompanied by a statistical report on victims and traffickers for the years 2010-2012. The Midterm Report took stock of all actions that had been launched and implemented since the adoption of the Strategy in June 2012 until October 2014. The report highlighted the most important elements of the EU's legal and policy framework on trafficking in human beings and the efforts made to mainstream this work at regional, national, European and international levels. It has illustrated the Commission's coordinated and coherent approach to implementing the EU Strategy. Together with the Midterm Report, the Commission adopted the second implementation report on the Permits for Victims of Trafficking Directive that regulates the granting of a residence permit to non-EU victims of trafficking.

The Commission took the necessary preparations for the **end of the 5-year transitional period** for police and judicial cooperation in criminal matters on 1 December 2014. The Commission also requested Member States to notify their national measures in transposition of the relevant legislation. Following the decision by the United Kingdom in July 2013 to use its right to exercise a block 'opt-out' from all acts adopted under the former third pillar which had not been amended, the Commission negotiated first with the United Kingdom and then in the Council the scope on the **UK 'opt-back-in'**. On 1 December 2014, the Commission adopted a decision to allow the United Kingdom to take part in crucial EU measures in the field of police cooperation and judicial cooperation in criminal matters.

Key conclusions on resource management and internal control effectiveness (executive summary on part 2 and 3)

In accordance with the governance statement of the European Commission, DG HOME conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. As required by the Financial Regulation, the Director-General has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due

regard to the risks associated with the environment in which it operates.

DG HOME has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented. Furthermore, DG HOME has taken measures to further improve the efficiency of its internal control systems in the area of Objectives and Performance Indicators (Internal Control Standard 5) and Document Management (Internal Control Standard 11). Please refer to Part 3 for further details.

In addition, DG HOME has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Part 2 for further details.

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

Information to the Commissioner(s)

The main elements of this report and assurance declaration have been brought to the attention of Commissioner Dimitris Avramopoulos, responsible for the area of Migration, Home Affairs and Citizenship.

1. POLICY ACHIEVEMENTS

1.1 Achievement of general and specific objectives

1.1.1 Home affairs: Security and Safeguarding Liberties

a) Performance table

General objective 1: Contribute to ensuring a high level of security in the European Union while facilitating legitimate travel, through a uniform and high level of control at the external borders and the effective processing of Schengen visas, in compliance with the Union’s commitment to fundamental freedoms and human rights			<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01) <input checked="" type="checkbox"/> Non-spending
Impact indicator 1: Increase in number (value) of confiscated criminal assets relating to organised crime (source: Member States via Eurostat criminal justice figures; Member States and Asset Recovery Offices via Europol).			
<u>Baseline</u>	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
Data yet to be collected (Directive 2014/42/EU requires Member States to provide statistics; first data should be available as of 2016).	Data yet to be collected.	No data available in 2014.	Increase by the end of the period of measurement.

Impact indicator 2: Number of cross-border organised crime groups dismantled and/or disrupted (source: Europol).			
<u>Baseline</u>	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
Data yet to be collected (Europol expects to have this data available by 2015)	Data yet to be collected.	No data available in 2014.	Increase by the end of the period of measurement.
Impact indicator 3: Ratio between the number of reported cases of serious / organised crime / cross border crime and of the number of cases that are prosecuted (source: Europol and Member States via Eurostat criminal justice figures)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
Data yet to be collected (new data collection based on indicators developed jointly by Eurostat and UNODC, and the forthcoming International Crime Classification).	Data yet to be collected.	No data available in 2014. Data from the first joint Eurostat-UNODC collection are expected to be published by Eurostat in 2015.	Decrease of the ratio by the end of the period of measurement. The collection of this data is foreseen in the Communication on "Measuring Crime in the EU: Statistics Action Plan 2011- 2015" (COM(2011) 713) of 18.1.2012.

Impact indicator 4: Decrease in level of concern about cybercrime among population (source: Eurobarometer)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
76% of the respondents agree that the risk of becoming a victim of cybercrime has increased in the past year (Eurobarometer 404 of 22.11.2013)	72%	No data available in 2014 (next Eurobarometer to be published in 2015).	69% This target has been defined to reflect a sensible change in the trend.
Impact indicator 5: Decrease in perceived level of corruption (source: biennial Commission report on corruption based on Eurobarometer).			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017 anti-corruption report)	<u>Current situation</u>	<u>Target</u> (2020 / 2019 anti-corruption report)
76% of the respondents to the special EB think that corruption is very widespread or somewhat widespread	71%	No data available in 2014 (next Eurobarometer planned to be published in 2015).	69%

<p>46% of the respondents to the flash EB for businesses consider that corruption creates an obstacle in doing business</p> <p>(Special Eurobarometer 397 and Flash Eurobarometer 374)</p>	<p>41%</p>		<p>39%</p> <p>This target has been defined to reflect a sensible change in the trends.</p>
<p>Impact indicator 6: Volume of terrorism in the EU expressed by the number of failed, foiled or completed terrorist attacks in EU Member States; number of deaths as a result of a terrorist attack (source: Europol – Terrorism Situation and Trend Report)</p>			
<p><u>Baseline</u> (2012)</p>	<p><u>Milestone</u> (2017)</p>	<p><u>Current situation</u></p>	<p><u>Target</u> (2020)</p>
<p>219 attacks 17 deaths</p> <p>(Europol Terrorism Situation and Trend Report 2013)</p>	<p>170 attacks 0</p>	<p>152 attacks 7 deaths</p> <p>(Europol Terrorism Situation and Trend Report 2014)</p>	<p>Below 120 0</p> <p>This target has been defined to cut by half the number of terrorist incidents in the EU.</p>

Impact indicator 7: Number of irregular migrants apprehended at the EU external borders (source: Member States)			
<u>Baseline</u> (2012)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
73.042	40.000	283.532	40.000
Impact indicator 8: Ratio between the number of convicted traffickers in human beings and the number of suspected traffickers (Source: Eurostat)			
<u>Baseline</u>	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
Data yet to be collected.	Increase the ratio.	No data available in 2014.	Increase the ratio.
Impact indicator 9: Number of joint operations coordinated by Frontex at external borders (source: Frontex).			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
17 joint operations for 2283 days.	Increase compared to 2013.	Total number of joint operations coordinated by Frontex in 2014: 21. Total number of operational days in all 21 joint operations in 2014: 4337.	Increase compared to 2017. The increase compared to the baseline reflects the EU support in the field of external border management, where one Member State carries out border controls on behalf of the whole Schengen area.

Impact indicator 10: Share of multiple entry visas (MEVs) with long validity on total number of visas issued (source: Member States).

<u>Baseline</u> (2012)	<u>Milestone</u> (2015)	<u>Current situation</u>	<u>Target</u> (2020)
41,6% (this percentage includes all multiple entry visas issued and not only those with long periods of validity).	45% (still under the current visa code – Implementation of visa facilitation agreements and flexible interpretation of the Visa Code rules should lead to an increase in the number of MEVs).	In 2013: 45%.	60% (under the revised Visa Code, the percentage will relate only to multiple entry visas with long validity; the proposal for a revised Visa Code will include mandatory rules on the issuing of MEVs to regular travellers, therefore increasing the share of MEVs being issued; a higher target than 60% does not seem realistic as more regular travellers will hold MEVs with a long period of validity, and thus there will be a more important share of first time travellers amongst the visa applicants)

b) Narrative

For a number of impact indicators (*impact indicators 1 to 5, 8*) related to the general objective 1, there is no data yet available to measure performance. For instance, as regards impact indicator 1, the necessary data will only be available once Member States meet the requirements of Directive 2014/42/EU on the provision of comprehensive statistics (in 2016). Efforts to close this information gap in the meantime did not yield results. For instance, as regards impact indicator 1, the Commission started an informal data collection in the Asset Recovery Offices Platform in 2014, asking the Asset Recovery Offices to send their data on frozen and confiscated assets to Europol. However, as not all Member States responded to the request, the data collected remain inconclusive.

As regards performance on **anti-corruption** (impact indicator 5), the Commission launched the first-ever EU-wide Anti-Corruption Report in February 2014. Corruption is estimated to cost the European economy around € 120 billion per year. This report analyses the situation in each EU Member State: what anti-corruption measures are in place, which ones are working well, what could be improved and how. In addition, the report describes corruption-related trends across the EU and focuses on how EU Member States deal with corruption in public procurement. The report shows how both the nature and level of corruption, and the effectiveness of measures taken to fight it, vary from one EU Member State to another. It also shows that corruption deserves greater attention in all EU Member States:

As regards impact indicator 7 on the **number of irregular migrants apprehended at the EU external borders**, there is a high volatility of external factors influencing the situation and its development. Such factors include the political situation in the third countries considered as sources of irregular migration. The number of irregular detections reported under impact indicator 7 sharply increased as compared to the baseline, and it reflects the high migratory pressure at the EU external borders in 2014. It clearly highlights the need to have a situational awareness and reaction capability at European level. Given the political and economic instability in many regions of the world, including in Europe's neighbourhood, the influx of persons towards Europe is likely to continue.

As regards impact indicator 8 on the **ratio between the number of convicted traffickers in human beings and the number of suspected traffickers**, the data sets presented in the Eurostat Statistical Working Paper 2014 (with registered and reported data from the Member States during 2010-2012) do not track individual criminal proceedings, and data are available for a different subset of Member States for suspected and convicted traffickers respectively, depending on national recording mechanisms. It is therefore not currently possible to reliably calculate a ratio between suspected and convicted traffickers.

As regards impact indicator 9 on the **number of joint operations coordinated by Frontex at external borders**, the main goal for Frontex in 2014 was to further support, coordinate and develop European border management in line with the EU fundamental rights charter and the legal framework of the Agency. The largest part of Frontex' budget was allocated to Joint Operations in order to further improve the capabilities of Member States to tackle challenging situations at their external borders. The number of activities carried out by Frontex has increased more than expected: +25% of joint operations and +90% of operational days. It corresponds to the sharp increase in the migratory pressure experienced in 2013 and 2014 and aims to tackle the challenging situations which Member States are faced with at their external borders by supporting them in their efforts to achieve an efficient, high and uniform level of border control. It increases the situational awareness and reaction capability at European level. The Joint Operation Triton launched on 1 November 2014 aims to implement coordinated operational activities at the external sea borders of the Central Mediterranean region in order to control irregular migration flows towards the territory of the Member States and to tackle cross border crime in the territorial waters of Italy and Malta. Covering also relevant parts of the Search and Rescue zones of the two Member States, it also contributes to Search and Rescue activities.

The 'early' achievement of the 2015-milestone for the **share of multiple entry visas (MEV) with long validity on the total number of visas issues** already in 2013 (45%, impact indicator 10) can probably be explained by a combination of factors. Firstly, Member States are getting increasingly familiar with the relevant MEV provision in the current Visa Code, not least because the Commission is consistently stressing vis-à-vis Member States that they should issue more MEVs. At the same time, Member States are realising that in the current economic climate, issuing MEVs whenever possible is beneficial for their economies because it not only leads to savings on staffing in Consulates but also to more frequent and easier travel to their respective territories. Notwithstanding this positive development, most MEVs issued are still with a short period of validity so continuing efforts are needed with a view to reaching a high share of MEVs with a long period of validity.

c) Conclusion

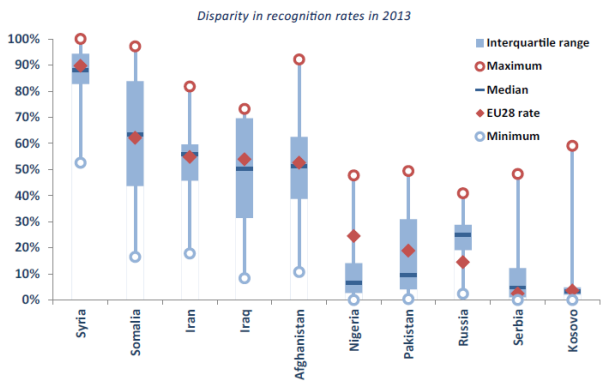
As evidenced above, the policy on security and safeguarding liberty managed by DG HOME is on course to meet its multiannual objectives for this objective and has achieved most of the annual performance indicators or outputs and milestones in the reporting year (as far as data is available).

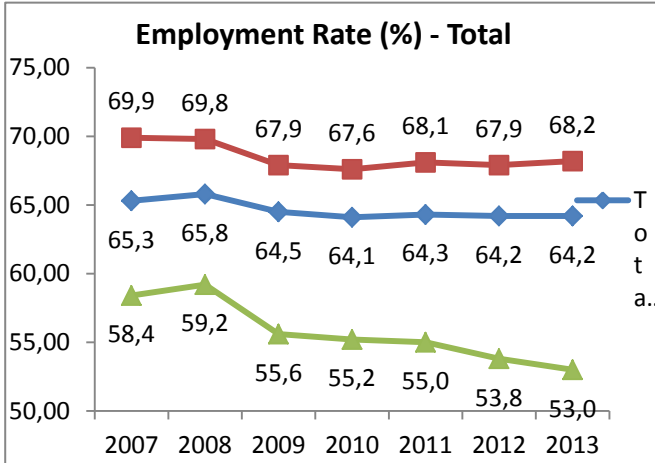
1.1.2 Home affairs: Asylum and Migration

a) Performance table

General objective 2: Contribute to the effective management of migration flows and to the implementation, strengthening and development of the common policy on asylum, subsidiary protection and temporary protection and the common immigration policy, while fully respecting the rights and principles enshrined in the Charter of Fundamental Rights of the European Union	<input checked="" type="checkbox"/> Spending programme (Asylum, Migration and Integration Fund – 18 03 01) <input checked="" type="checkbox"/> Non-spending
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Impact indicator 1: Convergence of protection recognition rates by Member States for asylum applicants from a same third country, as reflected by the amplitude between the highest and lowest recognition rates in the Member States for asylum seekers from the top source third country (source: Eurostat)

<u>Baseline</u> (2012)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
66 (amplitude between the highest and lowest recognition rates in the Member States for asylum seekers from Afghanistan)	Lower (increased convergence).	74 (amplitude between the highest and lowest recognition rates in the Member States for asylum seekers from Afghanistan based on data from 2013).  <p style="text-align: center; font-size: small;">Figure 17: Disparity in recognition rates in the EU28, 10 main citizenships, 2013 (> 100 decisions by MS)</p>	Lower (increased convergence).

Impact indicator 2: Difference in employment rates of third-country nationals (TCNs) compared to that of EU nationals (source: Eurostat)			
<u>Baseline</u> (2011)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
9% (employment rates: 55% third-country nationals / 64% EU nationals)	Gradual approximation of employment rates of TCNs and EU nationals.	15% (Employment rate of non-EU citizens decreased from 55% (2011) to 53% (2013), whilst the employment rate of EU nationals remained stable at around 68%.) 	Gradual approximation of employment rates of TCNs and EU nationals.
Impact indicator 3: Share of permits issued to researchers, highly-skilled workers, seasonal workers, intra-corporate transferees (ICTs) and remunerated trainees from third countries on total number of residence permits for remunerated activities issued (source: Eurostat)			
<u>Baseline</u> (2012)	<u>Current situation</u>	<u>Target</u> (2015)	
6,6% highly skilled workers (32.338) 0,5% blue cards (2.514)	5,8% highly skilled workers (31.149) 1,2% blue cards (6.297)	Increased share of permits issued to researchers, highly-skilled workers, ICTS and remunerated trainees from third countries on total number of	

<p>2,6% researchers (12.668)</p> <p>4,2% seasonal workers (20.322)</p> <p>86,1% other remunerated activities (421.512)</p> <p>100% = 489.354 permits issued to third country nationals for remunerated activities</p>	<p>1,9% researchers (10.408)</p> <p>3,2% seasonal workers (17.088)</p> <p>87,8% other remunerated activities (470.536)</p> <p>100% = 535.478 permits issued to third country nationals for remunerated activities</p> <p>(Source : Eurostat data, permits issued in 2013)</p>	<p>residence permits.</p>
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Impact indicator 4: Effectiveness of return policy as reflected by the ratio between the number of irregular migrants returned to their country of origin compared to return decisions issued (source: Member States)

<u>Baseline</u> (2012)	<u>Current situation</u>	<u>Target</u> (2015)
<p>41%</p> <p>(206.045 effected returns /498.680 return decisions issued)</p>	<p>2013: 39.2% (166.975 effected returns/425.875 return decisions issued)</p>	<p>Increased ratio</p>

Impact indicator 5: Ratio voluntary/forced return (source: Member States)

<u>Baseline</u> (2012)	<u>Current situation</u>	<u>Target</u> (2015)
<p>45,5%</p>	<p>Within the number of effective returns to third countries in 2013, 40% were reported to be on a voluntary basis and 54% were forced returns.</p>	<p>Increased ratio.</p>

b) Narrative

Convergence of protection recognition rates by Member States for asylum applicants from a same third country (impact indicator 1), as reflected by the amplitude between the highest and lowest recognition rates in the Member States for asylum seekers from the top source third country (source: Eurostat), measures how consistent the decisions taken on asylum applications from the same country (in this case Afghanistan, which has been for several years the main country or origin of asylum applicants). If each asylum application is different and needs to be analysed individually, it is however possible to see trends in recognition rates. Therefore, the recognition rates of the different Member States can be different but should not show wide amplitude. The reduction of this amplitude is one of the aims of the Common European Asylum System via the adoption of the different recast legal instruments, the support provided by the European Asylum Support Office to the development of cooperation on asylum issues as well as the funding under the Asylum, Migration and Integration Fund. According to the latest available annual figures (2013), the amplitude between the highest and lowest recognition rates in the Member States for asylum seekers from Afghanistan was 74, and thus higher than in previous years when the amplitude was between 66 and 71 (2011-2012). This shows that continued efforts are still needed.

The **difference in employment rates** of third-country nationals (TCN) compared to that of EU nationals (source: Eurostat) measures how well third-country nationals integrate into society (impact indicator 2). However, this indicator is strongly influenced by external factors, including the Member States economic policies, the structure of their labour market, and the size and type of immigration population in the country. According to the latest available annual figures (2013), the employment rate of non-EU citizens has decreased from 55% (2011) to 53% (2013), whilst the employment rate for EU nationals remains stable at around 68%. However, in view of the external factors influencing this indicator, including the economic situation in Member States, it is not possible to fully associate the developments to EU policies, but this shows that continued efforts are still needed.

Impact indicator 3 (**share of permits** issued to researchers, highly-skilled workers, seasonal workers, intra-corporate transferees (ICTs) and remunerated trainees from third countries on total number of residence permits for remunerated activities issued) measures the ratio of the volumes of admission of economic migrants, admitted under the specific EU Directive schemes, compared to all economic migrants. It is however influenced to a large extent by Member States policies, since based on the TFEU, Member States can decide on the volume of admission of economic migrants. New Directives on seasonal workers and ICTs will become fully operational from 2016. The available statistics data therefore does not yet fully distinguish between those admitted on national schemes and those admitted under EU Directive schemes. It is positive to note that there was an increase in the number of EU Blue Cards issued, an effect of the progress of implementation of the Directive. The largest decrease concerns the number of researchers admitted, but it should be noted that the decrease in the United Kingdom accounts for most of the change. It is also important to note that the

statistics for the number of seasonal workers admitted is still sparse, with only 5 Member States (Spain, France, Croatia, Italy, Sweden, Slovenia) providing information for 2013. In view of the external factors influencing this indicator, it is not possible to fully associate the developments to EU policies, but this shows that continued efforts are still needed to improve the implementation of the legislation as well as improving the collection of more targeted statistics.

Impact indicators 4 and 5 on **return rates and the ratio between voluntary and forced return measure** the overall efficiency of return policy in terms of successful return as well as compliance with the EU's policy objective to promote voluntary departure as first-best solution (as opposed to forced removal). In its March 2014 Communication on EU Return Policy (COM(2014)199), the Commission presented an in-depth analysis of the effectiveness of the EUs return policy, accompanied by a list of measures and action to be taken in the next years.

c) Conclusion

As evidenced above, the policy on asylum and migration managed by DG HOME is on course to meet its multiannual objectives for this objective, while the annual performance indicators or outputs and milestones in the reporting year indicate that continued efforts are still needed.

1.1.3 Home affairs: External Dimension of Home Affairs

a) Performance table

General objective 3: Promote the values underpinning the area of freedom, security and justice in relation with third countries to contribute to the successful building of the internal area of freedom, security and justice and advance the EU's external relations.		<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01; Asylum, Migration and Integration Fund – 18 03 01) <input checked="" type="checkbox"/> Non-spending
Impact indicator 1: Number of cooperation frameworks within the Global Approach to Mobility and Migration (GAMM) (source: Commission).		
<u>Baseline</u> (2013)	<u>Current situation</u>	<u>Target</u> (2020)
2 global frameworks (High-level Dialogue on International Migration and Development; Global Forum for Migration and Development). 7 regional frameworks (Prague Process; Eastern Partnership Process; Africa-EU Migration, Mobility and Employment; Rabat Process; Budapest Process; ACP-EU Migration Dialogue; EU and CELAC Dialogue on Migration). 27 bilateral frameworks.	In addition to the existing dialogues that were continued in 2014, a new dialogue was launched by the EU in November 2014 involving the African countries along the Horn of Africa Migration Route towards Europe (the so-called "Khartoum Process").	Increased number of cooperation frameworks (strategic and evidence based development of migration and mobility processes and dialogues with third countries at bilateral, regional and global level).
Impact indicator 2: Number of specific JHA cooperation processes with strategic partners (source: Commission).		
<u>Baseline</u> (2013)	<u>Current situation</u>	<u>Target</u> (2020)
9 (US, Russia, China, India, Canada, Australia, South Africa, Nigeria, Brazil)	The dialogue with the EU's strategic partners was continued in 2014, albeit only at the technical level with Russia, due to the	Increase in line with political priorities (strategic and evidence based development of specific JHA cooperation

	Ukraine crisis and the sanctions regime applied on Russia.	processes).
Impact indicator 3: Number of candidate countries with which negotiations on JHA chapters have been opened		
<u>Baseline</u> (2013)	<u>Current situation</u>	<u>Target</u> (2020)
1 (chapter 23 was been opened and provisionally closed with Iceland) Chapters 23 and 24 have not been opened yet with any other of the candidate countries (Turkey, Macedonia, Serbia, and Montenegro)	The accession negotiations in Chapters 23 and 24 are currently being carried out with Montenegro. The Chapters were opened in December 2013. Since then, the negotiations have been on-going and the progress was presented in the annual Enlargement Progress report in October 2014. In 2014, after presenting the Screening reports for Chapters 23 and 24, Serbia started drafting detailed Action Plans for both Chapters which constitute opening benchmarks for future negotiations.	Increase.

b) Narrative

In 2014 there was a slight increase in the number of **migration dialogues** (impact indicator 1), which took into account new priorities (the emergence of the Horn of Africa Migration Route as the main irregular migration route towards the EU) as well as the need, also in the context of resources constraints at both EU and Member State level, to not proliferate dialogues and to avoid overlappings.

No new bilateral strategic partnerships were concluded by the EU in 2014, and there was thus no point in increasing the number of specific **justice and home affairs cooperation processes with strategic partners**. The EU continued its cooperation with the US on various areas including law enforcement and cybercrime. Two ministerial and two senior officials meetings were organised (on 25 June in Athens, 12-13 November in Washington, 24-25 February in Athens and 17-18 September in Rome respectively) as well as the ministerial conference under the Global Alliance against Child Sexual Abuse Online held on 30 September in Washington. Other activities including follow up on the EU-US PNR agreement and visa reciprocity discussions with the US were carried out. In March 2014, in the context of the crisis with Ukraine, the EU decided to suspend bilateral talks with the Russian Federation on many issues, including visa matters, and to adopt a sanctions regime. However, discussions at technical level were allowed to continue on several issues, so that meetings related to the migration dialogue and to readmission were held in summer 2014. Following the first meeting of the

Dialogue on Mobility and Migration between the EU and China held in October 2013, no further meetings were held in 2014 due to divergent views on the parameters of the dialogue. Discussions took place in 2014 and are still on-going in the Council to agree on a common EU approach and the next steps in the dialogue with China.

c) Conclusion

As evidenced above, the policy on the external dimension of home affairs managed by DG HOME is in the course of consolidation and deepening, and thus broadly in line with the multiannual objectives for this objective and has partly achieved the annual performance indicators or outputs and milestones in the reporting year.

1.1.4 ABB Activity 18 02: Security and safeguarding liberties: specific objective 1

a) Performance table

Specific objective 1: Supporting a common visa policy to facilitate legitimate travel, provide a high quality of service to visa applicants, ensure equal treatment of third country nationals and tackle irregular migration.		<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01) <input checked="" type="checkbox"/> Non-spending	
Relevant general objective: Security and Safeguarding Liberties.			
Result indicator 1: Cumulative number of consulates developed or upgraded with the help of the Fund out of the total number of consulates (source: reporting of the Member States within the framework of the Fund)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	100	No data available in 2014.	200 Target consists in equipping/ securing/enhancing 10% out of the around 2000 consular posts issuing

			Schengen visas.
Result indicator 2: Cumulative number of consular cooperation activities (co-locations, common application centres, representations, others) developed with the help of the Fund (source: reporting of Member States within the framework of the Fund)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	15	No data available in 2014.	35 Realistic target established in consideration of MS moderate willingness to embark on consular cooperation activities.
Result indicator 3: Cumulative number of staff trained and number of training courses in common visa policy related aspects with the help of the Fund (source: reporting of the Member States within the framework of the Fund)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	1000 staff trained 50 training courses	No data available in 2014.	2000 staff trained 100 training courses The target is to train at least one consular official in each of the around 2000 Schengen consulates issuing visas in the

			world.
Result indicator 4: Cumulative number of specialised posts (including Immigration Liaisons Officers) in third countries supported by the Fund (source: reporting by Member States within the framework of the Fund)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
30	45	No data available in 2014.	60
Main outputs in 2014			
<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
<ul style="list-style-type: none"> - Present an evaluation of the Visa Code, accompanied by appropriate proposals with a view to amending the Visa Code (Art. 57 par. 1 and 2 Visa Code) in view of facilitating life for legitimate travellers - Negotiating directives for visa facilitation agreements with some South 	<p>Adoption by Commission</p> <p>Number of negotiating mandates submitted to Council.</p>	<p>The Visa Code Review Package was adopted on 1 April 2014, consisting of</p> <ul style="list-style-type: none"> - and evaluation report, accompanied by a Commission staff working document and an impact assessment; - a proposal recasting and amending the Visa Code; - a proposal establishing a touring visa. <p>2 negotiation mandates (Morocco, Tunisia) were submitted.</p>	<p>January 2014</p> <p>Draft mandate submitted within 3 months of the formal signature of the Mobility Partnership</p>

<p>Mediterranean Countries, in the framework of the Mobility Partnerships to be established with those countries</p> <p>- Strengthen the efforts to ensure the principle of visa reciprocity, in the framework of the new reciprocity mechanism.</p> <p>- Strengthen and make more efficient cooperation between Member States consulates including by setting up new Common Application Centres</p> <p>- Implementation of the new suspension mechanism in case of abuse of a visa waiver</p>	<p>Number of Commission decisions or reports issued in implementation of new reciprocity mechanism.</p> <p>Number of common application centres or other cooperation mechanisms supported by EU funding.</p> <p>Number of Commission decisions or reports issued in implementation of the new suspension mechanism</p>	<p>Several so-called tripartite meetings between the Commission, Member States concerned and third countries concerned were organised. In accordance with the new mechanism, a situation report assessing the situation was adopted by the Commission on 10 October 2014 (C(2014) 7218 final).</p> <p>Further development of consular cooperation was discussed with all Member States in the context of the preparations of the Internal Security Fund national programmes. Moreover, the issue was discussed at Council working group level (Visa Working Party) concerning third countries where none of the Member States are present.</p> <p>The mechanism has not been triggered by any Member State. The so-called post visa liberalisation monitoring mechanism continues.</p>	<p>All non-reciprocity cases to be solved</p> <p>Increase.</p> <p>0 (0 target would mean that the visa-free regime is not being abused)</p>
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b) Narrative

The timely adoption of the **Visa Code Review Package** in April 2014 was an important step towards more harmonised and more modern visa issuing procedures, which also takes into account the need for synergies with other EU policies, such as tourism, culture or trade.

There is currently no data available for result indicators 1 to 4, as the national programmes for the Internal Security Fund (ISF) have not yet been adopted and, consequently, their implementation has not yet started. The draft national programmes do not provide the breakdown of the actions for each calendar year, thus estimation cannot be provided either at this stage.

2014 has shown again that the lack of enthusiasm regarding the establishment of "common visa centres/offices" is not because of the lack of funding, but primarily because of the fact that there are easier and more efficient ways to ensure Schengen visa issuing presence. By concluding representation agreements and cooperating with external service providers, consular coverage continued to increase in 2014.

Based on the draft ISF/Borders national programmes, it is clear that most of the ISF funding in the area of visa policy will continue to be spent on national actions, related to developments on information and communications technology (including the full roll-out and maintenance of the Visa Information System – VIS), on consular infrastructure and training. These will surely lead to a better service for visa applicants and to tackle irregular migration in an ever more effective manner. Under the External Borders Fund, most of the funding in the field of visa policy was invested in VIS-related expenses and upgrade/renovation of consulates to improve the quality of service provided to third country national applying for Schengen Visa in Member States consulates in third countries. Under the ISF, it is very likely that this tendency will be continuing, as the number of Schengen-visa applicants is expected to grow over the programming period 2014-2020. This will require further investments for adapting the VIS equipment to possible new legal requirement and additional investments to maintain and upgrade Member states consulates. Even if these expenses can be qualified as "national", their clear purpose is to improve the conditions of issuing Schengen visa, therefore these investments are crucial for a proper functioning of the Visa policy at EU level.

c) Conclusion

As evidenced above, the policy managed by DG HOME to support a common visa policy is on course to meet its multiannual objectives for this objective, although it is not possible at this stage to measure the annual performance or outputs based on the Internal Security Fund.

1.1.5 ABB Activity 18 02: Security and safeguarding liberties: specific objective 2

a) Performance table

<p>Specific objective 2: Supporting integrated borders management, including promoting further harmonisation of border management-related measures in accordance with common Union standards and through sharing of information between Member States and between Member States and the Frontex Agency, to ensure, on one hand, a uniform and high level of control and protection of the external borders, including by the tackling of irregular immigration, and, on the other hand, the smooth crossing of the external borders in conformity with the Schengen acquis, while guaranteeing access to international protection for those needing it, in accordance with the obligations contracted by the Member States in the field of human rights, including the principle of non-refoulement.</p> <p>Relevant general objective: Security and Safeguarding Liberties.</p>	<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01) <input checked="" type="checkbox"/> Non-spending
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Result indicator 1: Number of border control (checks and surveillance) infrastructure and means developed or upgraded with the help of the Fund (source: reporting of the Member States within the framework of the Fund).

<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	n/a	No information available in 2014.	n/a

Result indicator 2: Number of staff trained and number of training courses in border management related aspects with the help of the Fund (source: reporting of the Member States within the framework of the Fund).

<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>		<u>Target</u> (2020)
0	750 staff trained 25 training courses	No information available in 2014.		1500 staff trained 50 training courses Target defined by extrapolating data gathered from the European Border Fund 2012-2013 annual programmes.
Result indicator 3: Number of Automated Border Control gates supported from the Fund and border crossings of the external borders through Automated Border Control gates supported from the Fund out of the total number of border crossings (source: reporting of the Member States within the framework of the Fund).				
<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	2014	2017		
0	20 gates 600.000 crossings out of 750 million	45 gates 2 million crossings out of 820 million	No information available in 2014.	100 gates 25 million crossings out of 950 million Target defined by extrapolating current data on border crossings and existing Automated Border Control gates.
Result indicator 4: Number of national border surveillance infrastructure established/further developed in the framework of EUROSUR (source: Member States/Commission)				
<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)

	2014	2017		
19 National Coordination Centres	30 National Contact Centres and other infrastructure/upgrade	30 National Contact Centres and other infrastructure/upgrade	All the 30 National Coordination Centres were set up by 1 December 2014 and are currently operational.	30 National Contact Centres and other infrastructure/upgrade

Result indicator 5: Number of incidents reported by Member States to the European Situational Picture (irregular immigration, including on incidents related to a risk to the lives of migrants, cross-border crime, crisis situations) (source: Member States).

<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	2014	2017		
n/a	n/a	n/a	No data available in 2014.	n/a

Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
- Preparation of the evaluations under the new Schengen evaluation and monitoring mechanism	Evaluations available	<p>In the process of the preparation of the new Schengen evaluation mechanism, the following documents were adopted in 2014:</p> <ul style="list-style-type: none"> - C(2014) 3683 final: Commission Implementing Decision of 18.6.2014 establishing the multiannual evaluation programme for 2014 - 2019 in accordance with Article 5 of the Council Regulation (EU) No 1053/2013 of 7 October 2013 establishing an evaluation and monitoring mechanism to verify the application of the Schengen acquis. - C(2014) 7881 final: Commission 	

		<p>Implementing Decision of the Commission establishing the first section of the annual evaluation programme for 2015 in accordance with Article 6 of Regulation (EU) No 1053/2013 of the Council of 7 October 2013 establishing an evaluation and monitoring mechanism to verify the application of the Schengen acquis.</p> <p>- C(2014) 8377 final: Commission Implementing Decision establishing the annual evaluation programme for unannounced on-site visits for 2015 in accordance with Article 6 of the Council Regulation (EU) No 1053/2013 of 7 October 2013 establishing an evaluation and monitoring mechanism to verify the application of the Schengen acquis.</p> <p>- C(2014) 4657 final: Commission Implementing Decision establishing the questionnaire in accordance with Article 9 of the Council Regulation (EU) No 1053/2013 of 7 October 2013 establishing an evaluation and monitoring mechanism to verify the application of the Schengen acquis.</p> <p>In addition, in line with the 'old' Schengen evaluation mechanism, in 2014 evaluations were carried out in Switzerland in the fields of air borders, visa, data protection, police cooperation and SIS/Sirene. The relevant evaluation reports were presented Council</p>	
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<p>- Bi-annual reports</p> <p>- Negotiation/implementation of the Strategic Initiative on the functioning "Smart Borders", consisting of:</p> <ul style="list-style-type: none"> • Legislative proposal to set up a Registered Traveller Programme (RTP) • Legislative proposal to set up an Entry/Exit System (EES) • Amendment of the Schengen area Borders Code <p>- Preparation of a proof of concept (consisting of a Commission-led 2014 study and testing phase in 2015 entrusted to eu-LISA) to outline the technical choices and solutions available for Smart Borders with a view to allowing designing the most economic and operational technical solution.</p>	<p>Reports adopted</p> <p>Strategic initiative implemented</p>	<p>working group level on 16 September 2014.</p> <p>The respective reports were adopted in silent procedure. The relevant Council conclusions were adopted by the Council in December 2014.</p> <p>- COM(2014) 292 final 26.5.2014: Fifth bi-annual report on the functioning of the Schengen area 1 November 2013 – 30 April 2014.</p> <p>- COM(2014) 711 final 27.11.2014: Sixth bi-annual report on the functioning of the Schengen area 1 May – 31 October 2014.</p> <p>- Discussions with the co-legislators continued both at Council working group level and in the responsible Committee of the European Parliament.</p> <p>- The Commission completed the technical study and subsequent terms of reference for the testing phase.</p>	
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b) Narrative

In line with its Communication of 16 September 2011 on '**Schengen governance** - strengthening the area without internal border control', the Commission submitted, in 2014, the regular bi-annual reports to the European Parliament and to the Council on the functioning of the Schengen area (fifth and sixth reports for the respective periods 1/11/2013 – 30/04/2014 and 1/05/2014 – 31/10/2014). While the 'old' Schengen evaluation mechanism was applicable in 2014 and evaluations were carried out, preparations for the implementation of the new Schengen evaluation mechanism were on-going and developed in line with the scheduled timetable. The Commission adopted, in 2014, 4 Implementing Decisions framing the new Schengen evaluation mechanism. The first announced evaluations in line with the new mechanism are planned for February 2015.

The strategic initiative on the functioning of **Smart Borders** consisting of the legislative proposal to set up a Registered Traveller Programme (RTP), a legislative proposal to set up an Entry/Exit System (EES) and the amendment of the Schengen area Borders Code has been implemented. Discussions with co-legislators continued both at the Council working group level and in the responsible Committee of the European Parliament. The Commission completed the proof of concept to outline the technical choices and solutions available for Smart Borders with a view to allowing designing the most economic and operational technical solution. It consisted in a technical study and terms of reference for the testing phase in 2015.

There is currently no data available for result indicators 1 to 3, as the national programmes for the Internal Security Fund (ISF) have not yet been adopted and, consequently, their implementation has not yet started. The draft national programmes do not provide the breakdown of the actions for each calendar year, thus estimation cannot be provided either at this stage.

Result indicator 1 is linked to ensuring better protection of the EU external border by financing measures aimed to improve Member States' **capacity in the field of border management**. As of 12 January 2015, the Commission received the draft versions of the national programmes for Internal Security Fund/Borders of 25 Member States. 24 of them included actions related to the acquisition of border control infrastructure and means. This indicator will only be more precisely defined once the national programmes are adopted.

Result indicator 2 is linked to ensuring that the relevant acquis related to the **training in border management related aspects** is implemented in a correct and uniform manner. As of 12 January 2015, the Commission received the draft versions of the national programmes for Internal Security

Fund/Borders of 25 Member States. 16 of them included actions related to carrying out trainings with the aim of improving the knowledge and abilities of relevant staff. This indicator will only be more precisely defined once the national programmes are adopted.

Result indicator 3 is linked to **Automated Border Gates** and aims to better assess the achievement of the specific objective related to the smooth crossing of the external borders. This indicator will only be more precisely defined once the national programmes are adopted.

Result indicator 4 is linked to improving Member States capacity to perform surveillance of the EU external border in the framework of **EUROSUR**. During 2014, all the preparations for extending EUROSUR to the remaining 11 Member States were carried out. As a result, all the 30 National Coordination Centres were set up by 1 December 2014 and are currently operational. In addition, all Member States have made progress in further developing their National Situational Pictures. The work on the EUROSUR practical handbook containing technical and operational guidelines for the implementation of EUROSUR was finalised in 2014. The handbook will be adopted in 2015.

Result indicator 5 aims to better assess the sharing of information among Member State authorities dealing with border control through the **European Situational Picture**. There is no data yet available for this result indicator. The EUROSUR regulation applies since 2.12.2013 only. Relevant indicators, data and their evolution can be assessed and quantified only from 2015 onwards.

c) Conclusion

As evidenced above, the policy managed by DG HOME to support integrated borders management is on course to meet its multiannual objectives for this objective, although it is not possible at this stage to measure the annual performance or outputs based on the Internal Security Fund.

1.1.6 ABB Activity 18 02: Security and safeguarding liberties: specific objective 3

a) Performance table

<p>Specific objective 3: Crime prevention, combating cross-border, serious and organised crime including terrorism, and reinforcing coordination and cooperation between law enforcement authorities of Member States and other national authorities of Member States, including with EUROPOL or other relevant EU bodies, and with relevant third-countries and international organisations.</p> <p>Relevant general objective: Security and Safeguarding Liberties.</p>		<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01) <input checked="" type="checkbox"/> Non-spending	
<p>Result indicator 1: Cumulative number of joint investigation teams (JITs) and European Multidisciplinary Platform against Criminal Threats (EMPACT) operational projects supported by the Fund, including the participating Member States and authorities (source: Europol)</p>			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	820	<p>No data available in 2014 as no projects were supported by the Internal Security Fund/Police in the context of Joint Investigation Teams (JITs).</p> <p>Europol provided support to 33 JITs in 2014. In 22 JITs, Europol was an official participant based on a signed arrangement. Europol supported the remaining 11 JITs without being an official participant. All except one of the JITs supported by Europol were related to EMPACT priorities.</p>	1285

Result indicator 2: Cumulative number of law enforcement officials trained on cross-border-related topics with the help of the Fund, and duration of their training (person /days) (source: CEPOL).

<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0 official trained with the assistance of the Fund 0 person/day	20.000 officials 40.000 training days	No data available in 2014 as no projects were supported by the Internal Security Fund/Police in the context of training. CEPOL trained in 2013 8.251 officers. Provisional data available for 2014 point towards a number of 10.322 participants in CEPOL's trainings in 2014.	39.200 officials 78.400 training days Targets are based on the Cepol training statistics: in 2012 about 5.600 officers participated in courses organised by Cepol and the number of officers trained under the national programmes should basically equal this amount. In addition, assuming that the training intensity should increase over the years, after 2017 the numbers should be higher. The figure on person-days is based on the assumption that the average duration of a training course is two days.

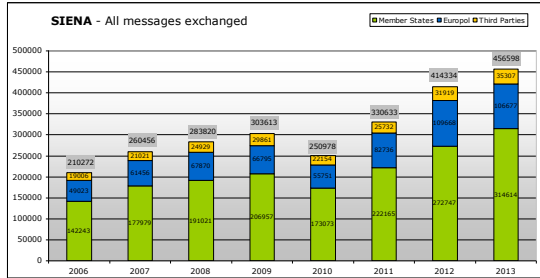
Result indicator 3: Number of projects supported by the ISF-Police Fund, aiming to improve law enforcement information exchange, which are related to Europol data systems, repositories or communication tools (source: Commission)

<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	24	No data available in 2014 as no projects were supported by the Internal Security Fund/Police in	43 In 2013, 13 Member States had a data loader in place to upload

		<p>the context of Europol data systems, repositories or communication tools.</p> <p>Europol was involved in EU grant funded projects during 2014 related to Europol data systems, repositories or communication tools, such as:</p> <ul style="list-style-type: none"> - SIENA for anti-corruption authorities (S_4_ACA), with the aim to enhance the communication with Europol and to increase the exchange of information via SIENA by initiating the extension and use of SIENA to Member States' Anti-Corruption Authorities. Additionally, for the secure exchange of non-operational data, the project seeks to reinvigorate the Anti-Corruption Group on Europol's Platform for Experts (EPE) in order to become the European platform for sharing views, information and documents among anti-corruption authorities. - SIENA integration with the case management systems of the International Liaison Office of the Lithuanian Criminal Police Bureau and the International Police Cooperation Division of the Swedish National Bureau of Investigation, with the aim to integrate SIENA with the case management system of the Lithuanian Criminal Police Bureau to improve effectiveness and quality of crime related information exchange and to extend the use of SIENA amongst other units of the Lithuanian Criminal Police Bureau and national law enforcement agencies. 	<p>data to Europol Information System (EIS); the extent to which national authorities are connected to Europol's Secure Information Exchange Network Application (SIENA) differs from Member State to Member State. SIENA and EIS are the most relevant systems regarding this indicator. Within the life span of the fund, all Member State should establish data loaders and all should improve the connection to SIENA or conduct alternative projects in line with the aim mentioned in the indicator.</p>

Result indicator 4: Increase in the amount of operational messages through Europol systems on organised crime topics (source: Europol)

<u>Baseline</u> (2013)	<u>Milestone</u> (2016)	<u>Current situation</u>	<u>Target</u> (2018 and beyond)
456.598	Increase	<p>Total number of SIENA operational messages exchanged (organised crime and terrorism) by Member States, Europol and Third Parties increased by 18% from 2013 (456.598) to 2014 (539.548).</p> <p>2014 figure excludes 65,697 SIENA messages exchanged by the Police and Customs Cooperation Centres (PCCCs) in the Netherlands, Belgium and Germany which started using SIENA only in 2014.</p>	Increase.



Result indicator 5: Number of FIU.Net requests per year (source: FIU Net)

<u>Baseline</u> (2013)	<u>Milestone</u> (2016)	<u>Current situation</u>	<u>Target</u> (2018 and beyond)
11.402	Increase	2014: 12.076	Increase.

Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
Adoption of Directive on the Confiscation and Recovery of criminal Assets in the EU.	Adoption of the legal and policy instruments foreseen	Adoption of the Directive 2014/42/EU of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the EU.	
Adoption of Europol Regulation	Adoption	Negotiations with the co-legislators are on-going.	Q2 2014
Report on the implementation of Framework Decision 2008/841/JHA on fight against organised crime	Adoption	Adoption postponed to 1st semester 2015.	Q2 2014
3rd annual report on the implementation of the Internal Security Strategy	Adoption	Adopted in June 2014.	March 2014
Proposal for appropriate frameworks for the transfer to and receipt of passenger data from third countries and accompanying impact assessment	Political agreement reached	Under discussion at political level.	Before end of EP term
Monitoring of the new Policy Cycle in organised		This activity has not been included in the 2015 EU Policy Cycle timeline due to the fact that it was	

<p>crime with a view to adoption in 2015 of first annual state of play.</p> <p>Political agreement on a Directive on the use of Passenger Name Record (PNR) for law enforcement purposes (European PNR)</p> <p>Preparatory study for an impact assessment report to accompany a possible initiative for harmonising standards in Europe on the process of marking, disactivation and destruction of small arms and light weapons at the EU level</p> <p>Preparatory study to develop a proposal to prevent, deter, detect, disrupt, investigate, prosecute and cooperate on illicit arm trafficking, including the approximation of various relevant offences.</p> <p>Initiatives to strengthen cooperation between Member States, EU institutions and agencies, third countries, and other</p>		<p>previously agreed at Council working group level that this evaluation report would be provided in the annual ISS implementation report.</p> <p>Negotiations between the co-legislators are on-going.</p> <p>Based on the result of the evaluation process carried out the Commission will consider taking soon a formal decision on how to proceed to amend the Directive 2008/51.</p> <p>Based on the result of the evaluation process carried out, the Commission will consider taking soon a formal decision on how to proceed to table a proposal on criminal sanctions.</p>	<p>To effectively gather info on firearms</p>
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relevant external stakeholders in order to address vulnerabilities and enhance the opportunities for investigations as defined in the Multi-Annual Strategic Plan.			
First evaluation report of the EU strategy against THB	Adoption	The Report (Staff Working Document) was published on 17 October 2014.	Q2 2014
2 nd data collection report on THB at EU level covering the years 2010 to 2012	Adoption	The Working Paper was published on 17 October 2014.	Q2 2014
Guidelines on child protection systems	Action as per the EU Strategy against THB	A public consultation was held between April and July 2014 to allow a wide a range of stakeholders and organisations to contribute to the process.	Q4 2014
Best practice model on the role of guardians and or representatives for child victims	Action as per the EU Strategy against THB	In close cooperation with the Commission, the EU Fundamental Rights Agency produced a Handbook on Guardianship for Children deprived of Parental Care, published on 30 June 2014.	Q2 2014

b) Narrative

As regards result indicators 1 to 3, there is no data available in 2014 as no projects were supported under the Internal Security Fund/Police. Instead, information is provided on related activities that were carried out in 2014 without support from the Internal Security Fund. The activities of both CEPOL and EUROPOL further increased during 2014 (see below on specific objective 5).

The use of the **Europol SIENA network** (result indicator 4) increased as a result of two developments. Firstly, the number of operational messages handled by the system increased by 18%. Secondly, the SIENA network was extended to Member States' anti-corruption authorities, and was integrated into the case management systems of the criminal investigation offices of Lithuania and Sweden. Furthermore, the Netherlands, Belgium and Germany Police and Customs Cooperation Centres started to use SIENA in 2014.

On 15 January 2014 the Commission adopted the Communication **Preventing Radicalisation to Terrorism and Violent Extremism: Strengthening the EU's Response**. Subsequently the Commission launched the process of creation of the RAN (Radicalisation Awareness Network) Centre of Excellence, which should be fully operational in 2015. Until then Member States can benefit from tailor-made services delivered by the RAN, such as workshops or country-specific consulting services.

The Directive on the **freezing and confiscation of criminal assets** in the European Union was adopted in April. It is designed to improve law enforcement and judicial authorities' means to recover illegal profits. It provides authorities with a wider scope of action, such as the ability to confiscate assets that have been transferred to third parties or, assets that are not linked to a specific crime but that clearly result from the convicted person's criminal activities. There has been an exemplary synergy between the Commission legislative work (Directive adopted) an EU co-funded projects or meetings of the Asset Recovery Offices platform and Camden Assets Recovery Interagency Network (CARIN).

The Midterm Report on the implementation of the **EU Strategy towards the eradication of trafficking in human beings 2012-2016** was published on 17 October 2014 and then widely disseminated to various stakeholders such as EU institutions, Member States, EU Agencies and civil society organisations. The document takes stock of all actions that were launched and implemented since the adoption of the Strategy (June 2012) until October 2014. The Report also contains as an Annex the "Second Report on the implementation of the Joint Statement signed by seven Heads of JHA Agencies on 18 October 2011".

c) Conclusion

As evidenced above, the policy managed by DG HOME on crime prevention, combating cross-border, serious and organised crime including terrorism, and reinforcing coordination and cooperation between law enforcement authorities is on course to meet its multiannual objectives for this objective, although it is not possible at this stage to measure the annual performance or outputs based on the Internal Security Fund.

1.1.7 ABB Activity 18 02: Security and safeguarding liberties: specific objective 4

a) Performance table

Specific objective 4: Enhancing the capacity of Member States and the Union for managing effectively security-related risks and crisis, and preparing for and protecting people and critical infrastructure against terrorist attacks and other security related incidents.		<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01) <input checked="" type="checkbox"/> Non-spending	
Relevant general objective: Security and Safeguarding Liberties			
Result indicator 1: Cumulative number of projects relating to the assessment and management of risks in the field of internal security supported by the Fund (source: Commission)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
0	60	No data available in 2014.	105 Number of valuable projects is extrapolated to be 15 per year.
Result indicator 2: Number of initiatives commenced in conjunction with the 4 pan-European Critical Infrastructures named in the new approach to the EPCIP (Eurocontrol, Galileo, the European Electricity Transmission Grid, the European Gas Transmission Network) (source: Commission)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2015)	<u>Current situation</u>	<u>Target</u> (2017)

3	10	<ul style="list-style-type: none"> - Work on Galileo was completed in 2014. - Eurocontrol pilot project started but was put on hold; in its place, the Joint Research Centre conducted relevant work to improve Eurocontrol's exercise procedures. - The Gas and Electricity Pilot Project work has commenced. 	30
Result indicator 3: Greater engagement of Member States in the implementation of the CBRN Action Plan and the Action Plan on enhancing the Security of Explosives measured through the number of Lead Country Initiatives (leading Member States are supposed to develop and disseminate actions with important European added value) (source: Commission)			
<u>Baseline</u> (2013)	<u>Milestone</u> (2014)	<u>Current situation</u>	<u>Target</u> (2015 – Target year for the implementation of the EU CBRN Action Plan)
3	4	5	5
Main outputs in 2014			
<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
- Development of a European Critical Infrastructure protection toolkit based on a pilot phase with four Pan-European Critical Infrastructures	Toolkit	<p>The Critical Infrastructure Warning Information Network (CIWIN) information sharing platform was adapted to include more critical infrastructure tools and guidelines, as well as the outputs from Commission-funded projects.</p> <p>Main outputs from pilot projects will be available in Q3 2016.</p>	

<p>- Adoption of Communication on a new approach to the detection and mitigation of CBRN-E risks at EU level leading to detection trials aiming at new detection standards, training tools, sharing of best practices, and guidance material for practitioners (on soft target protection, on explosives dog detection, etc.).</p> <p>-Best practices on securing major transport and other infrastructures</p> <p>- Best practices on security of major public events and public areas</p>	<p>Communication</p>	<p>The Communication was adopted on 5.5.2014 (COM(2014) 247 final) and the implementation of the 30 actions included started. Several detection trails were undertaken with practitioners.</p> <p>Work on guidance materials – in cooperation with Railpol (rail police network) and Aripol (Airport police network) – is very advanced. The Airpol handbook on soft targets protection is essentially ready.</p> <p>The work on guidance material for the Council security services (and on critical infrastructure protection in general) is very advanced.</p>	<p>Q2 March</p>
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b) Narrative

As regards projects relating to the **assessment and management of risks** (result indicator 3), no funding was made available in 2014 from the Internal Security Fund. Moreover, the national programmes for the Internal Security Fund are not yet adopted. Consequently, there is no data available in 2014 for this result indicator.

In the field of **critical infrastructure protection** (result indicator 2), activity in 2014 was centred on implementing the actions set out in SWD(2013) 318 describing a new approach to the implementation of the European Programme for Critical Infrastructure Protection (EPCIP). Practical work with 4 pan-European critical infrastructures was undertaken in the form of pilot projects. A paper describing the security arrangements for the Galileo system was completed in conjunction with DG ENTR and presented to Member State Points of Contact on 18 November 2014. The JRC assisted Eurocontrol to improve its exercise procedure, contributing to an exercise on 19 November 2014 using its EXITO tool, developed using co-funding from the Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS) programme. A project addressing interdependencies between the gas and electricity transmission networks was defined by December 2014, for execution in 2015.

The practical work with pan-European critical infrastructures to improve their security and resilience is dependent upon their willingness and ability to engage and cooperate with the Commission. External factors that have impacted this work include resource constraints of participating partners as well as conflicting priorities. As evidenced above, result indicator 2 is currently not on course to meet its 2017 objective. The projected target of 30 initiatives is only realistic if this process continues and expands to include additional critical infrastructures and sectors. Member States have indicated reluctance to support expansion before an assessment of the first four initiatives is made. In conclusion, the target is unrealistically ambitious given the speed at which the existing four pilots are proceeding and it may be that the process is not expanded as originally foreseen.

Through the Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS) funding programme, DG HOME funded several projects which have made a contribution to increasing the level of protection and resilience of critical infrastructure and the ability of authorities and operators to prepare for and respond to incidents. The CIPS IV Workshop held on 19 November 2014 served to highlight the outputs of this work. The JRC continues to execute several actions funded by DG HOME across a broad range of CIP-relevant topics.

On 5 May 2014 the Commission adopted the Communication on a new EU approach to the detection and mitigation of **CBRN-E risks** (i.e. risks related to chemical, biological, radiological, nuclear or explosive materials – see result indicator 3). It proposes a more practical approach than the 2009 CBRN Action Plan. The Action Plan itself remains valid and will be subject of the progress report in 2015. The implementation of the 30 action listed in the documents has advanced significantly since then. The Commission has undertaken several detection trails in cooperation with the industry and law

enforcement practitioners, which would serve as a basis for the development of the guidance material for Member States. The delays in the publication of guidance materials result mostly from the drive for high-quality product and do not have significant impact on the CBRN-E policy. The Commission continues also the ITRAP+10 project aiming at pushing forward the process of the radio-nuclear detection equipment certification. The Communication envisages roles for other actors: other Commission services and EU institutions, Member States, industry. DG HOME works closely with them in order to implement fully the Communication. Co-funding from the Internal Security Fund will be available only in 2015, but appropriate planning (definition of priorities for the call for proposal, drafting of Terms of Reference for procurement) has been done.

c) Conclusion

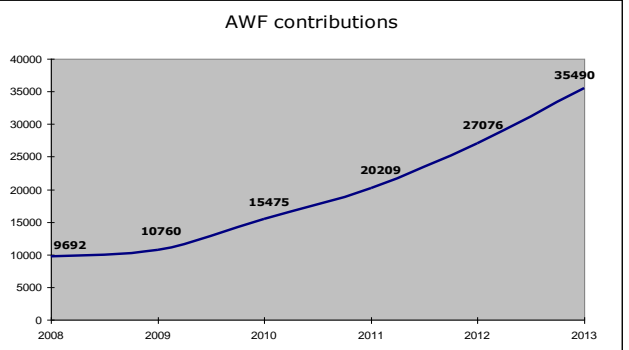
As evidenced above, the policy managed by DG HOME to enhance the capacity of Member States and the Union for managing effectively security-related risks and crisis, and preparing for and protecting people and critical infrastructure against terrorist attacks and other security related incidents, is only partly on course to meet its multiannual objectives for this objective. The policy in the field of critical infrastructure protection is currently not on course to meet its objective, due to reluctance on the side of Member States. It is not possible at this stage to measure the annual performance or outputs based on the Internal Security Fund.

1.1.8 ABB Activity 18 02: Security and safeguarding liberties: specific objective 5

a) Performance table

Specific objective 5: Strengthening the role of Europol and CEPOL to tackle serious crime more effectively and to improve training of law enforcement officers.		<input checked="" type="checkbox"/> Non-spending	
Relevant general objective: Security and Safeguarding Liberties.			
Result indicator 1: Number of law enforcement officers participating in training organised by CEPOL (source: CEPOL)			
<u>Baseline</u> (2012)	<u>Current situation</u>	<u>Target</u> (2014)	
6.019	CEPOL trained in 2013 8.251 officers. Provisional data available for 2014 point towards a number of 10.322 participants in CEPOL's trainings in 2014.	Increase	

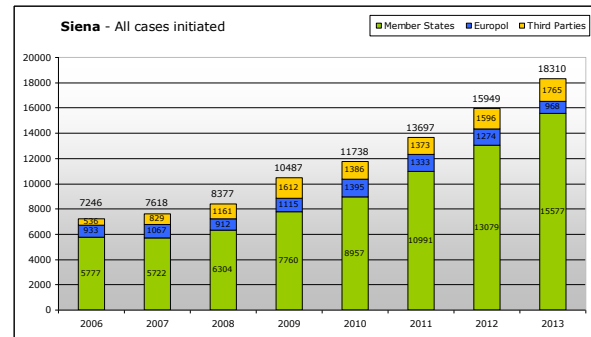
Result indicator 2: Number of contributions to Analytical Work Files (source: Europol)

<u>Baseline</u> (2012)	<u>Current situation</u>	<u>Target</u> (2014)														
27.076	<p>50.285</p> <p>Total number of accepted contributions to Analytical Work Files increased by 17% from 43.104 in 2013 to 50.285 in 2014.</p>  <table border="1"> <caption>AWF contributions</caption> <thead> <tr> <th>Year</th> <th>Contributions</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>9692</td> </tr> <tr> <td>2009</td> <td>10760</td> </tr> <tr> <td>2010</td> <td>15475</td> </tr> <tr> <td>2011</td> <td>20209</td> </tr> <tr> <td>2012</td> <td>27076</td> </tr> <tr> <td>2013</td> <td>35490</td> </tr> </tbody> </table>	Year	Contributions	2008	9692	2009	10760	2010	15475	2011	20209	2012	27076	2013	35490	Increase
Year	Contributions															
2008	9692															
2009	10760															
2010	15475															
2011	20209															
2012	27076															
2013	35490															

Result indicator 3: Number of cross border cases where Europol used its information capabilities and operational expertise (source Europol)

<u>Baseline</u> (2012)	<u>Current situation</u>	<u>Target</u> (2014)
15.949	<p>The total number of new cases initiated by Member States, Europol and Third Parties increased by 13% from 2013 (18.310 cases) to 2014 (20.779 cases).</p> <p>The 2014 figure excludes 13.693 SIENA cases initiated by the Police and Customs Cooperation Centres (PCCCs) in The Netherlands, Belgium and Germany which started using</p>	Increase

SIENA only in 2014.



Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
New Europol Regulation	Political agreement by EP and Council on the Europol Regulation reached	Negotiations between the co-legislators are on-going.	Before the EP term

b) Narrative

The activities of both CEPOL and EUROPOL further increased during 2014.

In July 2014, the Commission presented a proposal for a **CEPOL** Regulation (COM(2014) 465 final). Discussions on the legislative proposal advanced well at Council working group level, and the proposal was also presented in the European Parliament in December. In addition, in 2014, a considerable effort was devoted to the relocation of the Agency from the United Kingdom to Hungary (in legal, budgetary and human resources terms). As a result, the Agency was successfully moved to its new headquarters without any major business discontinuity or departure of members of staff. The successful management of the Agency's relocation contributed to avoiding any major disruption of the implementation of CEPOL's work programme for 2014 or its training activities. Despite its relocation, CEPOL managed to provide **training** to a larger number of officials in 2014 (result indicator 1).

During 2014 special focus was put on LETS (Law Enforcement Training Scheme). The Strands of the Scheme were translated in 2014 into the structuring principles of the work and trainings of CEPOL, by translating the Scheme into the Agency's new legal basis and engaging in the discussions with the Member States at Council working group level on its future implementation.

The negotiations on the **Europol** Regulation, which started in March 2013, continued in 2014. The European Parliament issued its report in February 2014 and a General Approach was reached in Council in May 2015. In October, trilogues started and are currently on-going. In 2014, Europol increased its support for law enforcement operations, by providing operational support services tailored to the new EU Policy Cycle priorities, initiating a growing number of high-profile international operations from Europol headquarters (e.g. Op Archimedes) and identifying high-value targets for all 2014 Operational Action Plans. In parallel to this, Europol's analysis capability was also strengthened during 2014, and a number of international agreements were signed. The capacities of Europol's Cybercrime Centre also increased highly in terms of personnel, operations and international agreements signed.

The role of Europol as the EU law enforcement information hub was further strengthened. Member States substantially increased their contributions to the Europol's **Analytical Working Files** (result indicator 2). The total number of **new cases** initiated by Member States, Europol and third parties also increased (result indicator 3). Also cross-border regional cooperation initiatives, such as the Police and Customs Cooperation Centres located within the Meuse–Rhine Region, discovered Europol as the central information hub and started using its SIENA network.

c) Conclusion

As evidenced above, the policy managed by DG HOME to strengthen the role of Europol and CEPOL to tackle serious crime more effectively and to improve training of law enforcement officers is on course to meet its multiannual objectives for this objective and has achieved the annual performance indicators or outputs and milestones in the reporting year.

1.1.9 ABB Activity 18 03: Asylum and Migration: specific objective 1

a) Performance table

Specific objective 1: To strengthen and develop all aspects of the Common European Asylum System, including its external dimension			<input checked="" type="checkbox"/> Spending programme (Asylum, Migration and Integration Fund – 18 03 01)	
Relevant general objective: Asylum and Migration			<input checked="" type="checkbox"/> Non-spending	
Result indicator 1: Number of refugees estimated (i.e. pledged) for resettlement (source: reporting of the Member States within the framework of the Fund).				
<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
3962	4000	4800	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	6000 Estimation on the basis of European Refugee Fund figures, the pledging exercise 2013, and considering a realistic increase in light of the additional means available under Asylum, Migration and Integration Fund.

Result indicator 2: Number of target group persons provided with assistance through projects in the field of reception and asylum systems supported under the Fund (source: reporting of the Member States within the framework of the Fund)

<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
0	100.000	106.000	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	110.000 Estimation on the basis of European Refugee Fund figures for previous years.

Result indicator 3: Number of places in new or existing reception and accommodation infrastructures made compliant with the standards of the EU acquis (source: reporting of the Member States within the framework of the Fund)

<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
0	100	150	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	200 Estimation on basis of European Refugee Fund figures for previous years

Result indicator 4: Number of projects supported under this Fund to develop, monitor and evaluate asylum policies in Member States (source: reporting of the Member States within the framework of the Fund)

<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
0	27	27	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	27 All Member States were asked to regularly monitor/evaluate their asylum policy. The target is based on an average of one such evaluation project per year for each Member State.

Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u> (estimation based on ERF figures for previous years)
Projects aiming at improving reception and asylum systems	Number of projects	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	81 Estimation based on ERF figures for previous years.

b) Narrative

Under the Asylum, Migration and Integration Fund (AMIF), all of the Member States' national programmes are yet to be adopted. Therefore, the 'current situation' for all the AMIF result indicators (1 to 4) is 0. Feedback on results and impacts of projects co-financed by the previous funds under the general programme "Solidarity and Management of Migration Flows" (SOLID) (2007/8-2013) is not yet available as Member States' evaluations are expected by the end of 2015.

Following the adoption of the Common European Asylum System in 2013, the focus was in 2014 in particular on:

- the coherent implementation and the monitoring of the EU asylum acquis;
- the cooperation in particular within the key affected Member States (Bulgaria, Cyprus, Italy, Malta) on crisis management and contingency planning, as well as the coordination of the Task Force Greece;
- the implementation of the report of the Task Force Mediterranean (in particular with regards to resettlement and the Regional Development and Protection Programmes);
- the cooperation with European Asylum Support Office (EASO) on all these aspects.

A large number of Contact Committee meetings were held throughout 2014 on the instruments of the EU asylum acquis in order to support **coherent implementation**. Close **monitoring** of the application by Member States of the current asylum acquis continued throughout 2014, including several meetings with Member State representatives and the exchange of correspondence (EU Pilot letters and Letters of Formal Notice). Several missions also took place in this context. Infringement proceedings were launched against Member States which failed to fully notify transposition measures of the recast Qualification Directive. DG Home Affairs also worked closely with the **European Asylum Support Office** (EASO) in the different activities performed by the agency, with a view to fostering a coherent implementation of the Common European Asylum System. In particular cooperation focused on the consolidation of the Early Warning System of the agency in view of the contribution of EASO to the functioning of Art.33 of the Dublin Regulation, the development of the EASO Country of Origin (COI) capacity and the activities the agency performs in the field of training and quality.

DG HOME reported on the actions foreseen in the Commission Communication on the work of the **Task Force Mediterranean** adopted in December 2013. Efforts focused in particular on further refining the scope and developing Regional Development and Protection Programmes (RDPPs) in North Africa and the Horn of Africa, relevant support to activities with and in third countries, implementation of Art.33 of the Dublin Regulation and the development of the pilot project on Joint Processing in partnership with EASO. In November, the second **Resettlement** and Relocation Forum, entitled "Solidarity in Practice" was organised. In this context, the first exploratory discussions with the Member States on a more balanced allocation/distribution for resettled refugees, in the context of a possible EU-wide pilot project, were launched. Throughout 2014, DG Home Affairs was

closely involved in the Commission's efforts to address the situation in Syria and the neighbouring region, in particular to relieve some of the burden of hosting large numbers of refugees produced by the crisis. Following a call by UNHCR to the international community at large to grant resettlement/humanitarian admission to 130.000 Syrians, activities involved encouraging Member States to engage in such activities. The work as member of the Core Group for the resettlement of Syrian refugees (chaired by Sweden, under the aegis of UNHCR) continued.

European Migration Network (EMN) contributed to policy-making in a variety of ways at EU and national levels. Topics were selected according to priority by EU and national policy-makers. Relevant examples included a study on the organisation of reception facilities for asylum seekers in different Member States (2014) that was developed in cooperation with the European Asylum Support Office (EASO) and has informed EU and national policy-makers and practitioner audiences.

c) Conclusion

As evidenced above, the policy managed by DG HOME to strengthen and develop all aspects of the Common European Asylum System is on course to meet its multiannual objectives for this objective, although it is not possible at this stage to measure the annual performance or outputs based on the Asylum, Migration and Integration Fund.

1.1.10 ABB Activity 18 03: Asylum and Migration: specific objective 2

a) Performance table

Specific objective 2: To support legal migration to the Member States in line with their economic and social needs such as labour market needs, while safeguarding the integrity of the immigration systems of Member States, and to promote the effective integration of third-country nationals. Relevant general objective: Asylum and Migration.			<input checked="" type="checkbox"/> Spending programme (Asylum, Migration and Integration Fund – 18 03 01) <input checked="" type="checkbox"/> Non-spending	
Result indicator 1: Number of target group persons assisted by the Fund through integration measures in the framework of national, local and regional strategies (source: reporting of the Member States within the framework of the Fund)				
Baseline (2013)	Milestone		Current situation	Target (2020)
	(2014)	(2017)		
0	200.000	225.000	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	240.000
Result indicator 2: Number of target group persons who participated in pre-departure measures supported under the Fund (source: reporting of the Member States within the framework of the Fund)				
Baseline (2013)	Milestone		Current situation	Target (2020)
	(2014)	(2017)		
0	4000	5000	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	6000

Result indicator 3: Number of local, regional and national policy frameworks/measures/tools in place for the integration of third country nationals and involving civil society, migrant communities as well as all other relevant stakeholders as a result of the measures supported under this Fund (source: reporting of the Member States within the framework of the Fund)

<u>Baseline</u> (2013)	<u>Milestone</u> (2017 mid-term review)	<u>Current situation</u>	<u>Target</u> (2020)
0	5	<p style="text-align: center;">0</p> <p>No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.</p>	<p style="text-align: center;">5</p> <p>The topic closest to this item under the European Integration Fund had an output of 18 operations over 4 years, i.e. 4.5 per year. Since most of the actions funded by the Asylum, Migration and Integration Fund on third country national integration are likely to be targeted at third country nationals themselves, rather than on Member States' capacity, there is no reason to anticipate an increase in the number of the above-mentioned projects.</p>

Result indicator 4: Evolution of EU attractiveness for highly skilled workers, students, researchers, seasonal workers, remunerated trainees, intra-corporate transferees (ICTs) from third countries as measured through the numbers of persons of these categories granted entry into the EU (source: Eurostat).

<u>Baseline</u> (2012)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2015)	(2017)		
<p>- 16.500 ICTs</p> <p>- 12.663 researchers (all EU Member States incl. Denmark and United Kingdom)</p> <p>- 465.774 students (all Member States incl. Denmark, Ireland and United Kingdom; this includes students as well as unremunerated trainees and pupils, as not all EU Member States disaggregate these categories)</p> <p>- 11.000 remunerated trainees</p> <p>- Over 100.000 seasonal workers</p> <p>- 3.475 Blue Cards granted</p>	<p>Increase</p> <p>(as per adoption of the Commission proposals for Directives on intra-corporate transferees (adopted on 15.5.2014, Directive 2014/66/EU) and Students and Researchers (COM(2013) 151 final)).</p>	<p>Increase</p> <p>(as per effective transposition and implementation of the Directive by Member States).</p>	<p>- Researchers: 10.408 first permits were issued for remunerated activities with the purpose of research across the EU 28 in 2013. Without Denmark and United Kingdom: 9033</p> <p>- Students : 464.040 (1st permits issued in 2013 for educational reasons)</p> <p>- EU Blue cards issued: 12.854 EU Blue cards were granted, 6.297 for remunerated activities(sponsor not including family members), 611 were renewed and 14 were withdrawn</p> <p>- Seasonal workers: 17.088 (data only reported by 6 Member States: Spain, France, Croatia, Italy, Sweden, Slovenia).</p> <p>There is no update on the numbers of remunerated trainees or intra-corporate transferees, as the data is not regularly collected.</p>	<p>Increase</p>

Result indicator 5: Ratio between the number of residence permits delivered to victims of human trafficking and the number of non-EU identified and presumed victims of trafficking in EU Member States (source: Eurostat, Member States reporting)

<u>Baseline</u>	<u>Milestone (2017)</u>	<u>Current situation</u>	<u>Target (2020)</u>
Ratio : 0.52 Permits granted in 2012 on the basis of Directive 2004/81: 1,124 (source: Eurostat; figures for 23 Member States, figures for Austria are not yet available, Directive not implemented by Denmark, Ireland, United Kingdom).	Increase	According to the latest Eurostat migration database sources, 856 permits were delivered in 2013, as compared to 1.124 in 2012 and 1.194 in 2011. According to the 2014 Eurostat working Paper on THB statistics, 23 Member States provided data on registered non-EU victims in 2010, 2011 and 2012. In those Member States, 2.171 non-EU victims were registered in 2012 and 2.002 in 2011.	Increase

Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>target</u>
- Adoption by Council and EP of the Commission proposals on ICTs and on Students and Researchers - Implementation report on Blue Card Directive (highly	Vote by the Council and EP Numbers of students, researchers, family members, highly skilled workers, seasonal	2014 saw significant progress in the adoption of the new Directives on seasonal workers (2014/36/EU) and on Intra-corporate transferees (2014/66/EU). Negotiations also continued on the recast of the students and the researchers Directive, for which the European Parliament adopted their first opinion, and the Council agreed a mandate to start negotiations with the European Parliament. In May 2014, the first implementation report on the EU Blue Card Directive was adopted (COM(2014) 287 final), highlighting among other things some key	Adoption in 2014 Increase attractiveness of EU for highly skilled workers, students and

skilled) and Employers' Sanctions	workers, remunerated trainees, ICTs from third-countries granted entry into the EU.	concerns about the implementation of the Directive in some Member States.	researchers (2020) More efficient, regularly assessed integration strategies in place (2020)
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b) Narrative

Under the Asylum, Migration and Integration Fund (AMIF), all of the Member States' national programmes are yet to be adopted. Therefore, the 'current situation' for all the AMIF result indicators (1 to 3) is 0. Feedback on results and impacts of projects co-financed by the previous funds under the general programme "Solidarity and Management of Migration Flows" (SOLID) (2007/8-2013) is not yet available as Member States' evaluations are expected by the end of 2015.

As regards the evaluation of **EU attractiveness** (result indicator 4), the available data shows progress in the right direction for students and for EU Blue Cards, but a lower number of researchers receiving first permits. Statistics related to the new Directives on seasonal workers (adopted on 26.2.2014, Directive 2014/36/EU) and on intra-corporate transferees (adopted on 15.5.2014, Directive 2014/66/EU) are expected to be available by 2017 or 2018, when the effect of the new Directives can be measured. It shall be noted that there are significant external factors influencing these targets, notably economic performance and policies of the Member States and national decision on volumes of economic migrations to admit. When assessing the progress in 2014, it is important to recall that the effects of the economic recess are still visible, which led to high unemployment also among highly skilled European labour force and may have contributed to fewer opportunities for third-country workers. The success of the EU Blue Card is mainly due to the successful implementation in two Member States, Germany and Luxembourg. Other Member States seem to give priority to issuance of national permits for highly skilled workers. The main reason for the decline in the number of researchers given first permits is a decline in the number of third-country researchers admitted to the United Kingdom in 2013, and it should be noted that the United Kingdom does not apply the EU Directive for researchers.

The first implementation report for the "EU Blue Card" (2009/50/EC) was adopted in May, partly based on the assessment of conformity of the transposition of the respective Directive as well as additional studies. Negotiation continued on the proposal recasting the existing Students and Researchers Directives, and covering as well other groups such as school pupils, volunteers, trainees and au pairs (COM(2013)151 final) leading to the adoption of a Council "common approach" in December 2014.

2014 furthermore saw the end of the previous funding programme and the preparations and negotiations with Member States on the new Asylum,

Migration and Integration Fund budget, where **integration** will continue to be an important component in each programme. Dialogue and cooperation on integration with Member States also continued during the year.

As regards the number of residence permits delivered to **victims of human trafficking** (result indicator 5), the overall number of granted residence permits has increased, but it is still quite low compared to the potential number of non-EU victims, taking into account that it is estimated that many non-EU victims are still not identified across the EU. There is however no clear benchmark to assess what number of granted permits would reflect a full use of Directive 2004/81/EC, considering that not all identified victims would be eligible or wishing to apply for the permit. In addition, in order to reliably compare the number of granted residence permits to the number of registered (i.e. identified and presumed) non-EU victims, one should have more detailed statistics than those currently available. In effect, data collected on identified victims do not include all Member States (e.g. Italy) but only those that could provide data for all requested years. On the contrary, some of those Member States that are included do not apply Directive 2004/81/EC (e.g. United Kingdom, Ireland). It should also be considered that two different Eurostat statistics collections, the regular migration database and the ad hoc Working Papers on THB statistics (issued in 2012 and in 2014), contain different data on granted residence permits for the same year in the same Member States. This inconsistency is still being addressed by Eurostat.

The second implementation report on the "Permits for Victims of Trafficking Directive" (2004/81/EC) was adopted in October 2014. The report was partly based on the assessment of conformity of the transposition of the Directive as well as additional studies. The report was adopted as part of a package with the first mid-term report of the Commission strategy against Trafficking in human beings and the second Eurostat working Paper on statistics on trafficking in human beings.

c) Conclusion

As evidenced above, the policy managed by DG HOME to support legal migration to the Member States in line with their economic and social needs such as labour market needs, while safeguarding the integrity of the immigration systems of Member States, and to promote the effective integration of third-country nationals, is in some cases on course to meet its multi annual objectives (e.g. concerning Blue Cards, Students), but in other cases it is partly not on course. In view of the important external factors influencing the targets, this cannot exclusively or mainly be attributed to EU policies. However, it shows that continued action is necessary towards these goals at all levels. It is not possible at this stage to measure the annual performance or outputs based on the Asylum, Migration and Integration Fund.

1.1.11 ABB Activity 18 03: Asylum and Migration: specific objective 3

a) Performance table

Specific objective 3: To enhance fair and effective return strategies in the Member States, which contribute to combating irregular immigration, with emphasis on sustainability of return and effective readmission in the countries of origin and transit			<input checked="" type="checkbox"/> Spending programme (Asylum, Migration and Integration Fund – 18 03 01) <input checked="" type="checkbox"/> Non-spending	
Relevant general objective: Asylum and Migration				
Result indicator 1: Number of returnees whose return was co-financed by the Fund; persons who returned voluntarily and persons who were removed (source: reporting of the Member States within the framework of the Fund)				
Baseline (2013)	Milestone		Current situation	Target (2020)
	(2014)	(2017)		
0	38.000	38.000	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	38.000
Result indicator 2: Number of persons trained on return-related topics with the assistance of the Fund (source: reporting of the Member States within the framework of the Fund)				
Baseline (2013)	Milestone		Current situation	Target (2020)
	(2014)	(2017)		
0	40	40	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	40

Result indicator 3: Number of removal operations monitored and co-financed by the Fund (source: reporting of the Member States within the framework of the Fund)

<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
0	27	27	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	27

Result indicator 4: Percentage of monitored forced return operations out of the total number of forced return operations (only FRONTEX coordinated Joint return operations (JROs)) (source: Frontex)

<u>Baseline</u> (2012)	<u>Milestone</u> (2017)	<u>Current situation</u>	<u>Target</u> (2020)
59% (23 out of 39 Joint return operations)	50% or more of JROs being monitored	45 Joint Return Operations with 2271 returnees. Percentage of Joint Return Operations with monitors present: 60% (27 out of 45 joint return operations).	100%

Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
- Communication on EU Return Policy	Adoption by Commission	Adopted on 28.3.2014 (COM(2014) 199 final).	Q1
- Increase of monitored FRONTEX joint return operations	Number of joint return operations monitored	In 2013: 51% (20 out of 39 joint return operations); in 2014: 60% (27 out of 45 joint return operations).	100% monitoring

b) Narrative

Under the Asylum, Migration and Integration Fund (AMIF), all of the Member States' national programmes are yet to be adopted. Therefore, the 'current situation' for all the AMIF result indicators (1 to 3) is 0. Feedback on results and impacts of projects co-financed by the previous funds under the general programme "Solidarity and Management of Migration Flows" (SOLID) (2007/8-2013) is not yet available as Member States' evaluations are expected by the end of 2015.

Work continued in 2014 to ensure the effective implementation of the **Return** Directive. A comprehensive horizontal monitoring exercise was carried out, which has already led several Member States to revise their national legislation in accordance with the request made by Commission. Three infringement cases were opened in 2014 and two were in preparation. One other EU Pilot was open, and two EU pilots were in in preparation at the end of 2014. A Commission Communication on EU Return Policy (COM(2014)199), including a first application report on the Return Directive, was adopted in March 2014. Input and steer was also provided to Frontex, developing its Code of Conduct on joint return operations. A first draft of a Return Handbook was elaborated and discussed with Member States representatives within the Contact Committee Return Directive. Preparatory work for the launch of the application of the Schengen Evaluation procedure in the field of return in 2015 was finalised.

c) Conclusion

As evidenced above, the policy managed by DG HOME to enhance fair and effective return strategies in the Member States is on course to meet its multiannual objectives for this objective, although it is not possible at this stage to measure the annual performance or outputs based on the Asylum, Migration and Integration Fund.

1.1.12 ABB Activity 18 03: Asylum and Migration: specific objective 4

a) Performance table

Specific objective 4: To enhance the solidarity and responsibility sharing between the Member States, in particular towards those most affected by migration and asylum flows, including through practical cooperation			<input checked="" type="checkbox"/> Spending programme (Asylum, Migration and Integration Fund – 18 03 01)	
Relevant general objective: Asylum and Migration			<input checked="" type="checkbox"/> Non-spending	
Result indicator 1: Number of beneficiaries of international protection transferred from one Member State to another with support of the Fund (source: reporting of the Member States within the framework of the Fund)				
<u>Baseline</u> (2013)	<u>Milestone</u>		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
0	80	120	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	800 (cumulated over 2014-2020) Estimation on the basis of pledging figures for previous years, considering realistic increase in light of the additional means available under the Asylum, Migration and Integration Fund.

Result indicator 2: Number of cooperation projects with other Member States on enhancing solidarity and responsibility sharing between the Member States supported under this Fund (source: reporting of the Member States within the framework of the Fund)

<u>Baseline</u> (2013)	<u>Milestone</u> (Estimation on the basis of pledging figures for previous years)		<u>Current situation</u>	<u>Target</u> (2020)
	(2014)	(2017)		
0	3	6	No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	8 This indicator is closely related to projects addressing relocation. Targets have been set according to current results.

Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
Persons pledged for relocation with the lump sum.	Number of persons estimated (pledged) for relocation.	0 No national programmes were adopted under the Asylum, Migration and Integration Fund as of 31.12.2014.	80

b) Narrative

Under the Asylum, Migration and Integration Fund (AMIF), all of the Member States' national programmes are yet to be adopted. Therefore, the 'current situation' for all the AMIF result indicators (1 to 2) is 0. Feedback on results and impacts of projects co-financed by the previous funds under the general programme "Solidarity and Management of Migration Flows" (SOLID) (2007/8-2013) is not yet available as Member States' evaluations are expected by the end of 2015.

With regard to addressing migratory pressure at EU external borders, important steps were taken in 2014 in partnership with key affected Member States, notably Italy, Bulgaria, Cyprus and Greece, aimed at ensuring that those countries had sufficient capacity and contingency planning in order to deal with a possible influx of further refugees fleeing Syria. Concerning **intra-EU solidarity**, as a result of increased pressure on their reception and asylum systems, a number of Member States requested and were allocated financial assistance under the emergency envelopes of the Asylum, Migration and Integration Fund (AMIF). A Commission Staff Working Document was issued on the assessment of the implementation of the Greek Action Plan on asylum and migration and presented at the October 2014 Justice and Home Affairs Council meeting.

The provision of **emergency assistance** under the AMIF is part of the Commission's overall efforts to implement the principle of solidarity through concrete and effective actions addressing urgent and specific needs of Member States facing high asylum and migratory pressure. To this end, for 2014 and 2015, the Commission put aside a total of EUR 50 million which will be delivered through the AMIF. The Commission's emergency funding comes on top of the regular AMIF funds Member States receive for the implementation of their national programmes for the period 2014-2020. Under the AMIF 2014 Emergency Assistance AWP, six grants were already awarded to six countries: Italy, Hungary, Greece, Cyprus, France and Germany.

DG HOME and the **European Asylum Support Office** (EASO) worked together in 2014 to respond to situations of crisis in the Member States experiencing greatest pressure, with close partnerships being built with Italy, Bulgaria and Greece where both the Commission and EASO were active. DG HOME also cooperated with EASO in the coordination of the implementation of the actions foreseen in the Task Force Mediterranean, and in particular in the development of the project of Joint Processing of asylum applications.

c) Conclusion

The available data does not allow to assess the policy managed by DG HOME to enhance the solidarity and responsibility sharing between the Member States.

1.1.13 External dimension of home affairs: specific objective 1

a) Performance table

Specific objective 1: Further develop and implement EU external policies, including policy dialogues on migration with third countries, regional groupings and international organisations, based on the Global Approach to Migration and Mobility.		<input checked="" type="checkbox"/> Spending programme (Internal Security Fund – 18 02 01; Asylum, Migration and Integration Fund – 18 03 01) <input checked="" type="checkbox"/> Non-spending
Relevant general objective(s): External Dimension of Home Affairs.		
Impact indicator 1: Number of existing mobility partnerships (source: Commission)		
<u>Baseline</u> (2013)	<u>Current situation</u>	<u>Target</u> (2020)
6	8. New Mobility Partnerships were signed with Tunisia in March 2014 and with Jordan in October 2014. Negotiations on a possible Mobility Partnership with Belarus also started in 2014.	Increased number of mobility partnership with priority non-EU countries, especially in the Southern Mediterranean
Impact indicator 2: Number of EU readmission agreements in force (source: Commission)		
<u>Baseline</u> (2013)	<u>Current situation</u>	<u>Target</u> (2020)
13 EU readmission agreements in force	17 EU readmission agreements in force. New EU readmission agreements entered into force with Armenia in January 2014, with Azerbaijan in September 2014, with Turkey in October 2014, and with Cape Verde in December 2014.	Increased number of EU readmission agreements in force with major source and transit countries

Result indicator 3: Number of Common Agendas on Migration and Mobility with priority non-EU countries which do not qualify for a Mobility Partnership (CAMM) (source: Commission)

<u>Baseline</u> (2013)	<u>Milestone</u> (2014)	<u>Current situation</u>	<u>Target</u> (2020)
0	Start of negotiations with Nigeria and India	Negotiations on a CAMM with Nigeria made good progress in 2014. Negotiations on a CAMM also started with Ethiopia and Brazil.	5 CAMM in place

Impact indicator 4: Number of visa dialogues with non-EU countries (source: Commission)

<u>Baseline</u> (2013)	<u>Milestone</u> (2014)	<u>Current situation</u>	<u>Target</u>
5 visa dialogues (Russia, Ukraine, Moldova, Georgia, and Kosovo) + one roadmap discussed with Turkey	Adoption of visa liberalisation action plan reports for Ukraine and Georgia 2nd progress Report assessing Kosovo's performance in the visa dialogue	In March 2014, in the context of the crisis with Ukraine, the EU decided to suspend bilateral talks with the Russian Federation on visa matters. The Commission adopted on 27 May 2014 a positive report on the implementation by Ukraine of its Visa Liberalisation Action Plan (VLAP), which was endorsed by the Council on 23 June 2014. Ukraine thus entered officially the second phase of its VLAP. On 28 April 2014, the visa-free travel regime to the Schengen area entered into force for Moldovan citizens holding a biometric passport. This regime builds on the successful implementation by the Republic of Moldova of all the benchmarks set in its Visa Liberalisation Action Plan. The Commission adopted in October 2014 its second progress report on the implementation by Georgia of its	Visa liberalisation for all non-EU countries currently in visa dialogues, which fulfil the necessary conditions in line with EU legislation Visa dialogues towards visa liberalization with priority non-EU countries that fulfil the necessary conditions in line with EU legislation

		<p>Visa Liberalisation Action Plan, recommending moving to the second implementation stage of the assessment of the Visa Liberalisation Action Plan.</p> <p>In 2014, the 4th Senior Official Meeting of the Visa Dialogue meeting was held with Kosovo to discuss in particular new developments since the first Commission report adopted in 2013 on the progress achieved by Kosovo in fulfilling the requirements of the visa liberalisation roadmap.</p> <p>The Commission adopted in October 2014 the first report on the implementation by Turkey of its visa liberalisation roadmap.</p>	
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Main outputs in 2014

<u>Description</u>	<u>Indicator</u>	<u>Current situation</u>	<u>Target</u>
Regular progress in migration dialogues	Progress according to planning	All existing bilateral and regional migration dialogues made progress according to planning, with the exception of the dialogue with Russia which had to be suspended due to the Ukraine crisis.	
Conclusion of on-going negotiations on Mobility Partnership with Jordan	Mobility partnerships joint statements	The Mobility Partnership with Jordan was successfully concluded.	
Negotiation of		The negotiations on the	

<p>Common Agendas on Migration and Mobility proposed to Nigeria and India</p> <p>Adoption of visa liberalisation action plan reports for Ukraine and Georgia</p> <p>2nd progress Report assessing Kosovo's performance in the visa dialogue</p> <p>Follow-up to 2011 COM evaluation of the EU readmission agreements: launch of pilot project on post-return monitoring in Ukraine and Pakistan (2014-2016)</p>	<p>Start of negotiations</p> <p>Reports adopted</p> <p>Report adopted</p> <p>Pilot project in place</p>	<p>CAMM with Nigeria made good progress in 2014 and are almost finalised, whereas India did not yet start negotiations with the EU on its proposed CAMM.</p> <p>The Commission adopted in 2014 its VLAP reports on Ukraine and Georgia.</p> <p>The second progress report assessing Kosovo's performance in the visa dialogue was adopted in 2014.</p> <p>The pilot project on post-return monitoring in Ukraine and Pakistan was successfully launched in 2014.</p>	
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b) Narrative

Overall good progress was achieved in 2014 with the above specific objectives.

In 2014, **Mobility Partnerships** were signed with Tunisia in March and with Jordan in October (impact indicator 1). Preparatory steps for the start of the negotiations of a Mobility Partnership with Belarus were finalised in the course of 2014.

The **Common Agenda for Migration and Mobility** (CAMM – impact indicator 3) is a useful alternative framework for bilateral dialogue and cooperation with third countries that are not neighbouring the EU. So far, no Common Agenda for Migration and Mobility has been concluded, but in 2014 negotiations on a CAMM with Nigeria were finalised (signature expected in early 2015) and negotiations on a CAMM with Ethiopia and Brazil were launched respectively in December 2014. The Commission also presented the EU's proposal for a CAMM with India, but due to a current lack of interest on the side of India no progress has been achieved on that yet.

c) Conclusion

As evidenced above, the policy managed by DG HOME to further develop and implement EU external policies is on course to meet its multiannual objectives for this objective and has achieved the annual performance indicators or outputs and milestones in the reporting year.

1.2 Example of EU-added value and results/impacts of projects or programme financed

DG HOME financed a project on the economics of organised crime in Europe (Organised Crime Portfolio). The project examined where organised crime proceeds are generated (from which illicit markets), where they are re-invested in the legitimate economy (in which regions, assets and business sectors) and to what extent these proceeds are confiscated by national authorities. Based on the data collected in seven Member States (Finland, France, Ireland, Italy, the Netherlands, Spain and the United Kingdom), and using an innovative methodology and a wide range of information (both qualitative and quantitative), the project analysed the main illicit markets and detected almost 5 000 instances of organised crime infiltration in the economy. This project represents a first step towards a better understanding of how the organised crime business works. It is an important tool to improve the assessment of the risks of organised crime infiltration and to strengthen the tracing and the confiscation of criminal assets in Europe. The preliminary and final results of the project were presented and discussed with stakeholders in conferences organised by DG HOME. In terms of effectiveness, such an articulated project could not have been realised without the financial contribution of the Union. Private or national funding could hardly have supported the project of a consortium involving eight partners (public and private) in seven Member States for duration of two years. In fact, the project shows a definite added value with respect to a previous project on organised crime infiltration which covered only Italy. In terms of

efficiency, the project resulted in pooling the few available national statistical data on confiscated assets and led to the development of a methodology of using data from open sources, which can be replicated. In terms of synergies, the project also creates a solid basis for the future development of a risk assessment tool that could be used by public and private institutions to reduce the opportunities of criminal infiltration in the legal economy.

1.3 Economy and efficiency of spending and non-spending activities.

According to the financial regulation (art 30), the principle of economy required that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

The respect of these principles is continuously pursued through the implementation of internal procedures and predefined practices. These procedures ensure that activities are executed in an efficient manner (e.g. the different workflows contribute to the efficient cooperation between staff, units, etc...) and according to the principle of economy (e.g. the procurement rules ensure procurement in optimal conditions).

DG HOME is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations. The following two initiatives show how these principles are implemented in our DG:

1.3.1 Example 1

As a DG where programme management is spread not only over different units, but also over different directorates, DG HOME made serious efforts in 2014 to rationalise the workload and procedures related to direct management. A bi-weekly 'Direct Management' meeting was set up bringing the different actors involved together. This has already brought tangible results, such as for instance the development of common forms and procedures for emergency funding under the Asylum, Migration and Integration Fund and the Internal Security Fund. This does not only facilitate the workflow within DG HOME, but also for the beneficiaries involved.

1.3.2 Example 2

One Directorate of DG HOME switched in 2014 from using email attachments and shared drives to using collaborative sites in the IT application *SharePoint*. When a document needs to be shared for work between colleagues, anyone in the Directorate can save it in a collaborative space and send a link to colleagues, who can be expected to work simultaneously on the file. When shared drives were used in the past, people could not access certain documents because the file was in use by somebody else, but now several colleagues can work on the same document at the same time (even

outside the office) . When using track changes, it is visible what others have edited, so there is no risk that more than one person spends time on the same update. The use of this site indeed shortens substantially the time needed to collect comments and to arrive at a consolidated version, a real major improvement.

2. MANAGEMENT OF RESOURCES

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- the reports by AOSD;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the reports on control results from management/audit authorities in Member States in shared management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the reports of the external auditors on control results of traditional agencies in indirect management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level;
- the results of the ex-post audits;
- the opinion and the observations of the Internal Audit Capability (IAC);
- the observations and the recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

This section reports the control results and other relevant elements that support managements' assurance on the achievement of the internal control objectives². It is structured in three separate sections: (1) the DG's assessment of its own activities for the management of its resources; (2) the assessment of the activities carried out by other entities to which the DG has entrusted budget implementation tasks; and (3) the

² Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 32).

assessment of the results of internal and external audits, including the implementation of audit recommendations.

DG HOME 2014 budget was organised in two ABB activities, each one being implemented through three management modes, allowing using the tools best adapted to fulfil the policy objectives of the ABB activity. As each management mode implies different internal control processes, the determination of indicators of cost efficiency and risks is made at management mode level. DG HOME then analyses the risks involved in each type of management mode and draws conclusions on how these risks have been mitigated or not at the level of each ABB activity. Thus, the assurance is given for each ABB activity.

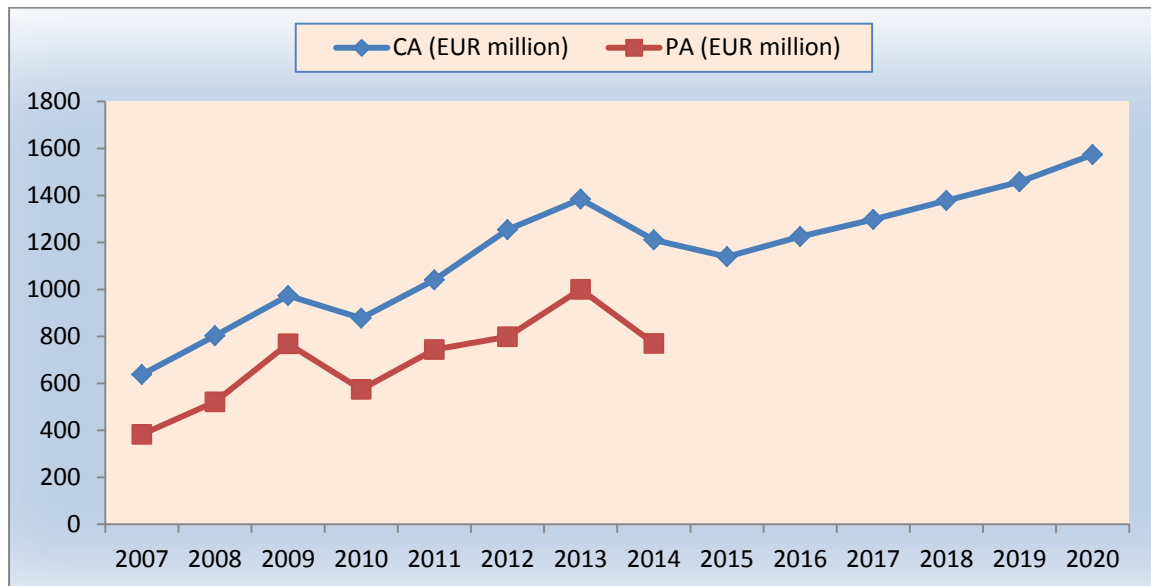
1. **shared management:** This was the case for the largest share of the previous generation of funds Solidarity and Management of Migration Flows (SOLID) (65%) . This General Programme consisted of four instruments: External Borders Fund (EBF), European return Fund (RF), European Refugee Fund (ERF) and European Fund for the Integration of third-country nationals (EIF). In 2014, the DG worked for the closures and revisions of annual programmes up to the 2011 ones. Also the largest share of the two big Migration and Home Affairs Funds (Asylum, Migration and Integration Fund (AMIF, 88%) and Internal Security Fund (ISF, 66%) under the new Multiannual Financial Framework 2014-20 has been earmarked to be implemented by the Member States under shared management. Another EUR 80 million EUR was set aside in 2014 budget for Schengen Facility relating to the accession of Croatia.

2. **direct management:** DG HOME implemented the appropriations through grants and procurements. Grants are allocated to cover the Union actions and emergency assistance under the two new programmes AMIF (including European Migration Network) and ISF as well as and under the previous SOLID Funds and several small preparatory actions and pilot projects (victims of torture, resettlement, unaccompanied minors). The specific programmes Prevention and Fight against Crime (ISEC) and Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS) under the previous 2007-13 generation of programmes have been also implemented under direct management by the Commission. Grant agreements and procurement contracts have been still signed in 2014 under these programmes.

3. **indirect management mode and entrusted entities:** represented mainly by the subsidies voted by the budgetary authority for the **traditional agencies**. DG HOME acts as a partner DG for six agencies: European Agency for the management of Operational Cooperation at the External Borders (FRONTEX), European Police College (CEPOL), European Police Office (Europol), the European Asylum Support Office (EASO) the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), and the recently created European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA). Also under the direct management mode, in 2014 DG HOME gave six **cross sub-delegations** (DG HOME' appropriations to be managed by other DGs in the Commission) to DG EMPL, Joint research Centre (JRC), DG REGIO, DG DIGIT, DG ESTAT and DG Justice. The preparatory steps for the implementation of indirect management in the form of several

delegation agreements (under AMIF and ISF) have been taken in 2014.³

In 2014 DG HOME' policies were supported by a budget of **EUR 1,21 billion** in commitment appropriations representing 0,90% of the EU budget, with a corresponding envelope of EUR 770,13 million in payment appropriations (commitments and payments authorised, Annex 3). The budget managed by DG HOME has been on an upward trend for the last seven years (see the chart below).



2013 was the peak of a period of several years increase. The year 2014, the first year of the new MFF 2014-2020 represented a year of stabilization of financial resources, with even a slight decrease to allow smooth starting of the new MFF. The overall HOME budget for the years 2014-20, amounts to EUR 9.26 billion, with the largest part of these resources consisting in the two big new Funds AMIF and ISF, providing support to both national and EU level actions. The remainder (EUR 2.36 billion) is reserved for the funding of the DG HOME' Agencies.

Another characteristic of 2014 financial year from the point of view of the management of resources was the overlapping of two Multiannual Financial Frameworks:

- In 2014, the negotiations on the basic acts establishing the new Home Affairs Funds, namely the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) were finalised. The four basic acts (Regulation EU No 513/2014, Regulation EU No 514/2014, Regulation EU No 515/2014, and Regulation EU No 516/2014) were adopted and published in the Official Journal as late as 20 May 2014. This late adoption triggered delays in the adoption of the secondary legislation and further very low implementation rates for 2014 commitments. The adoption of a number of Implementing Acts and Delegated Acts was still pending at the end of the year. In view of not delaying further the adoption of the national programmes, an intense

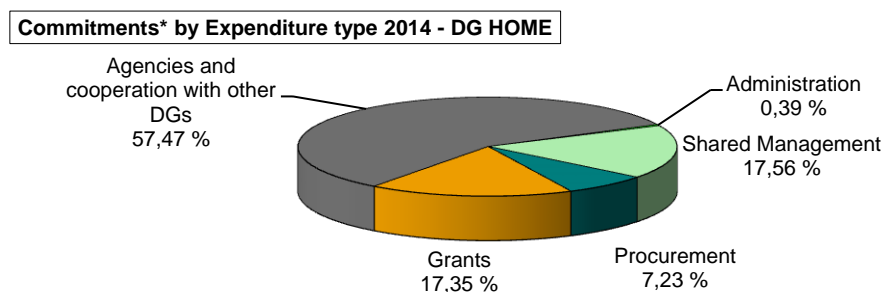
³ The delegation agreement with Europol was signed end of December 2014 and the delegation agreement with eu - Lisa in January 2015.

activity of negotiation with the Member States took place all along 2014 year, which led to 22 out of 58 national programmes ready to be adopted by the end of year. However, as no national programme was formally adopted in 2014, none of the 2014 commitments foreseen for the two funds under shared management has been made in 2014. The necessary carry over and re-profiling procedures have been initiated in coordination with DG BUDGET and other shared management funds, following that the allocation not used in 2014 nor carried over (under Article 13(2)(a) of the Financial Regulation) are proposed to be transferred to years 2015 to 2017 with a digressive profile (in accordance with Article 19 of the Council Regulation 1311/2013 laying down the MFF for 2014-2020).

- In parallel, the 2007-13 MFF which continued to be implemented, both in terms of commitments but especially in terms of payments with closures of 2011 annual programmes and previously for the four SOLID Funds, as well as for the last calls under the CIPS and ISEC programmes. An intense activity of closure took place in 2014, reducing significantly the backlog (RAL) of previous years, making the best use of payments appropriations including those initially foreseen for the pre-financings under the new Funds and supplementary payment appropriations received through the Global transfer exercise.

The specific environment of 2014 year and its impact on the activity of DG HOME (lower level of financial outputs and results/higher costs) made quite difficult the comparison in efficiency terms with the year 2013. This will be described and explained in details further below under Part 2.1.

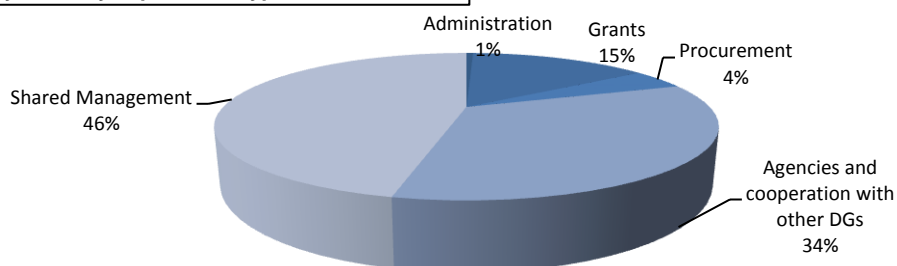
The graph below provides an overview of the 2014 **individual commitments** signed by management modes. The graph reflects the somehow distorted picture from the way the funds are normally implemented in DG HOME, due to the strong negative impact of late adoption of new legal basis on the implementation of appropriations under shared management and in a lesser extent under direct management. Consequently, more than half of the 2014 commitments represent funds paid to agencies. The distribution key per management modes under normal implementation circumstances would be approximately 55% shared management, 31% indirect management and 14% direct management (grant and procurement).



*Commitments by expenditure type contain individual commitments made in 2014 and indirect individual commitments using a global commitment from the previous financial year. This mainly applies to grants and procurement.

The split of payments made in 2014 by management modes (chart below) gives a more correct picture of the way the appropriations are implemented in DG HOME.

Payments by expenditure type 2014 - DG HOME



An overview of the budgetary consumption of DG HOME' total *commitments and payments in 2014* is presented in the table below:

Title 18: Home Affairs	Implementation of commitment appropriations		Implementation of payment appropriations	
	M€	%	M€	%
Internal Security Fund	396,92	16,42%	0,51	96,08%
Borders	248,25	6,33%	0,02	12,31%
Police	148,67	33,27%	0,49	99,94%
Asylum and Migration Fund	406,63	10,73%	5,72	91,96%
Asylum	173,33	16,99%	0,46	0,00%
Migration	233,30	6,08%	5,26	100,00%
Schengen Facility Croatia	80,00	100,00%	80,00	100,00%
Large scale IT systems	25,77	88,36%	34,63	91,68%
Agencies	271,75	98,74%	245,07	98,66%
Completion EIF/RF/ERF	3,82	51,43%	179,64	100,00%
Completion EBF/ISEC/CIPS	14,99	21,49%	213,38	99,57%
Other (i.e. pilot projects, completion)	5,01	59,93%	2,34	99,75%
Administrative expenditure	6,16	61,25%	8,83	47,67%
Total	1.211,05	40,62%	770,13	98,42%

The overall consumption of payment appropriations rose to 98,42 %, representing actually 124,62% of the forecasted budget. Supplementary payment appropriations have been ensured through the Global Transfer exercise and amending budgets to cover the increased volume of second pre-financings and closures processed under the completion of 2007-2013 MFF. In 2014 for the first time more closures have been processed (148 annual programmes) than received (119 annual programmes), contributing to a total reduction of RAL with almost 11% as compared to 2013 level. The level of the "old" RAL (corresponding to due commitments) in the total RAL decreased also from 26% "old" RAL in 2013 RAL to 11% "old" RAL in 2014 RAL.

In terms of **human resources**, in 2014, like other Commission DGs and services, DG HOME had to return posts for the 1% tax reduction (3 posts) and for the redeployment to a central pool in order to allow the Commission to adapt swiftly to new needs and political priorities

(3 posts). On the opposite, DG HOME has been reinforced by 15 permanent posts: 10 posts to better manage the increasing migratory flows and implement the irregular migration policy and 5 to support the recent enlargement. Furthermore, the 13 posts allocated temporarily to the DG were transformed into permanent posts (3 posts for Stockholm Programme and 10 posts for the Management of the Schengen Area and external borders of the EU, external dimension of the EU home affairs policy, visa and mobility policies). The net impact was a slight increase of the structural staff. Nevertheless, the pressure on human resources stayed critical to deliver on the political priorities set out by the new President of the Commission and respond to the increasing workload.

2.1 Management of human and financial resources by DG HOME

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

In relation to the Control effectiveness as regards legality and regularity, **DG HOME has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.** The control objective is to ensure that the cumulative budgetary impact *per ABB activity* of any residual error rate over the whole programme period (average cumulative error rate) does not exceed 2% (see Annex 4). Under each ABB activity, the appropriations are implemented under the three management modes described above (shared, direct and indirect management). Therefore, the objectives of the spending programmes of the two ABB activities are implemented using different instruments under different management modes, depending on the characteristics of each environment. DG HOME analysis the risks involved in each type of management mode and draw conclusions on how these risks have been mitigated or not at the level of each ABB activity. Thus, the assurance is given for each ABB activity.

This section outlines also the indicators used to monitor the Control efficiency and cost-effectiveness of the controls put in place. The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The report presents below a detailed analysis, per management mode, of the results of the controls made in DG HOME in 2014, both in terms of legality and regularity and in terms of efficiency and cost-effectiveness.

All internal costs calculations used in the report are based on snapshots of posts filled at the end of the reporting period for the staff involved in the financial controls. This cost approach evolved towards a full cost approach for the 2014 AAR, including for the first time indirect and overhead costs. Where applicable, other expenditures related to control activities (cost of local IT tools, contracted experts or audit firms) have been added. While indirect are calculated as a share of direct cost, overhead cost is a fixed share that was obtained from the

HR survey. This extended cost approach has an impact on the cost calculations obtained and on the comparison towards 2013.

They have been broken by management mode and by stage. This value, expressed in FTEs (full time equivalent) has been multiplied by the average staff costs used for the preparation of legislative financial statements. Where applicable, external staff costs (experts, audits) and costs of local IT tools have been added.

The control systems are divided into specific distinct stages (different in case of each management mode), each with specific control objectives. Key indicators have been defined for each stage.

A) SHARED MANAGEMENT

The control systems in shared management are grouped around three core processes: 1) negotiation and assessment/approval of spending proposals; 2) implementation of operations (Member States); 3) monitoring and supervision of the execution, closure of annual programmes and ex-post controls

Stage 1: Negotiation and assessment/approval of spending proposals

The first stage concerns the adoption by the Commission of the annual and multiannual national programmes. The overall control objective of this stage is to ensure that DG HOME adopts the actions that contribute the most towards the achievements of the policy objectives.

Indicators for Control effectiveness as regards legality and regularity, control efficiency and cost-effectiveness are reported below.

The table below gives a snapshot of indicators in relation to the effectiveness as regards legality and regularity and efficiency/economy of controls mentioned in Annex 5, performed in 2014:

	2014	2013
Number of annual/national programmes adopted	0	106
Total value of annual/national programmes adopted (EUR million)	0	894,62
% of annual/national programmes adopted	0	98%
Average value of an adopted programme (EUR million)	0	10,78
% of financial allocation approved	0	99,5%
Number of revisions of annual/national programmes	47	76
Average time to approve/revise an annual/national programme (days)	98	228
Time to pre-financing payment (days)	83	38,49
% of late pre financing payments	33%	18,38%
Costs for stage 1 (EUR million)	3,59	1,27
Cost per annual programme adopted/revised	76.383	6.978
% of costs in total value of programmes adopted	-	1,42%

The work performed in 2014 in relation to this stage concerned the negotiation and

adoption of the basic acts for new MFF 2014-20 and the secondary acts in relation to it, as well as the preparation of the multiannual national programmes of Member States. Revisions of annual programmes under the previous generation of programmes SOLID Funds have also been requested by Member States.

2014-20 MFF Programming

In 2014, the negotiations on the basic acts establishing the new Home Affairs Funds (AMIF and ISF) were finalised and the acts were adopted in May 2014. As regards secondary legislation, five Implementing Regulations and two Delegated Regulations have been prepared and adopted in July 2014. The remaining three Implementing Acts and one Delegated Act are expected to be adopted in the first semester of 2015.

National programmes under shared management

Due to the late adoption of the basic acts, Member States could start formally submitting their national programmes only at the end of July 2014. This has significantly delayed the adoption process of the national programmes. To speed-up the programming process, the preparation of the national programmes started before the necessary legal acts were adopted. Following the conclusion of the agreed minutes of the policy dialogues, DG HOME worked on an informal basis with Member States on the preparation of their national programmes. 45 out of 58 draft national programmes were submitted informally by Member States, some of these being submitted as second/third version. An assessment of the draft national programmes was undertaken and observations provided to Member States, steering the Member States to improve the quality of their programmes.

Between July and December 2014, 50 out of 58 national programmes were formally submitted by the Member States. They have been carefully examined, observations were provided to Member States and meetings were organised with the majority of the Member States for the purpose of accelerating the work on their national programmes. For 22 national programmes (17 under AMIF and 5 under ISF), the initial stages of the approval started (the inter-service consultations already ended) and they will be adopted by the end of March 2015, using carried over 2014 commitment appropriations. The adoption of the remaining 36 national programmes is currently foreseen for May/June 2015, following the MFF revision and the adoption of the 2015 amending budget.

On the previous SOLID funds, there were still 47 revisions to annual programmes received in 2014, which were assessed and approved. In relation to these programmes and to Schengen Facility Croatia, the time to pre-financing payments increased in 2014 firstly as a consequence of the lack of corresponding payment appropriations and secondly due to the fact that prefinancings in 2014 were exclusively second prefinancings, requesting more controls than the "automatic" first prefinancings.

The significant increase in costs for this stage and in the cost per annual programme adopted/revised during the year comes from the important workload done in the framework of the new MFF and which could not be translated yet, due to delays in the approval of legal basis, in national programmes approved.

Stage 2: Implementation of annual programmes

The second stage concerns the setting up of the systems and the controls carried out by the

Member States. The overall control objective of this stage is to ensure that the management and control systems (MCSs) are adequately designed. Furthermore, the Member States should ensure that the declarations of expenditure submitted to DG HOME are legal and regular.

The table below gives a snapshot of indicators in relation to the effectiveness as regards legality and regularity and efficiency/economy of controls mentioned in Annex 5, performed in 2014:

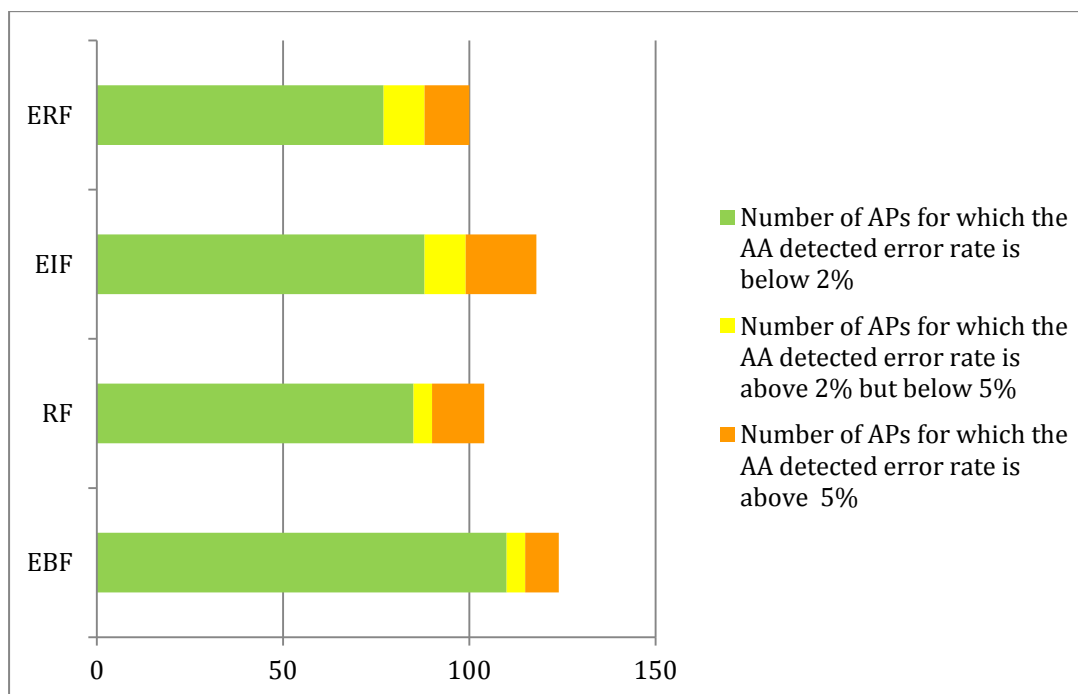
	2014	2013
Number of MCSs reviewed	15	17
Number of systems with MCSs efficiency weaknesses	6	4
% of MCSs with weaknesses over total MCSs	10%	7%
Total number of MCSs	62	62
Cots for stage 2 (EUR million)	0,03	0,85

The benefits of controls applied at this stage are mainly represented by the amounts associated with systems for which DG HOME audit work did not reveal substantial compliance problems at later stage of the implementation period. At the same time, the costs of the control compared to the amount covered by the reviews is negligible (less than 0,01%). The number of MCS reviews is constantly reducing, as there are less system changes at the end of the programming period.

Regarding the legality and regularity of controls performed by the Member States, DG HOME analysed the Annual Audit Reports opinions and the error rates contained therein.

Since the start of the SOLID Funds, out of 462 Annual Audit Reports due (corresponding to annual programmes 2007 to 2011), all have been received by DG HOME as of 31/12/2014. The Audit Authorities gave unqualified opinions for 333 programmes (72% of programmes or 66% of the total amount of payments), qualified opinions for 116 programmes (25% and 26% respectively) and disclaimers or adverse opinions for 13 programmes (3% and 8% respectively). DG HOME validated the opinion in 89% of the cases where an unqualified opinion was issued.

Member States have disclosed error rates below 2% in 360 reports, while the error rates ranged between 2% and 5% for 32 reports and above 5% for 54 reports.



DG HOME assessed the reliability and correctness of the total projected error rates reported by the audit authorities and validated the error rates reported in the annual audit reports as reliable in 97% of the cases. Then the detected error was analysed to determine whether it can be extended to the non-audited population. One-off irregularities, non-audited population already cleaned by the Responsible Authority or the Certifying Authority, etc. were considered reasons for not extrapolating the error rate. For 70% of the annual audit reports covering all four Funds, the detected error rate as reported by the Member States can be extrapolated to the non-audited population.

Stage 3: monitoring and supervision, closure of annual programmes and ex-post controls

The overall control objective of this stage is to ensure that the expenditure reimbursed from the EU budget is eligible and regular.

Indicators for Control effectiveness as regards legality and regularity, control efficiency and cost-effectiveness are reported below.

3.1. Monitoring and supervision

These controls include the monitoring missions and the systems audits performed for the open programmes.

	2014	2013
Number of annual programmes open	321	465
Amount of open programmes (EUR million)	3.806,02	2.472,08
Number of monitoring missions	33	18
Number of system audits	3	6

An intensive monitoring activity took place in 2014 with missions organised in different

Member States for the four SOLID funds. The monitoring visits focused on the implementation of the Funds for the programming period 2007-2013. The purpose of the visits was to take stock of the status of implementation of the Annual Programmes 2011-2013 through projects' visits and discussions with beneficiaries and representatives of the responsible (RA) and/or, certifying (CA) and audit authorities (AA).

Monitoring activity is also carried out through regular exchanges at desk level regarding the programming and the closure, either through mails or in the margin of meetings of the SOLID Committee (now AMIF-ISF Committee).

For more significant issues, bilateral meetings are organised in Brussels with the national authorities and the operational units as well as, where necessary, with the audit sector of DG HOME.

For systems which continue to show medium to high risks, DG HOME carried out system audits (either specific/targeted or follow-up audits) to bridge any assurance gaps which may exist but also to identify the measures needed to counter identified weaknesses.

3.2. Assessment of annual summaries

Number of annual summaries submitted (Member States & Associated countries)	29
Annual summary submitted on time	13
Compliance with minimum requirements of Financial Regulation (other than timing of submission)	29
Overall Analysis provided	23

Out of the 29 annual summaries submitted by Member States and Associated countries, 13 were submitted on time (within the deadline of 15 February) and 16 were submitted with delay. All Member States submitted an annual summary. In addition one Member State provided a national declaration encompassing all EU funds certified under shared management.

Two out of the three "associated countries" for the External Border Fund submitted an annual summary, one of them with a delay.

29 annual summaries have complied with the minimum requirements of the Financial Regulation. The majority of them (23 out of 29) provided the overall analysis.

Nevertheless, having a sound knowledge of the Member States from previous years' audit activities, the Commission accepted all submitted annual summaries.

Two Member States reported each a suspicion of fraud. These two cases are under investigation by national authorities.

The Commission will take these into consideration during the closure of the respective annual programmes and, if applicable, their ex-post audits.

3.3. Closures of annual programmes - interruptions/suspensions of payments

These controls refer to the revision and acceptance of costs declared by the Member States within the final cost claims.

	2014	2013
Number of final cost claims received (closures of annual programmes)	119	150
Value of final cost claims received (closures of annual programmes) (EUR million)	505,27	146,46
Value of payments made (EUR million)	351,33	91,04
Number of annual programmes closed	147	139
Number of withholding of payments	0	2
Value of programmes closed (EUR million)	628,80	297,46
Average implementation rate for closures processed in 2014	81%	82%
Ineligible amounts in final costs claims (EUR million)	4,43	1,94
Number of exceptions	62	58
Number of non-compliance events	0	108
Total costs for stage 3 (EUR million)	4,15	4,16
Time to close (days)	292	246

In 2014 DG HOME received the 2011 annual programmes for closures. 62 final reports (among 106 due) were submitted after the deadline (31 March 2014) and were registered as exceptions as it was decided to not apply systematically the decommitment rule foreseen in the basic act. An additional delay of 3 months was given to late Member States (which represents a strong reduction of the delay compared to previous years). All but one closure packages were received within this delay. Hence the decommitment procedure was applied to one annual programme. DG HOME also decided to simplify the procedure to register exceptions linked to late submission of final reports compared to 2013, which explains that there is no non-compliance event in 2014.

The average implementation rate for closures processed in 2014 for the 2007-2011 programmes reached 81% which is considered satisfactory.

The time-to-close an annual programme has slightly increased in 2014 above the legal requirements of 270 days. This reflects mainly the positive fact that the closure activity has been intense in 2014, whereby for the first time the number of programmes closed significantly exceeded the number of programmes received. Hence a high number of closures treated in 2014 corresponded to annual programmes older than 2011 and presented then a higher time-to-close than more recent files. The acceleration of the closures was also rendered possible by the use of unused payment appropriations initially foreseen for the prefinancing of the new AMIF and ISF, for which the adoption of national programmes was delayed until 2015.

The increase of the time-to close is also due to the implementation and negotiations of financial corrections linked to systemic deficiencies that were concerning several programmes in some Member States. In the case of a financial correction, the procedure is longer. In some cases the financial corrections also stemmed from the follow-up of the conclusions of the Court of Auditors' performance audit on the EBF which revealed weaknesses in the Management and Control System of some Member States and errors in

the implementation of some actions, notably regarding the public procurement procedures and the estimations of the share of equipment dedicated to the objectives of the Fund. These findings required a careful assessment of the financial corrections to be proposed as the risk of ineligible expenditure often touched both closed and open programmes for which closure was still on-going. Financial corrections have been proposed which are now under the contradictory procedure with the Member States concerned.

3.4. Ex Post Controls

In 2014, DG HOME finalised the ex-post controls of seven Annual Programmes (covering three Member States and three Funds). These led to two suggestions of correction of Annual Programmes equal to 0% or below 2%, three between 2% and 5% and two set above 5%. Overall, the detected errors following ex-post controls is set at EUR 1,87 million:

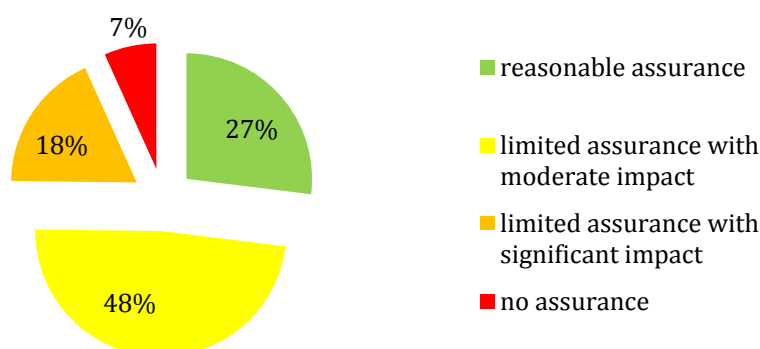
	2014	2013
Ex-post audits performed	7	9
Errors detected by ex-post controls (EUR)	1.874.806	488.928

3.5. Annual audit opinion

The validated error rate constitutes the main element to estimate the amount at risk. Other sources of information to build up the annual declaration of assurance are: (i) the results of the Commission's own audit work in 2014 including the results of ex-post controls on closed programmes, (ii) annual summaries of controls and national declarations; (iii) the opinions of the Financial Units in charge of the management of the programmes and (v) experience from previous years.

Based on the above blocks of information, and as a result of the Commission desk and on the spot audit work detailed under the previous sections, the external auditors within DG HOME expressed an audit opinion on the effective functioning of each programme so as to ensure legality and regularity of expenditure paid by the Directorate General in 2014. These audit opinions are transmitted to the operational units concerned as an input for their management opinion which is also formulated for every annual programme.

External Audit Sector level of assurance



3.6. Financial corrections

	2014	2013
Ineligible amounts in final costs claims (EUR million)	4,43	1,94
Corrections implemented by recoveries ex-post controls (EUR million)	0,59	0,49
Total financial corrections (EUR million)	5,02	2,43

In 2014, financial corrections were implemented for a total amount of EUR 5 million. Such financial corrections aim at restoring a situation where all of the expenditure declared for co-financing from the four Funds would be legal and regular, in line with the applicable rules. As a consequence, even if audit work demonstrated weaknesses in the management and control system implemented by some Member States, the risk for the Fund was reduced to zero if the corrections were implemented.

3.7. Overall assessment of the functioning of the management and control systems (including best estimate of error)

The main control objective is to ensure that the cumulative residual risk for all programmes of a given ABB activity does not exceed 2% of all payments made on a cumulative basis.

The residual risk of error is estimated in accordance with the methodology explained in Annex 4, by considering the multi-annual impact of the validated error rates and calculated since the beginning of the programming period, after deduction of financial corrections implemented by the Commission. It is expressed as a percentage of the value of the cumulative payments made for the programming period, up to 31 December of the reporting year.

Different sources of information are used to build up the Director-General's annual declaration of assurance that the resources assigned to the activities have been used for the intended purpose and in accordance with the principle 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.

The assurance is built on a comprehensive assessment by all parties involved in the

management and control of each annual programme.

Following the evaluation stage and taking into account the cumulative residual risk, the annual programmes are classified into four categories in accordance with the level of assurance that they provide as to the legality and regularity of payments made since the start of the programming period.

The results of the assessment of management and control systems in the annual management opinion are presented below (more detailed information per Member State is available in annex 10):

IMPACT on Declaration of Assurance (based on functioning of systems, materiality and legality and regularity criteria)			Coverage		
			TOTAL	as % of Programmes	Payments to Programmes in question as % of 2007-2013 period payments in the year
1	Reasonable assurance	Number of programmes	474.00	70%	51%
		Value of payments made	1,242,402,799.21		
2	Reasonable assurance with low risk	Number of programmes	82.00	12%	16%
		Value of payments made	382,738,906.54		
3	Limited assurance with medium risk	Number of programmes	108.00	16%	29%
		Value of payments made	708,119,775.61		
4	Limited assurance with high risk	Number of programmes	11.00	2%	4%
		Value of payments made	101,730,915.55		
			675.00	100%	100%

The assurance is then translated into an amount at risk per annual programme. These amounts are subsequently added up and compared to the total payments per ABB activity to obtain a residual error rates per ABB. The results are as follow:

ABB Activity	Amount at risk (EUR) (cumulative)	Payments made (EUR) (cumulative)	Residual error rate in the total population (audited and not audited)
ABB 18 02	33,138,240	1,116,077,858	2.97%
ABB 18 03	27,362,371	1,318,914,538	2.07%
Total	60,500,611	2,434,992,396	2,48%

Even if the residual error rate for shared management is slightly above the 2% threshold under both ABB, there are other management modes under the same ABB activity (see table in Chapter B – stage 4), and overall, the risk at ABB level is below 2% (1,28% for ABB 18 02 and 1,85% for ABB 18 03).

The higher error rate for the ABB 18 02 is mainly due to errors in a limited number of programmes of some Member States for which financial corrections procedure are ongoing at end march 2015 (ES, IT, GR and PL). These financial corrections were triggered either by the performance audit carried out on EBF by the Court of Auditors as well as by DG HOME' auditors. For a large part, these financial corrections are being discussed in the context of

the closure of the annual programmes concerned, i.e. the payments considered “at risk” are in fact prefinancing payments. In addition, DG HOME has adopted a prudent approach by projecting the average past risk on programmes still being implemented by the Member States, despite indication that improvements have already been implemented in the management and control systems.

In particular, an important part of the amount at risk is made of one individual financial correction on the same action included in two annual programmes for which the Member State has already taken action to avoid similar issues in the future (use of equipment in accordance with the objective of the External Borders Fund and better implementation of public procurement procedures). Therefore, closures to be received as from 2015 are expected not to present any more the same level deficiencies. In this context, a reservation on the ABB activity would not be appropriate.

As explained above, in order to address the risks, **corrective actions** are currently being taken for the annual programmes for which the assurance is limited to the extent that the risk for the Fund is estimated to be at 5% minimum of all payments made. In particular, flat rate corrections (between 2% and 25%) are currently being implemented and further ex-post controls will take place in 2015 to better estimate the risk for the Funds of system deficiencies for other annual programmes.

The benefits of controls applied at stage 3 are mainly represented by the non-quantifiable benefits of errors prevented at implementation stage through monitoring visits and system audits. Furthermore, directly quantifiable benefits arise from financial corrections applied at closure stage or at ex-post controls (see 3.6). It must be pointed out that financial corrections are not an objective as such. A decreasing amount of corrections over the years would not solely result from the quality and/or quantity of controls but could also reflect an improvement in sound financial management of the programme by the Member States. In reality, the benefits consist also of all the payments made for which DG HOME has reasonable assurance that the amount at risk is below 2%. In 2014, these payments amounted to EUR 185 million.

Regarding **costs of controls**, DG HOME invested an estimated total average for stage 3 of EUR 4,15 million, similar to costs for 2013 year.

Conclusion on cost-effectiveness of controls performed under shared management mode

The annual costs relate to Commission staff which carries out controls throughout the different design, implementation and monitoring, closure and ex-post phases, this includes the validation of the setting-up of the management and control systems in the Member States, the adoption and the revisions of annual programmes, monitoring activities by the financial units and audit activities by the external auditors of DG HOME, the Commission ex-ante checks of the expenditure declarations (financial circuits) and any ex-post controls

<p>Costs of controls – shared management</p>
<p><i>Costs for controls:</i> EUR 7,77 million (EUR 6,28 million in 2013)</p>
<p><i>Costs over payments made under shared management mode:</i> 2,21% (6,89% in 2013)</p>
<p><i>Costs over total payments of the year</i> 0,89% (0,64% in 2013)</p>

carried out.

In addition, the **cost of SFC2007** (IT tool for the exchange of information between the Member States and the Commission), **monitoring and audit missions**, and the **externalisation of ex-post controls** are also taken into account. Thus, the total cost for 2014 was estimated at EUR 7,77 million, 23% higher than in 2013 due to an important increase of costs in relation to programming period (new MFF) and also due to the inclusion of indirect costs and overheads.

Benefits of controls – shared management

Non-quantifiable benefits

Quantifiable benefits:
EUR 5,02 million (EUR 2,43 million in 2013)

The **benefits** include the **corrections** made resulting from the analysis of the annual implementation reports and following (Commission) audit work. Total corrections amounted to EUR 5,02 million. The benefits consist also of all the payments made for which DG HOME has reasonable assurance that the amount at risk is below 2%. In 2014, these payments amounted to EUR 185 million.

In addition, there are a number of non-quantifiable benefits resulting from the controls operated throughout the various control stages, notably the negotiation procedures of the programmes, aimed to ensure that the financed programmes contributed to the achievement of the policy objectives, the management of the programmes by the financial units of the DG, the replies to questions on eligibility, the deterrent effect of ex-post controls etc. This is why, DG HOME considers that overall, the necessity of these controls is undeniable, as the totality of the appropriations would be at risk in case they would not be in place. Since the start of the programming period, the entire control system ultimately results to 51% of the payments with a cumulative residual error rate below 2% (EUR 1.242,40 million out of EUR 2.434,99 million), and another 16% below 5%.

In conclusion, since a quantitative estimation of the volume of errors prevented is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls. In consequence, it is not possible to determine the cost-effectiveness of controls by comparing costs with benefits; it is necessary to consider the efficiency indicators retained. To do so, DG HOME has

defined efficiency measures for the controls associated with the main core processes, which prove the adequacy of the level of controls performed.

Conclusion cost- effectiveness of controls – shared management

The level of efficiency of controls performed is considered adequate; quantification of full benefits is not possible, therefore no conclusion reached on cost-effectiveness of control.

B) DIRECT MANAGEMENT – grants

In case of the direct management of grants, the control systems are grouped around four core processes: 1) programming, evaluation and selection of proposals; 2) contracting; 3) monitoring and 4) ex-post.

Stage 1: Programming, evaluation and selection of proposals

The first stage concerns the preparation and adoption of the annual work programmes, as well as the calls for and evaluation of proposals. The overall control objective of this stage is to ensure that DG HOME selects the proposals that contribute the most towards the achievement of the policy or programme objectives in terms of effectiveness and compliance.

The table below gives a snapshot of indicators in relation to the effectiveness as regards legality and regularity and efficiency and economy of controls mentioned in Annex 5, performed in 2014:

	2014	2013
Available budget for calls (EUR million)	77	176
Number of calls	13	14
Number of projects evaluated	419	583
Value of projects evaluated (EUR million)	197	339
Value of projects selected (awarded budget) ((EUR million)	74	160
Quantitative success ratio (awarded budget/available budget)	95,74%	91,13%
Qualitative success ratio (average points selected/average total)	1,19	1,18
Number of litigation cases/redress procedures	0	0
Time to publication of call outcome (days)	142	141
Total costs for stage 1 (EUR million)	1,97	1,71
Cost per call (EUR)	151.538	122.143
Cost per evaluated project (EUR)	4.702	2.933
% of costs stage 1 in total value of projects evaluated	1,0%	0,5%

2014 was an important year for the completion of the Community actions under the former 2007-13 programmes, the last 2013 calls for proposals being awarded or formalized in the form of grant agreements during this year (EBF, ISEC, CIPS). In addition to this, six emergency assistance requests under EBF and RF triggered by the migrants flow in the Mediterranean Sea and the situation in Ceuta and Melilla were processed promptly after their submission.

In addition to completion of old programmes, DG HOME worked on the preparation and approval of the 2014 and 2015 Annual Work Programmes (AWPs) for Union actions and emergency assistance for the new Funds (AMIF and ISF-Police and ISF-Borders). The three **2014 Annual Work Programmes** have been adopted in August 2014 while the preparation of the 2015 Annual Work Programmes is currently on-going and it is expected that these will be adopted in March 2015.

Under **ISF-Police**, two calls for proposals (one on cybercrime and the other on law enforcement information exchange) have been published. Under **ISF-Borders**, Member States had to submit proposals on Eurosur cooperation by 15 January 2015. A specific grant agreement has been signed with Euronews and the TV programme "On the Frontline" started in September 2014. Under **AMIF**, action grants awarded without a call for proposals

on the basis of individual applications have been signed with 26 of the 27 EMN NCPs for the implementation of the network's activities in 2014. Moreover two grants for information campaigns in Niger (IOM) and Ethiopia/Sudan (UNHCR) on the risks and dangers faced by migrants attempting to reach the EU through illegal channels have been contracted in November (IOM) and December (UNHCR) respectively, with the IOM project starting in December 2014 and the UNHCR project in January 2015.

Regarding emergency assistance, only Cyprus has submitted an application under ISF-Borders. Under AMIF, Italy, Greece, France, Cyprus, Hungary and Germany requested such assistance and award decisions were taken in December 2014 on applications by France, Cyprus and Hungary while the evaluation and award process of the other applications continued in early 2015. The grants will support the respective countries in addressing the high migration pressure they are currently facing.

The budget available for calls in 2014 (EUR 77 million) decreased as compared to 2013 mostly due to the fact that 2013 amount cumulated calls from both 2012 and 2013 AWP. It has to be considered also that under the new MFF, funds made previously available under direct management through CIPS/ISEC programmes are now implemented under shared management through ISF-Police. The calls have been almost three times oversubscribed, demonstrating the popularity of the programmes managed and the competitiveness of the call process. This ensured a success ration of more than 95% of the available funds. The average was driven down by the statistics of the Call for Preparatory Action – Victims of Torture, where fewer applications were received than expected and therefore there were fewer quality applications.

The high success ration in qualitative terms demonstrates the positive impact of the evaluation process, the average total points of the selected projects being 19% above the average points of the total eligible projects.

The redress procedure provides applicants with the possibility of filing a complaint if they think that there were shortcomings in the handling of their proposals during the evaluation. During the reporting year, DG HOME registered no such actions, this being an indication of the robustness of the grant award process and assurance with respect to the effectiveness of the internal control system.

The average time to publication of call outcome (period from the closure of the call to the publication of the selection results) was of 142 days, below the legal requirements of the Financial Regulation of 180 days.

The benefits of controls applied at this stage are mainly represented by reaching the policy objectives through receiving the high quality projects resulting from a call and selecting the most promising applications (non-quantifiable benefits). At the same time, the selection process must also ensure the legality and regularity of operations, since a compliance deficiency in the selection process would affect the regularity of all the ensuing grants.

For the preparation and management of 13 calls, DG HOME invested an estimated average of EUR 1,97 million (including costs for local IT tool Priamos), corresponding to an average of EUR 151.538 per call and EUR 4.702 per evaluated project. Thus, 1% of the total value of projects evaluated was dedicated to control. The increase in the relative costs dedicated to controls from 2013 to 2014 is mainly explained by the "full costs approach" implemented for

the 2014 reporting which increased the basis of costs taken into account. Moreover, the important work dedicated to the programming phase at the start of the new MFF added to the costs of this stage.

Stage 2: Contracting

The second stage concerns the contract negotiation and signing of the legal commitment. The overall control objective of this stage is the translation of each of the selected proposal into a legally binding grant agreement. It is the main tool for ensuring the economy and efficiency of the use of the budget appropriations.

Indicators for Control effectiveness as regards legality and regularity, control efficiency and cost-effectiveness are presented below.

The achievement of the effectiveness of controls mentioned in Annex 5 as regards legality and regularity is measured by the financial impact of the negotiation and signing process, defined as the reduction (expressed as a percentage) of the value of the grant agreement as a result of the control process. The 2014 average adjustment resulting from these controls was 3,3%. Detailed figures are shown in Table below:

	2014	2013
EC contribution requested in the applications (EUR million) ⁴	82,32	198
EC contribution provided through grant agreement signed (EUR million)	79,61	178,79
Reduction in EC contribution (EUR million)	2,71	20,05
% reduction in EC contribution	3,3%	10,1%
Number of grant agreements signed	170	294
Exceptions recorded by the ex-ante financial verification	0	1

The delays in the adoption of the new legal basis 2014-20 impacted heavily the contracting phase and the activity of stage 2 decreased significantly in 2014, reaching only 42% of the 2013 level (EC contribution provided through grant agreements signed). The commitments signed in 2014 concerned only 2013 appropriations with some exceptions related to monopoly situations (European Migration Network) and emergency assistance.

The systemic recording of the exceptions and non-compliance events and the analysis of causes behind them is another key indicator for assessing the effectiveness of controls with regards to the legality and regularity of transactions. During the reporting year, DG HOME registered no exceptions in relation to grants management.

	2014	2013
Time to contract (days)	40	55
Total costs for stage 2 (EUR million)	1,20	1,41
% of costs in total value of grants signed	1,51%	0,8%
Cost per signed grant agreement (EUR)	7.059	4.796

A key indicator for the efficiency of controls at this stage concerns the length of the time

⁴ This amount is based on applications awarded and committed in 2014.

period between the publication of the award decision and the grant agreement signature, the so called "Time-to-Contract" (TTC). The average TTC for grants signed in 2014 was 40 days. This compares with the deadline TTC of 90 days set out in the Financial Regulation (article 128.2). The improved decreasing trend for the indicator time-to-contract as compared to 2013 year needs to be put into perspective of the lower contracting activity and therefore reduced workload. In 2014 it took on average 15 days less than in 2013 to sign a Grant Agreement.

The key controls performed in contracting stage ensure as main benefits the signing of legally binding grant agreements allowing for the management of both the operational and financial aspects of the projects (non-quantifiable benefit) and the maximization of the use of available commitment appropriations (quantifiable benefit).

DG HOME invested an estimated amount of EUR 1,20 million in controlling all the processes in relation to the contracting phase, representing 1,51% of the total value of signed projects dedicated to controls. Each signed grant agreement has an estimated cost of EUR 7.059.

Total costs benefitted also from the reduced workload, decreasing with 15% as compared to 2013 level despite the important impact of the application in 2014 of the "total costs approach" as this stage involves a significant work from policy units that are considered indirect costs. Still, the total cost did not decrease in the same proportion than the number of grant agreements signed, hence the increase in the cost per grant.

Stage 3: Monitoring

The third stage concerns the management of the project. This stage comprises ex-ante checks of beneficiaries' cost claims and the processing of transactions through DG HOME financial circuits. The overall control objective is to ensure that operational results (deliverables) from the projects are of good value and meets the objectives and that the related financial operations comply with regulatory and contractual provisions.

Indicators for Control effectiveness as regards legality and regularity, control efficiency and cost-effectiveness are presented below.

The recording of the exceptions and non-compliance events for assessing the effectiveness of controls for the legality and regularity of transactions shows that no exception was registered in 2014 in relation to controls performed for the monitoring of grants. No unfavourable opinions have been issued by the ex-ante verification.

The efficiency and economy of controls performed has been measured through the following indicators:

	2014	2013
Number of payments made	350	442
Value of payments made (EUR million)	108,56	102,56
Time-to-Pay (days)	29	60
% of late payments	12,00%	22,62%
Invoice registration time (days)	4	13
Ineligible costs in cost claims (EUR million)	2,83	2,57

Ineligible costs in cost claims over total payments (%)	2,61%	2,51%
Exceptions recorded by the ex-ante financial verification	0	1
Total costs for stage 3 (EUR million)	3,16	2,16
Cost per payment (EUR)	9.028	4.887
% of cost in total value of payments made	2,91%	2,11%

The efficiency indicators show a clear improvement of the financial activity, with 12% late payments in 2014, against 22,62% for the same period last year. The indicator time-to-pay decreased also to 29 days.

The main benefits ensured by the controls performed at this stage rely on a good value-for-money obtained for the operational results (non-quantifiable benefit). The quantified benefits are defined as the errors detected by applying the financial circuits (ineligible costs in the cost claims received) and amounted to EUR 2.83 million, representing 2,61% of the value of payment made.

The estimated average cost for controls performed amounts to EUR 3,16 million, representing EUR 9.028 per payment made. The increase in costs as compared to 2013 year comes from the application of "total costs approach" with indirect costs and overheads taken into consideration in 2014 and reflects the involvement of the policy units in this stage of the process.

Stage 4: Ex-post

The fourth stage includes the ex-post audits as well as the recovery of any amounts found to have been paid in excess of the amount due.

The overall control objective of this stage is to detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls.

Regarding the legality and regularity of the underlying transactions, the main objective is to ensure that the estimated residual risk of error is less than 2% at the end of the implementation of the programming period.

In addition to the main control objective, the ex-post controls serve other purposes. In particular:

- ✓ Detection and correction of any error or fraud remaining undetected after the implementation of ex-ante controls;
- ✓ Measuring the effectiveness of ex-ante controls;
- ✓ Addressing systematic 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).

The main indicators from ex-post controls are reported below:

	2014	2013
Number of ex-post controls	15	35
% of projects audited that contained errors detected by ex-post controls	93%	94%
Average amount of a grant audited (EUR)	721.000	448.000
Average cost of an ex-post control (EUR)	40.000	12.500
Absolute value of proposed corrections (EUR)	1.062.358	908.524
Value of recovery orders issued following an audit (EUR)	527.147	
Errors prevented for audited population (% of "savings" in total EU grant paid)	0,69%	2,64%
Errors detected for audited population (% of total EU grant paid in addition to the errors already prevented)	9,82%	5,80%
% of benefits of controls over the total grant value	10,51%	8,32%
Follow-up ratio: number of files followed up by AOSD within 3 months (target 90%)	93%	100%
Recovery implementation ratio: number of recovery orders issued after ex-post audit (target set at 75% by end March N+1)	86%	88%
Total costs for stage 4 (EUR million)	0,42	0,44

The strategy implemented in DG HOME aims to detect and correct the most important errors, rather than determining a representative error rate. Such approach is more efficient, resulting in higher returns on investment and dissuasive effect. For further explanations, please refer to Annex 4.

In 2014, DG HOME oversaw 36 ex-post controls as foreseen in the revised annual audit plan. Taking into account controls initiated in 2013, 15 audit reports were finalised in 2014. The overall number is lower than in 2013, due to the fact that a large number of audits took place in the second part of the year and the reports were only finalised in the beginning of 2015. This has an impact also on the indicator "average cost of an ex-post control", which was relatively high in 2014 for the same reasons and is expected to drop again in 2015. An overview of contracts signed in 2014 with external audit service provider do not show any increase in audit costs compared to 2013.

Based on the most recent analysis of the main causes and types of most commonly detected errors identified in DG HOME ex-post audits it can be concluded that the errors do not put into question the assurance. In particular, three areas of irregularities have been identified:

- ✓ Insufficient or inadequate supporting documentation: 45% of the errors detected on the spot by ex-post controls;
- ✓ Costs not envisaged in the grant agreement: 22% of the errors;
- ✓ Wrong calculation of the costs charged: 18% of the errors.

In terms of overall cost-effectiveness of controls, the costs involved for this control stage

represent around 5% of an average grant in DG HOME, which is less than the average "return" on audits estimated at EUR 75 thousands (average size of a project of EUR 721thousands multiplied by the detected error rate of 10.51%).

In addition, the current level of audits is necessary as very few project audited were free of any errors (93% of the projects controlled ex-post included at least one detected error). It means that almost all the audits had a positive effect influencing the beneficiaries' future behaviour.

Finally, the costs/benefits analysis of certain controls shows that while most costs of controls are quantifiable in monetary terms, most of their undeniable benefits are not. This is the case of the deterrent effect of ex-post controls.

Ex-post controls are also the main basis for assessing the legality and regularity of the underlying transactions at the end of all stages and to verify the compliance with the overall main objective which is to ensure that the estimated residual risk of error is less than 2%, at the end of the implementation of the programming period.

Cumulative coverage rates for grants under direct management and the related residual error rates are reported below:

ABB Activity	Cumulative coverage rate of ex-post controls (in %)	Amount at risk (cumulative) (EUR)	Payments made (cumulative) (EUR)	Residual error rate in the total population (audited and non-audited)
ABB 18 02	19%	7.563.975	170.476.856	4,44%
ABB 18 03	16%	1.108.892	67.492.166	1,64%
Total		8.672.867	237.969.022	3,64%

The sampling size is considered as adequate in order to extrapolate the cumulative (net) detected error rate to the non-audited population. A detailed explanation of the materiality criteria is set out in annex 4.

The control objective is fully met, as the residual error rate for the ABB activity 1803 is below the 2% materiality threshold. Even if the residual error rate under ABB 18 02 is above the 2% threshold, there are other management modes under the same ABB activity (please see table below), and overall, the risk at ABB level is below 2% (1,28% for ABB 18 02). Thus an assurance in relation to the appropriations spent to implement the objectives of policy area ABB 02 can be given by the AOD.

Regarding the error rate above 2% for the ABB 18 02, it is related to the ISEC payments and it is mitigated by the fact that this relatively high rate is mostly due to two files and the audit coverage is very high for this programme.

Conclusion on costs-effectiveness of controls performed for grants under direct management

DG HOME quantifies the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, in so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

Costs of controls - grants

Costs for controls of grants:
EUR 6,75 million (EUR 5,72 million in 2013)

Costs over payments made for grants
6,75% (5,58% in 2013)

Costs over total payments of the year
0,89% (0,58% in 2013)

The total costs for controls of grants in 2014 amounted to EUR 6,75 million, compared to EUR 5,72 million in 2013. The increase in costs expressed in both absolute values and as % in total payments made for grants is explained by the "total costs approach" applied in 2014.

Benefits of controls - grants

Non-quantifiable benefits

Quantifiable benefits:
EUR 6,07 million (EUR 23,53 million in 2013)

The estimated quantifiable benefits are slightly below the costs. There are a number of non-quantifiable benefits resulting from the controls operated during the programming stage aimed to ensure that the financed projects contribute to the achievement of the policy objectives and comply with regulatory provisions. Furthermore, there is a need to maintain the deterrent effect of ex-post controls for grants.

For the latter, DG HOME considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk in case they were not be in place.

Conclusion cost- effectiveness of controls – grants direct management

The level of efficiency of controls performed is considered adequate; quantification of full benefits is not possible, therefore no conclusion reached on cost-effectiveness of control.

In conclusion, since a quantitative estimation of the volume of errors prevented is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls. In consequence, it is not possible to determine the cost-effectiveness of controls by comparing costs with benefits; it is necessary to consider the efficiency indicators retained. To do so, DG HOME has defined efficiency

measures for the controls associated with the main core processes, which prove the adequacy of the level of controls performed.

C) DIRECT MANAGEMENT PROCUREMENT

In case of the direct management of procurement, the control systems are grouped around three core processes: 1) procurement; 2) financial operations and 3) supervisory measures.

Stage 1: procurement procedure

The first stage concerns the calls for and evaluation of tenders, starting from the moment of planning and needs assessment until the selection of suppliers – the award decision. The overall control objective at this stage is to ensure that DG HOME selects the proposal that contributes the most towards the achievement of the policy or programme objectives in terms of effectiveness and compliance.

The main indicators used for the assessing of control effectiveness are presented in the table below:

	2014	2013
Foreseen tenders cancelled	1	1
Number of tenders	20	7
Number of contracts signed	166	182
Value of contracts signed (EUR million)	35,02	35,31
Benefits from selection of quality offers	0,05	n.a.
Unfavourable ex-ante opinions (HPC and ex-ante verification)	1	3
Exceptions and non-compliance events	0	8
Redress procedures	0	0
Costs for stage 1 (EUR million)	1,53	0,60
Costs per contract signed (EUR)	9.217	3.297
Cost per tender procedure (EUR)	76.500	85,714
% costs from the total value of contracts signed	4,37%	1,70%

DG HOME signed in 2014 contracts in similar number and value as in 2013. The number of calls for tenders increased significantly (almost tripled) due to the need to renew the framework contracts ending in 2015, impacting on the amount of work and costs related to this stage.

In order to reach a conclusion on the adequacy of management of risks relating to the legality and regularity of its tendering procedures and efficiency and economy of its controls, DG HOME reviewed:

- The reporting of exceptions and non-compliance events, defined as control overrides or deviations from policies and procedures disclosed. No such event was registered in 2014 in relation to the contracting phase.
- The number of unfavourable ex-ante opinions: The ex-ante verification delivered no unfavourable opinions on procurement transactions in 2014.
- The files submitted to the Internal Procurement Committee. In 2014, four open procedures with a total value of EUR 29,26 million have been submitted to the Internal Procurement Committee. For three of the four procedures (EUR 1,26 million), the procurement procedures were finalized in 2014. The average number of bids per tender was 3,3. This result has ensured competition and reasonable comparison of bids even in

specialised topics. For the fourth open procedure analysed by HPC (framework contract in total amount of EUR 28 million), the Committee issued an unfavourable opinion, because unclear tender specifications had led to a diversity of replies on several essential points. This made it difficult to analyse the tenders while respecting an equal treatment between the tenderers. The tender was finally cancelled and the procedure re-started. Another two open procedures have been concluded in 2014, below the threshold of the Internal procurement Committee (total 0,25 million EUR).

There was also one negotiated procedure submitted to the HPC in 2013 and finalized in 2014 in relation to the supply of electronic database licences in the field of CBRN (chemical, biological, radiological and nuclear) terrorism and security (amount EUR 0,6 million).

- The number of projected tenders cancelled: one Call for tender was cancelled in 2014 following the unfavourable opinion of the HPC Committee as explained above;

- The number of redress procedures filed by the applicants: no cases. There is a continuous risk management on procurement procedures from the definition of the needs until the end of the contract which allows avoiding complaints or litigations cases. The lack of redress procedures testifies the robustness of the tendering process and assurance with respect to the effectiveness of the internal control system, including a good definition and clarity of the terms of reference.

The key controls performed for the management of calls and evaluation of tenders, as mentioned in Annex 5, ensure as a main benefit the best value for money ensured for the objectives proposed and the legality and regularity of operations, since a compliance deficiency in the selection process would affect the regularity of all the ensuing grants (non-quantifiable benefits). The amount of the tender procedure cancelled following the unfavourable opinion from the Procurement Committee is considered as a quantifiable benefit of controls performed in this stage. The benefits consisted also in the difference between the quality increase in monetary terms and the increase in price of the selected offers as compared to the lowest quoted offer of each tender procedure.

DG HOME invested an estimated average amount of EUR 1,53 million in controlling 166 contracts signed and 20 tender procedures. Thus 4,37% of the total contracted value was dedicated to control and each signed contract had an estimated cost of EUR 9.217. On one side, this increase in costs relative to the total value of contracts signed (%) and per contract signed is an effect of the renewal activity of the framework contracts which does not have a correspondent effect in the specific contracts signed. On the other side, the application of "full costs approach" which counts also the involvement of policy units in the controls performed especially in this stage 1, contributed significantly to the increase in costs.

Stage 2: Financial transactions/monitoring

The second stage concerns the management of the contract and the payments made. This stage comprises ex-ante checks of beneficiaries' cost claims and the processing of transactions through DG HOME's financial circuits. The overall control objective is to ensure that operational results (deliverables) from the projects are of good value and meets the objectives and that the related financial operations comply with regulatory and contractual provisions.

Indicators for Control effectiveness as regards legality and regularity, control efficiency and cost-effectiveness are presented below.

	2014	2013
Number of contracts processed (payments made)	451	891
Value of contracts processed (payments made), EUR million	32,74	77,77
Amount of credit notes issued (EUR million)	3,2	0
Number of credit notes issued	23	0
Amount of credit notes issued over total payments made	9,8%	0%
Number of exceptions registered	1	2

The transfer of the management of large-scale IT systems contracts from the Commission to the eu-LISA Agency and the finalization of the financial management ensured by DG HOME for the agency during the transition period in 2013 determined a sharp decrease in the payments made in 2014 by the DG.

The delay in approval of the new 2014-2020 MFF and consequently of the 2014 Annual Work programme impacted also negatively the activity in 2014, with signature of contracts delayed to 2015.

There were no errors detected, representing an indicator of the robustness of the controls performed in previous stages.

The ex-ante financial verification registered one non-compliance event, an "a posteriori" event (legal commitment concluded before the financial commitment and the legal commitment was not made by an authorized person). The commitment, in amount of EUR 3 508,75 related to the acquisition of some stock photos for the daily work on Intranet.

The indicators for the efficiency and economy of controls are disclosed below:

	2014	2013
Time to pay (days)	14	20
Invoice registration time (days)	3,3	3
Percentage of late payments in total payments for procurement	1,63%	14,70%
Late interests payments (EUR million)	0	0,002
Amount of errors detected (EUR million)	0	0
Amount of errors averted over total payments (credit notes) (%)	0	0
Costs for stage 2 (EUR million)	1,24	1,04
Cost per payment made (EUR)	2.749	1.167
% of costs in total value of procurement payments	3,78%	1,34%

The efficiency of processing payments continued to improve in 2014 as compared to previous years. The average number of days necessary to process a payment decreased to 14 days (from 32 days in 2012 and 20 days in 2013). The percentage of late payments also decreased significantly from 27,23 % in 2012 to 14,70% in 2013 and only 1,63% in 2014.

The key controls for the management of financial transactions in relation to contracts, as detailed in Annex 5, ensured as a main benefit a good value-for-money for the operational results (non-quantifiable benefit). The errors detected by applying the financial circuits are in principle benefits that can be quantified. However, the fact that there are no errors reflects the positive effect of controls in previous stages. The average cost estimated for the financial circuits corresponding to this stage amounted to EUR 1,24 million (EUR 2.749 for each

payment made). Thus 3,78% of the total payment was dedicated to control. The increase in costs for this stage is due on one hand to the application in 2014 of the "total costs approach" and on the other hand to the increase in the complexity of the services requested mainly due to rapid changes of policy needs linked to geographical situations (for example the prevention of Radicalisation network).

Stage 3: supervisory measures

Based on the methodology described in Annex 4, there is no amount at risk for procurements in DG HOME. Thus, no ex-post controls are performed for contracts. The audit findings signalled by the other internal or external auditors are duly taken into account for the assessment of assurance in relation to procurement transactions (please see details in 2.3).

Conclusion on cost-effectiveness of controls performed for procurement under direct management

As a result of the controls performed, one tender project was cancelled following an unfavourable opinion issued by the procurement committee and no redress procedures were encountered. This shows that the controls put in place work correctly and were effective.

Costs of controls - procurement

Costs for controls for procurement:
EUR 3,07 million (EUR 1,64 million in 2013)

Costs over payments made for procurement
9,38% (2,11% in 2013)

Costs over total payments of the year
0,41% (0,17% in 2013)

Benefits of controls - procurement

Non-quantifiable benefits

Quantifiable benefits:
EUR 31,25 million

The total costs for controls of procurement in 2014 amounted to EUR 3,07 million. The increase in costs as compared to 2013 can be explained partially by the application of "total costs approach". Also, in 2014 DG HOME needed to renew the framework contracts ending in 2015, impacting on the amount of work and costs related to procurement procedures. Finally, the increase in the number and the complexity of the services requested due to rapid changes of policy needs linked to geographical situations (for example the prevention of Radicalisation network) added also to the increase in staff involved in procurement activities.

The tender procedure cancelled (in amount of EUR 28 million) following the unfavourable opinion of the internal Procurement Committee is considered as a quantifiable benefit of controls. Other benefits that could

be quantified were the value of credit notes issued (EUR 3,2 million) and the quality increase in monetary terms and the increase in price of the selected offers as compared to the lowest quoted offer of each tender procedure (EUR 0,5 million).

Conclusion cost- effectiveness of controls – procurement direct management

The level of efficiency of controls performed is considered adequate; quantification of full benefits is not possible, therefore no conclusion reached on cost-effectiveness of control.

The efficiency of each stage could be positively assessed as the "time-to"-indicators settle well below the targets and on an improving trend as compare to 2013 year.

Fraud prevention and detection

DG HOME developed its anti-fraud strategy as foreseen in the Commission's overall anti-fraud strategy⁵. All the resulting measures were fully implemented by the end of 2013.

In principle, the controls aimed at preventing and detecting fraud are not unlike those intended to ensure the legality and regularity of the transactions (the unintentional errors). Still, during 2014 specific anti-fraud related actions were carried out in DG HOME:

- the risk of fraud was integrated in the risk assessment,
- selection of fraud risk/based audits are a basis of the external audit plan,
- update of internal procedures on EWS,
- awareness in the area of anti-fraud and ethics is raised through maintaining updated information in the intranet,
- regular attendance to FPDnet meetings.
- In addition, since the signature of the Memorandum of Understanding in 2013 that foresees bilateral meetings with OLAF.

During 2014 no cases of allegation of fraud were transmitted to OLAF for investigation. However OLAF initiated investigation on allegation of fraud coming from another sources in relation to DG HOME programmes. Two of the previous year investigations ended up with recommendation of recovery on final investigation reports received during 2014.

Other control objectives: use of resources for their intended purpose, reliability of reporting, safeguarding of assets and information

In respect of the reliability of its reporting, DG HOME records its entries in ABAC. Entries are regularly checked by DG BUDG in the context of the validation of the local system.

⁵ COM(2011) 376 24.06.2011.

Following an audit performed in 2013, DG Budget validated the accounting system of DG HOME. There is one “important” recommendation (from a total of five recommendations) issued by auditors to be implemented by the DG by latest June 2015. In 2014 DG Budget carried a partial follow up of the implementation and closed four recommendations and downgraded the open remaining one from "very important" to "important". The implementation of the open recommendation will be assessed in 2015.

2.2 Budget implementation tasks entrusted to other DGs and entities.

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of the DG’s supervisory controls on the budget implementation tasks carried out by other Commission DGs and entrusted entities distinct from the Commission.

As mentioned in “The DG In Brief”, DG HOME has implemented parts of its budget under indirect management mode through decentralised agencies and under the direct management mode through a number of cross-delegations (DG HOME' appropriations to be managed by other DGs in the Commission, In case of cross-delegations, being a Commission service itself, the AOSD is required to implement the appropriations subject to same rules, responsibilities and accountability arrangements. In case of the decentralized agencies, the DG's supervision arrangements are described in the ICT on indirect management in Annex 5.

The 2014 AMIF and ISF Union Actions work programmes foresees several delegation agreements. In 2014 important preparatory steps have been taken to implement this novel type of actions through a series of coordination meetings within the Commission services to clarify the policy concept and technical implications (template, governance issues, etc.) in operational, legal and budgetary terms. They will be implemented in 2015. Thus, a delegation agreement is foreseen with the International Centre for Migration Policy Development (ICMPD, EUR 2,5 million under ISF and EUR 4 million under AMIF) for the support to the preparation and implementation of current and future Mobility Partnership Facility. Other two delegation agreements included in the 2014 work programme are: one delegation agreement with eu-LISA foreseen in the ISF - Borders 2014 Union Actions work programme for the implementation of the Smart Borders pilot project (EUR 3,5 million) and a second delegation agreement with Europol (EUR 7 million) in support of the first half of the policy cycle 2014-2017 to support European Multidisciplinary Platform against criminal threats.

Cross-sub-delegations

In 2014, DG HOME gave seven crossed sub-delegations to DG EMPL, Joint research Centre (JRC), DG REGIO, DG DIGIT, DG ESTAT, PMO and DG Justice.

Acronym of the DG	Commitments (M€)	Payments (M€)	Scope of cross-subdelegation
	Total consumption (including RAL)	Total consumption (including RAL)	
DG DIGIT	0,15	0,03	Hosting costs of local IT systems
JRC	0	1,08	EPCIP project

DG ESTAT	0	0	Labour Force Survey 2014
DG Justice	14,79	17,78	ISEC programme and cooperation on EMCDDA
DG EMPL	0,15	0	IT project SFC
DG REGIO	0,12	0	IT project SFC
PMO	0,29	0,27	Administrative expenditure
Total	15,50	19,16	

The cross-delegation agreement requires the AOD of the DG receiving the cross-subdelegation to report on the use of these appropriations. In their reports for 2014, the AODs acting as AOSDs did not communicate any events, control results or issues which could have a material impact on assurance. Nevertheless, JRC reported the registration of one exception in relation to a deviation from Art. 86.4 of the Financial Regulation . Not all funds put at disposal of the JRC could be legally committed within the regulatory timeframe. In order not to lose funds a financial individual commitment for an amount of EUR 0,4 million was established end of 2013 for multiple legal commitments of which related legal commitments in the order of EUR 0,2 million have been mostly concluded in 2014, a few more to follow in 2015.

Decentralized agencies

As regards the decentralised agencies, DG HOME relies on a number of six agencies to meet its policy objectives. Please refer to annex 8 for the list of the six agencies for which DG HOME is partner DG and amounts of these subsidies. The Internal Control Template (ICT) on indirect management in Annex 5 details the applicable supervision and reporting activities. The funding of the **EMCDDA** was entrusted to DG Justice through a crossed sub-delegation.

Stage 1: Operations: monitoring, supervision and reporting

The overall control objective of this stage is to ensure that DG HOME is timely and fully informed of any relevant management issues encountered by the agency, in order to possible mitigate any potential financial and/or reputational impacts.

Commission takes part in the governance of the agencies by participating as a member in the Management Boards, when the governing rules allow for this. Membership rules are laid down by the founding regulations of each agency. Agencies' Boards always include representatives from each Member State and generally one or two Commission's representative, each with one voting right. The exception is Cepol, where the Commission is invited as an observer.

However, the Commission's representation on the Management Board is not the only way to reflect the particular responsibility that the Commission holds in implementing EU legislation. DG HOME ensures the following monitoring activities:

- Monitoring of the agencies' policy activities:

The operational units for particular policies are involved in numerous contacts at working level, coordination meetings, providing opinions on annual work programme, draft budget, staff policy plan and monitoring of their implementation.

- Budgetary monitoring:

The agencies have full responsibility for the implementation of their budget, DG HOME being responsible for the regular payment of the contributions established by the Budgetary Authority. Memoranda of Understanding were signed with each agency, clarifying the conditions for the payment of the EU subsidy by the Commission and allowing the parent DG to access ABAC data of agencies for budget implementation purposes.

At the closure of the financial year, agencies provide their budget outturn calculations to the Commission. They contain an estimation of the amount to be paid back to the Commission. After the final closure, the partner DG will claim its reimbursement from the agency.

Finally, the Commission provides assistance to the agencies with regard to the application of the financial regulations, but also through the use of different Commission tools and services (ABAC, Medical Service, recruitment via EPSO, training, PMO). This is done by other DGs.

The cost estimated for stage 1 is EUR 1,4 million, on a steady increase as compare to 2013 figures (EUR 0,27 million) due to the inclusion in the calculation of the staff in the policy units involved in the supervision of agencies. Negotiations of delegation agreements with Europol and eu-LISA have also impacted the costs.

Stage 2: Commission's contribution

The control objective is to ensure that all element of the payment request is fully assessed before paying the contribution or decide to suspend or interrupt payments. Effectiveness is measured through the amount of suspended or interrupted payments, efficiency through the respect of legal payment deadlines.

Memoranda of Understanding were signed with all six mentioned agencies clarifying the conditions for the payment of the EU subsidy by the Commission.

The table below presents the main indicators in relation to effectiveness, efficiency and economy of controls performed:

	2014	2013
Total payments made (EUR million)	241,79	220,83
Amounts suspended/interrupted (EUR million)	0	1,9
Time-to-pay (days)	16	25
Total costs for stage 2 (EUR million)	0,28	0,12
% of costs in total payments made to agencies	0,12%	0,05%

Further to the Member States initiative to move the seat of Cepol to Budapest (to which the Commission gave a negative opinion in January 2014 (COM(2014)7final)) and considering that the costs of the move was not foreseen in CEPOL's 2014 budget, EUR 285.000 were transferred from ISF-police Union actions to CEPOL.

Due to its particular field of operations (dramatic increase of Migrations flows via the central Mediterranean Sea), Frontex was under specific pressure during all 2014 year, requesting reinforcements in terms of commitment and payment appropriations.

Stage 3: audit, evaluations and discharge

Information regarding the use of the assigned resources by the agencies is provided by the Court of Auditors and Internal Audit Service. The IAS acts as the internal auditor for the agencies, while the European Court of Auditors gives yearly a statement of assurance as to the reliability of the annual accounts of the agency and the legality and regularity of the transactions underlying them. Based on these, the European Parliament grants discharge directly to the agencies.

Court of Auditors 'reports for 2013

In its 2013 reports issued for each traditional agency, the Court of Auditors concluded that the accounts of the agencies provide true and fair view and the transactions underlying the accounts are legal and regular, with one exception: in case of Frontex, the Court qualify its opinion on legality and regularity of transactions.

For 2012, the Court of Auditors issued a disclaimer of opinion on the legality and regularity of the transactions underlying the accounts of Frontex on the basis of lack of sufficient ex-ante and ex-post verification on the cost claims submitted by Member States in the context of their joint operations. DG HOME called upon the agency to implement a more efficient system of ex-ante verifications given the insufficiency of ex-post controls in terms of coverage and timing, using a risk-based sampling methodology. At the end of 2014, DG HOME considers that the efforts and improvements made by Frontex following the recommendation of the Court and of the Commission are sufficient. Frontex adopted a policy on ex-ante controls for transactions concluded starting May 2013 and an ex-post policy since 2012. In the context of 2013 discharge, the Court acknowledged the efforts made by the Agency and the improvements in its control procedures. Nevertheless, as the measures implemented by Frontex starting May 2013 impacted only partially the transactions made in 2013, the Court issued a qualified opinion on the legality and regularity of the transactions for 2013 year.

Audits performed by Internal Audit Service (IAS)

DG HOME has not been informed by the IAS or by the Agencies of any critical issues arising from audits in agencies that would be very significant from a reputational perspective.

Conclusion on cost-effectiveness of controls performed for funds paid to agencies under indirect management mode

For the 2014 reporting year, the cross-delegated AODs have themselves reported reasonable assurance on the delegated budget managed by them on our behalf. They have signalled no serious control issues.

Regarding the agencies, from our own monitoring and supervision work done, which includes regular contacts/representation or at least the desk reviews of relevant management reports and audit reports, as a partner DG we have no indications of serious control issues. DG HOME invested an estimated average amount of EUR 1,68 million (0,39 million in 2013) in the monitoring and supervision controls of agencies.

**Costs of controls – indirect management
Agencies**

Costs of controls

EUR 1,68 million (EUR 0,39 million in 2013)

*Costs over payments made under indirect
management*

0,69% (0,18% in 2013)

Costs over total payments of the year

0,22%% (0,04% in 2013)

Overall, the cost of monitoring and supervision of agencies represents 0,69% of the total budget paid to agencies.

**Conclusion cost- effectiveness of controls
– agencies under indirect management**

The level of efficiency of controls performed is considered adequate; quantification of full benefits is not possible, therefore no conclusion reached on cost-effectiveness of control.

The level of efficiency of controls performed is considered adequate; quantification of full benefits is not possible, therefore no conclusion reached on cost-effectiveness of control.

The relevant information provided by the agencies in relation to the issues identified as a result of Commission involvement in the Management Boards of agencies and the results of DG HOME's supervision arrangements are deemed reliable and was assessed as sufficient to draw the reasonable assurance conclusion.

General conclusion on the control efficiency and cost-effectiveness in relation to all funds implemented by DG HOME

DG HOME quantifies the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, in so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

Overall, during the reporting year the controls carried out by DG HOME for the management of the budget appropriations were cost effective as the estimated quantifiable benefits exceeded the cost with EUR 23,07 million.

Management mode	Costs (EUR million)	Benefits (EUR million)	Costs/payment in the year (%) (payments= EUR 757,93 million)
Direct - grants	6.75	6,07	0,89%
Direct - procurement	3.07	31,25	0,41%
Indirect management	1,68	0	0,22%
Shared management	7,77	5,02	1,03%
Total	19,27	42,34	2,54%

The efficiency of each stage can be positively assessed as the "time-to"-indicators settle well below the targets and on an improving trend as compare to 2013 year. This trend needs to be confirmed nevertheless in the following year, as 2014 was characterized by a lower level of financial contracting activity.

In addition, there are a number of non-quantifiable benefits resulting from the controls operated during programming phase, aimed to ensure that the financed projects contributed to the achievement of the policy objectives, and from the deterrent effect of ex-post controls. Furthermore, DG HOME considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk in case they would not be in place.

2.3 Assessment of audit results and follow up of audit recommendations

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

The DG is audited by both internal and external independent auditors: its internal audit capability (IAC), the Commission internal audit service (IAS) and the European Court of Auditors (ECA).

During the period of reference, *the Internal Audit Service (IAS)* carried out one Audit on Management and supervision of outsourced IT services with no recommendations issued. The *Shared Internal Audit Capability of DG HOME and DG Justice (SIAC)* carried no new audit assignments in the DG.

As regards the implementation of recommendations issued in previous years, the IAS completed in 2014 one follow up audit on Control strategy. The IAS auditors assessed the progress made in implementing the recommendations reported in their Final Report on this audit dated 21 December 2012. Out of the seven recommendations issued, six have been adequately and effectively implemented, this comprises two recommendations assessed as "very important" and four "important" ones. For one very important recommendation the implementation has been delayed until 30/06/2015 (from 31/03/2014). This recommendation concerns the establishment of a methodology for the incorporation of the

ex-post audits in the DG's assurance model as regards shared management and the definition of the level of assurance that might cost-effectively be taken from the results of ex-post controls and the establishment of means to include these results in the determination of an annual error rate in shared management. While all these methodologies have been developed and are reported on the AAR of DG HOME since several years (see Annex 4 as well as part 2.1, stage 3.4 of shared management), the inclusion of this methodology in an overarching audit strategy for shared management was delayed the fact that the revised audit strategy needed to not only reflect the place of ex post controls in SOLID Funds (including the resources needed), but should now also encompass the audit work linked to the new Funds, which depends on the overall control strategy for these new Funds. However, following the delays in adopting the legislative framework for 2014-2020 (basic acts published in May 2014), particularly as regards the clearance of accounts and the conformity clearance procedure (Implementing Acts published in March 2015), all changes in internal workflows within DG HOME could not be set as of the initial deadline of 31/03/2014 and hence the place of the audit work within the overall control chain for the new Funds could not be finalised by that deadline. In 2015, the legal environment for AMIF-ISF will be clarified, allowing the finalisation of the audit strategy in shared management, as part of the overall control strategy of DG HOME. This is why the deadline for the implementation of the IAS recommendation was postponed until 30.06.2015.

The SIAC confirmed in 2014 the auditees' work and the fact that all the recommendations are implemented in relation to the follow up of its 2013 audit on the European Migration Network (EMN). The audit was focusing, in particular, on the alignment of EMN activities with policy needs and expectations, on compliance with legal and other regulatory requirements and on financial management.

Furthermore, the *Court of Auditors* examined the financial management (legality & regularity of transactions, reliability of control systems) in its Annual Report for 2013 year (published in November 2014). Chapter 8 "Research and Internal Policies" (where DG HOME is included for legality and regularity of its transactions) includes references to some ineligible costs in relation to External Borders Fund in Spain. The Court estimated that the helicopters procured by the Spanish authorities under the EBF were used for external border surveillance and control activities at most for 25,5 % of their total activities, while the closure report mentioned 75% usage. The Court concluded that the ineligible costs can limit the added value of projects and mentions the performance audit on EBF performed in 2013-2014, as a source of further information on the effectiveness and added value of the EBF. DG Migration and Home Affairs has followed up on the findings of the Court of Auditors by reopening the 2009 annual programmes for Spain and by proposing a financial correction on the action at stake. At the end of 2014, the contradictory procedure with Spain was ongoing.

Apart from the yearly audit, the Court of Auditors published in 2014 two performance audits in relation to Migration and Home Affairs area:

- The Court published on 19 May 2014 its **performance audit No 03/2014** "*Lessons from the European Commission's development of the second generation Schengen Information System (SIS II)*" The report states that the Commission delivered the second generation Schengen Information System (SIS II) over six years later than initially planned and at eight times the initial budget estimate. According to the Court, the delays and overspending occurred due to weaknesses in the Commission's management in a challenging governance context. The Court concluded that in the light

of these major changes to the costs and expected benefits, the Commission did not demonstrate that SIS II fully provided the best value for money for the organization. However, the report states that the Commission did learn lessons from its experience during the first part of the project, enabling it to change its approach during the final project phase from 2010 and deliver SIS II in April 2013. In addition, it has already applied some lessons from SIS II in preparing other large-scale IT projects. The Commission explained that the primary causes for the delays and increased costs lie in the complex governance structure and the substantially changing system requirements. The Commission implemented most of the recommendations issued by the Court, with one recommendation still on-going.

- The Court published on 8 October 2014 another ***performance audit on the effectiveness of the implementation of the External Borders Fund (Report No 15/2014 “The External Borders Fund has fostered financial solidarity but requires better measurement of results and needs to provide further EU added value”***). According to the report, the EBF has contributed to external border management and it has fostered financial solidarity. However further added value was limited and the overall results could not be measured due to weaknesses in the Member States’ Responsible Authorities’ monitoring and serious deficiencies in the ex-post evaluations. The Court highlights also some weaknesses in EBF programming and implementation. The Commission drew lessons from its experience and had already implemented part of Court’s recommendations in the legal base of the Internal Security Fund Borders and Visa. Regarding the weaknesses found in the procurement procedures in some Member States and especially regarding the justifications for the use of negotiated procedures, DG HOME is fully aware of this issue and is taking the necessary steps to address it. Regarding the recommendations addressed to the Commission, there are still two open recommendations.

SIAC expressed the opinion that the internal control system in place provided reasonable assurance regarding the achievement of the business objectives set up for the processes audited.

Equally, all IAS audits carried out concluded that the internal control system in place provides reasonable assurance regarding the achievement of the business objectives set up for the process examined.

3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

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

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

DG HOME annually assesses the effectiveness of its key internal control systems. The assessment relies on a number of monitoring measures and sources of information including:

- **Desk reviews** on compliance with the baseline requirements of the Internal Control Standards (ICSs), whose results pointed out to full compliance with all the ICS in 2014;
- **The results of the self-assessment survey (iCAT exercise⁶) carried out in November 2014:** six internal control standards were subject to review in the iCAT questionnaire of 2014, namely: ICS 3 (Staff allocation and mobility), ICS 5 (Objectives and Performance Indicators), ICS 8 (Processes and Procedures), ICS 9 (Management Supervision), 11 (Document management), ICS 12 (Information and Communication). Based on the survey, all the ICSs are assessed as effectively implemented with minor improvements needed for ICS 5 and ICS 11.
- **The audits** performed by the SIAC, IAS and the Court of Auditors (for details please refer to chapter 2.3) confirmed that the internal control system in place provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited. The action plans for the outstanding audit recommendations (are being implemented as scheduled with no overdue recommendations. One of these recommendations concerning the development of a revised audit strategy for shared management is ranked as “very important” by the auditors. A 2nd IAS follow-up of this recommendation confirmed that action still needs to be completed in its respect. DG HOME will address the recommendation in the first semester of 2015.
- **The annual risk management exercise** performed in the context of the Management Plan which indicated no critical or very important weaknesses.
- **Authorising Officers by Sub-Delegation Reports** which did not point out to any major

⁶ Anonymous exercise designed to help DG to make an informal assessment as to whether the systems of internal control they put in place are effective in achieving the control objectives. For 2014, it involved all Directors and Heads of Unit and a sample of non-management staff members randomly chosen, reflecting different grades, genders and representing different entities.

control weaknesses;

- **Systemic registration of exceptions and non-compliance events** and analysis of causes behind them. 63 exceptions and one non-compliance event were recorded in 2014, as compared to 64 exceptions and 108 non-compliance events in 2013. The underlying causes behind these exceptions and weaknesses have been analysed and corrective and alternative mitigating controls have been implemented when necessary. One exception was reported also by JRC in relation to the cross-subdelegated amount by DG HOME.
- **The validation of DG HOME accounting system by DG Budget.** Following an audit performed in 2013, DG Budget validated the accounting system of DG HOME and issued five recommendations. In 2014 and beginning of 2015 DG Budget carried a partial follow up of the implementation and closed four recommendations. One remaining open recommendation was downgraded from "very important" to "important" and considered "partially implemented".

In its Management plan for the reporting year, DG HOME had decided to pay special attention to the improvement of implementation of two ICSs, prioritized during 2014:

✓ *ICS 3 (Staff allocation and mobility)*

This standard was prioritized since the creation of DG HOME (in 2010, following the split of DG JLS). After a year of important organisational changes in the DG and in a staff-cuts scenario where staff and management still showed their concerns about questions such as finding the right balance between business continuity and staff turnover, workload and few support for newcomers, the management made continuous efforts to guarantee adequate staff allocation to cope with large amount of ambitious objectives due to the dynamism and visibility of the DG HOME policy area. Discussion on jobs' allocation took place in Management meetings. Information on the new re-organization starting in January 2015 was widely disseminated (on intranet and followed by DG-wide information session, induction meetings). Welcome seminars were organized for the newcomers in June and October 2014.

The 2014 Internal Control Self-Assessment survey indicated a rate of 64% average weighted effectiveness on ICS 3. Therefore this standard was considered effectively implemented during 2014.

✓ *ICS 9 (Management supervision)*

This standard was prioritized in 2014 based on the important changes expected in the context of change of the Director-General and in order to ensure continuation of supervisory measures of operating activities. The hand-over process resulted in a smooth transition with no interruption in the process. The Internal Control Self-Assessment survey analyzed among others, the management monitoring and feedback on staff's activities, the support received and the management supervision and showed a rate of average weighted effectiveness of 73% on this standard. The standard was then considered as effectively implemented.

Besides the two standards prioritized in 2014 and presented above, the 2014 Internal Control Self-Assessment exercise evaluated the effectiveness of four others standards: ICS 5 (Objectives and Performance Indicators), ICS 8 (Processes and Procedures), ICS 11 (Document management) and ICS 12 (Information and Communication).

The possibility of participating to the survey was given to all staff but the target population allowing extrapolation and conclusions on overall effectiveness at DG level included a total sample covering approximately 22% of the total staff, judged sufficient to be representative. The six standard evaluated can be considered as effectively implemented as the overall satisfaction rate was 66%.

The exercise signalled nevertheless that the effectiveness of implementation of two standards could be improved:

- ✓ In the area of "Objectives and performance indicators" (ICS 5), the assessment disclosed negative opinions in relation to the usefulness of the DG's performance indicators. The standard will be prioritized in 2015 in order to foster the use and utility of the two management tools (the Management Plan and the Annual Activity Report) notably by complementing DG's performance indicators in the management plan to support and to facilitate the management and monitoring of the DG's activities and by measuring the progress of the key performance indicators under the guidance of senior managers.
- ✓ In the area of Document management (ICS 11), the assessment disclosed weaknesses in the use and research of records in the system, the need of training and lack of support on paper archiving. The standard will be prioritized in 2015 in order to follow up and to review the filing practices with the units.

This analysis had enabled the Internal Control Coordinator to report on the state of internal control and his recommendations to the Director-General (including his suggestions for the ICS to be prioritised during the next year). There is satisfactory evidence that the processes and procedures in place control the main risks by providing a reasonable assurance that the key objectives are met and that the activities are carried out as intended. **In conclusion, the internal control standards are effectively implemented, with some improvements needed for ICS 5 and ICS 11, where the DG will take measures in 2015 to further improve their efficiency.**

4. MANAGEMENT ASSURANCE

This section reviews the assessment of the elements reported in Parts 2 and 3 and draw conclusions supporting of the declaration of assurance and namely, whether it should be qualified with reservations.

4.1 Review of the elements supporting assurance

The information reported in the building blocks (2.1-2.3) reflects the management's opinion based on results of the self-assessment, ex-post controls, the work of the internal audit capability, the observations of the Internal Audit Service, lessons learnt from the reports of the Court of Auditors as well as information received from other authorising officers in cases of crossed sub-delegations.

As shown by the intermediate conclusions for each building block, this approach provides sufficient guarantees as of the completeness and reliability of the information reported and results in complete coverage of the budget delegated to the Director-General of DG HOME.

The information reported does not result in any major issues meriting a reservation, as shown by the key arguments for the assurance:

- Full compliance with the Internal Control Standards; weaknesses are known and addressed;
- No critical issues highlighted by internal or external auditors;

No major issues pointed out by the Authorizing Officers by Sub -delegations in their reports;

- The amount at risk for the total expenditure managed by DG HOME is below the materiality level.

4.2 Overall conclusion on assurance

In view of the control results and all other relevant information available, the AOD's best estimation of the risks relating to the legality and regularity for the expenditure authorised during the reporting year is between 0% and 2%, which implies an amount at risk of below EUR 15 million.

The internal control strategy foresees the implementation of further controls during subsequent years aimed to detect and correct these errors. It is not possible to identify the specific errors and amounts which will be effectively corrected in the coming years, yet the implementation of these corrective controls since 2009 have resulted on average in recoveries and financial corrections representing EUR 22,7 million or 3,0% of the average payments over the same period. This provides the best available indication of the corrective capacity of the controls systems implemented by the DG.

Taking into account the conclusions of the review of the elements supporting assurance and the expected corrective capacity of the controls to be implemented in

subsequent years, it is possible to conclude that the internal controls systems implemented by DG HOME provide sufficient assurance to adequately manage the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes. Furthermore, it is also possible to conclude that the internal control systems provide sufficient assurance with regards to the achievement of the other internal control objectives.

DG HOME ABB	Scope: payments made (FY; €)	Average Error Rate (AER; %)	Amount at risk (FY; €)	Average Recoveries and Corrections (ARC; %)	Expected recoveries and corrections, related to the FY's payments made (FY, €)
<i>ABB or other activity-level</i>	<i>as per AAR annex 3, table 2</i>	<i>Detected error rate or equivalent</i>	<i>= (2) x (3)</i>	<i>Source: DG BUDG (ABAC recovery context)</i>	<i>= (2) x (5)</i>
18 01	4,207,285	0.00%	0		
18 02	554,149,691	1.89%	10,500,322		
18 03	199,411,692	2.19%	4,363,069		
Overall	757,768,668	1.96%	14,863,391	3,0%	22,733,060

The detected error rate per management mode is presented below:

Annual detected error rate	ABB 18 02	ABB 18 03	ABB 18 01	Total
Shared management				
Payment made (2014, EUR)	188.886.776	162.441.087	0	351.327.863
Amounts at risks (2014, EUR)	6.001.302	4.000.964	0	10.002.267
Detected error rate	3,18%	2,46%	0%	2,85%
Direct management- grants				
Payment made (2014, EUR)	87.970.509	20.418.861	0	108.389.370
Amounts at risks (2014, EUR)	4.499.020	362.105	0	4.861.124
Detected error rate	5,11%	1,77%	0%	4,48%
Procurement and cross subdelegations				
Payments made (2014, EUR)	33.810.692	2.583.943	4.207.285	40.601.921

Amounts at risks (2014, EUR)	0	0	0	0
Detected error rate	0%	0%	0%	0%
Indirect management				
Payments made (2014, EUR)	243.481.715	13.967.800	0	257.449.515
Amounts at risks (2014, EUR)	0	0	0	0
Detected error rate	0%	0%	0%	0%
Total				
Payments made (2014, EUR)	554.149.691	199.411.592	4.207.285	757.768.668
Amounts at risks (2014, EUR)	10.500.322	4.363.069	0	14.863.391
Annual detected error rate	1,89%	2,19%	0%	1,96%

Figures above reflect the detected annual rates. However, as explained in Annex 4, for assessing the materiality and deciding on potential reservation, DG HOME uses a multiannual analysis of **residual** error rates (see KPI 5 in page 9), as highlighted in the below table.

Multiannual Residual error rate (cumulative)	ABB 18 02	ABB 18 03	ABB 18 01	Total
Shared management				
Payment made (cumulative, EUR)	1.116.077.858	1.318.914.538	0	2.434.992.396
Amounts at risks (cumulative, EUR)	33.138.240	27.362.371	0	60.500.611
Residual error rate	2,97%	2,07%	0%	2,48%
Direct management-grants				
Payment made (cumulative, EUR)	170.476.856	67.492.166	0	237.969.022
Amounts at risks (cumulative, EUR)	7.563.975	1.108.892	0	8.672.867
Residual error rate	4,44%	1,64%	0%	3,64%
Procurement and cross subdelegations				

Payment made (cumulative, EUR)	658.226.359	128.230.499	37.539.768	0
Amounts at risks (cumulative, EUR)	0	0	0	0
Residual error rate	0%	0%	0%	0%
Indirect management				
Payment made (cumulative, EUR)	1.230.514.426	25.299.749	0	1.255.814.174
Amounts at risks (cumulative, EUR)	0	0	0	0
Residual error rate	0%	0%	0%	0%
Total				
Payment made (cumulative, EUR)	3.175.295.499	1.539.936.953	37.539.768	4.752.772.220
Amounts at risks (cumulative, EUR)	40.702.215	28.471.263	0	69.173.477
Residual error rate	1,28%	1,85%	0%	1,46%

In conclusion, at ABB level, the multiannual residual error rates for ABB 18 02 and ABB 18 03 are below the materiality threshold of 2% (1,28% and 1,85% respectively). DG HOME analysed the risks involved in each type of management mode, representing different tools of implementing the objectives of the spending programmes under a given ABB, and drew conclusions on how these risks have been mitigated at the level of each ABB activity. *In case of shared management*, the higher error rates correspond to a limited number of programmes for which financial corrections are being discussed in the context of the closure of the annual programmes concerned, i.e. the payments considered “at risk” are in fact prefinancing payments. In addition, DG HOME has adopted a prudent approach by projecting the average past risk on programmes still being implemented by the Member States, despite indication that improvements have already been implemented in the management and control systems. *In case of direct management grants under ABB 18 02*, this represents a small part of the budget in general and of the ABB budget in particular. Moreover, the higher error rate for ABB 18 02 is mitigated by the fact that it is mostly due to two files under ISEC programme and the audit coverage is high for this programme.

Thus, the assurance can be given for each ABB activity.

DECLARATION OF ASSURANCE

I, the undersigned,

Director-General of DG HOME

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁷.

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, the work of the internal audit capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

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

Bruxelles, 27/03/2015

Matthias Ruete
[Signed]

⁷ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.