



2017

Annual Activity Report

DG Justice and Consumers



FOREWORD

The policies of DG Justice and Consumers (DG JUST) guarantee the fundamental rights and freedoms of EU citizens in a Union of rule of law and democracy as well as their rights to participate in the internal market. In 2017 the DG has continued to deliver on its work programme in a timely manner. The work of the DG is summarised in this report.

DG JUST portfolio was clearly visible in all policy priorities spelled out in the 2017 State of the Union Address by President Juncker, from the work on platforms, online sales and data protection under the Digital Single Market to our proposals on insolvency, company law and work-life balance under the Internal Market, as well as to our contributions to the European Semester and work on corporate governance.

In the area of justice and fundamental rights, the President highlighted our proposals on anti-money laundering, ECRIS and e-evidence, as well as our work on international data flows, dual quality foods, and the future New Deal for Consumers. Finally, he referred to a future initiative to strengthen Rule of Law, and a possible extension of scope of the European Public Prosecutor's Office to the fight against terrorism.

This is a strong recognition both of our DG's role as a central partner in a large number of the Commission's priorities and of the work and contributions of all the staff in DG JUST.

As to the internal work in the DG JUST, we have focused after the reorganisation of 1 October 2016 in improving our working methods and structures. This has resulted in simplifications in procedures wherever possible. The staff provided important and concrete input through consultations, dedicated working groups and individual messages with suggestions. This is the beginning of a continuous process of improvement.

This annual report shows what an excellent and committed staff can achieve in difficult and changing times. I have no doubt that DG JUST staff will also be able to meet the challenges that lie ahead of us in 2018.

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THE DG IN BRIEF

The Directorate-General for Justice and Consumers (DG JUST) has as its overriding mission to build a European Area of Justice for the benefit of everyone in the European Union. It aims to vindicate and strengthen the rights of people living in the European Union, and to remove barriers to their full participation in the internal market, whether acting as citizens, as entrepreneurs, as consumers or as workers, throughout the EU.

From an organisational point of view, DG Justice and Consumers is organised in five directorates, A "Civil and Commercial Justice", B "Criminal Justice", C "Fundamental rights and rule of law", D "Equality and Union citizenship" and E "Consumers". DG Justice and Consumers has a single central "Programme management" unit, operating with a common financial circuit and financial management structure for the three main financial programmes of the DG: "Rights, Equality and Citizenship" (REC), "Justice" and "Consumer programme".

The Commission decided on 16 of May 2017 the dismantling of the Shared Resources Directorate (SRD) serving to DG Justice and Consumers (DG JUST) and DG Migration and Home Affairs (HOME) administratively linked to DG JUST and the ensuing modification, as from the 16 June 2017, of the organigrams of DG JUST (SEC (2017) 253 final) and DG HOME (SEC (2017) 252 final) both dated the 17 of May 2017. As a consequence, it was decided to create a new Unit HOME.E4 "Budget and control" in DG HOME and to retitle unit JUST.B4 to "E-justice, IT and document management". Staff and tasks formerly allocated to the SRD are transferred to HOME.E4, JUST.B4, JUST.04 and JUST.01. On 1 October 2017 a reorganisation took effect with Directorate C now covering "Fundamental Rights and rule of law" and D "Equality and Union Citizenship". In Addition the "Programme Management" unit became a horizontal unit (0.4 Programme Management), keeping its previous role and functions.

As regards organisation of HR matters, DG JUST completed the second wave of the HR modernisation pilot project in February 2017, assigning staff to several Account Management Centres based in DG HR and responsible for delivering HR services to a group of DGs. A small local HR Business Correspondent Team was set up (1 Business Correspondent assisted by one HR assistant; in total 2 Full Time Equivalents) directly attached to the Director-General, with the task of helping DG JUST's management to address strategic and sensitive human resource issues.

DG Justice and Consumers has limited financial resources at its disposal to allow implementation of its policies on the ground (total 2017 budget amounting to EUR 205.68 million, representing 0.13% of the total EU budget).

DG Justice and Consumers programmes are implemented through two management modes:

- the **direct management mode** - grants and procurement - with the support of the Consumers, Health, Agriculture and Food executive agency (CHAFEA) for the Consumers programme;

- the **indirect management mode**. The EU has established agencies in the area of Justice and Consumers to support EU Member States and their citizens in coping with new tasks of specific nature. Each agency is unique and fulfils an individual function. Together, the European Institute for Gender Equality (EIGE), the European Union Agency for Fundamental Rights (FRA) and the European Union's Judicial Cooperation Unit (EUROJUST) provide information and advice, prepare and take decisions, oversee operations and support policy making. DG Justice and Consumers pays the subsidies voted by the budgetary authority for the agencies.

In terms of Human Resources, a total of 456 statutory management and staff members were working for DG Justice and Consumers. The average age of staff members in DG JUST is 43 years and the proportion of female staff reaches 61% across all grades. Female representation is above average for the Commission for senior managers (80 % for DG JUST) and reaches an almost equal balance for all managers combined at 48%.

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director-General of DG Justice and Consumers to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitutes the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties¹.

The executive summary has four subsections:

- a) Key results and progress towards the achievement of general and specific objectives of the DG (executive summary of section 1; *what* we have delivered)²
- b) The most relevant Key Performance Indicators (KPIs) for the illustration of policy highlights identified in the DG's 2016-2020 Strategic Plan³
- c) Key conclusions on Financial Management and Internal control (executive summary of section 2.1; *how* we have delivered)
- d) Information to the Commissioner (confirming that the main elements of the AAR have been brought to the attention of the responsible Commissioner(s), in a standard text - see below)

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

² An Executive Agency uses as heading: "Implementation of the Agency's Annual Work programme - Highlights of the year".

³ For Executive Agencies, the KPIs identified in the 2017 Annual Work Programme.

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

A Connected Digital Single Market

The **General Data Protection Regulation** entered into force in 2016 and it will enter into application on 25 May 2018. DG JUST continued working closely with Member States to ensure the highest possible level of consistency.

Trilogues started on the **digital content proposal**. Progress was also made on the **rules on online and distance sales of goods** after the Commission proposed the extension of the scope to face-to-face sales.

The **Consumer Protection Cooperation** Regulation was updated in order to better enforce EU consumer law, in particular in the digital environment.

A Deeper and Fairer Internal Market with a Strengthened Industry Base

In May 2017 the Commission finalised a comprehensive evaluation of the key pieces of **EU consumer and marketing law** and an evaluation of the Consumer Rights Directive. The **2017 Consumer Conditions Scoreboard** evidenced significant developments, notably a broad improvement of consumer conditions across the EU, and a surge in consumer confidence in online shopping. The Scoreboard's findings informed the preparation of the New Deal for Consumers.

Regarding the problem of **dual quality of food**, DG JUST drafted an interpretative notice in September 2017 which provides concrete guidance to competent national enforcement authorities on how to apply existing EU food and consumer protection legislation. In the area of product safety, DG JUST made considerable technical improvements in the **Rapid Alert System for dangerous non-food products**.

DG JUST carried out preparatory work for a **company law package** with a view to making the best of digital solutions and providing efficient rules for cross-border operations. The adoption by the co-legislator of the amended **Shareholders Rights Directive** in May 2017 was an important step towards the long-term sustainability of EU companies. DG JUST contributed to proposing in December 2017 a **new prudential regime for investment firm supervision**, including the rules on remuneration, corporate governance and transparency.

An Area of Justice and Fundamental Rights Based on Mutual Trust

In the **2017 European Semester**, 5 Member States received a country-specific recommendation on the need to improve the effectiveness of their justice systems. DG JUST also monitored 9 Member States, in which justice reforms have been ongoing, and participated in the monitoring of justice reforms in Greece as part of the economic adjustment program.

DG JUST prepared the **2017 EU Justice Scoreboard** to assist the Member States to achieve more effective justice by providing objective, reliable and comparable data on the quality, independence and efficiency of justice systems in the EU.

In 2017, the Commission pursued its efforts to uphold the respect of the **rule of law** in the European Union. In particular, the Commission continued its dialogue with the Polish authorities under the Rule of Law Framework.

Significant progress was also achieved on countering **illegal hate speech online**: the monitoring of the Code of Conduct showed a trend of continuous progress.

In April 2017, the Commission adopted the Communication on the **protection of children in migration**, which set key actions to be taken to enhance the protection of children during all phases of migration.

The Council Regulation on the establishment of the **European Public Prosecutor's Office (EPPO)** was adopted by co-legislator. While 20 Member States will be part of the EPPO from the beginning, the non-participating Member States are encouraged to join at a later stage. Through the **European Criminal Records Information System (ECRIS)**, Member States inform each other of convictions as contained in their national criminal records. In 2017, the use of ECRIS further increased.

The seventh Report on Roma integration delivered a midterm review on the EU Framework for National Roma Integration Strategies up to 2020 and presented for the first time trends in Roma access to education, employment, healthcare and housing, as well as antidiscrimination. DG JUST continued to actively promote diversity management through **Diversity Charters**. In 2017 three new Diversity Charters were launched in Croatia, Slovenia and Slovakia.

A greater emphasis on the international dimension of privacy was detailed in the Commission's **Communication on Exchanging and Protecting Personal Data in a Globalised World**, adopted in January 2017. DG JUST launched and significantly advanced adequacy negotiations with two strategic partners of the EU, Japan and South Korea. DG JUST also ensured the first annual review of the **EU-US Privacy Shield** (October 2017).

In January 2017 the Commission adopted a proposal for a Regulation on **data protection for EU institutions** to bring it in line with the data protection reform which will be applicable from May 2018 onwards.

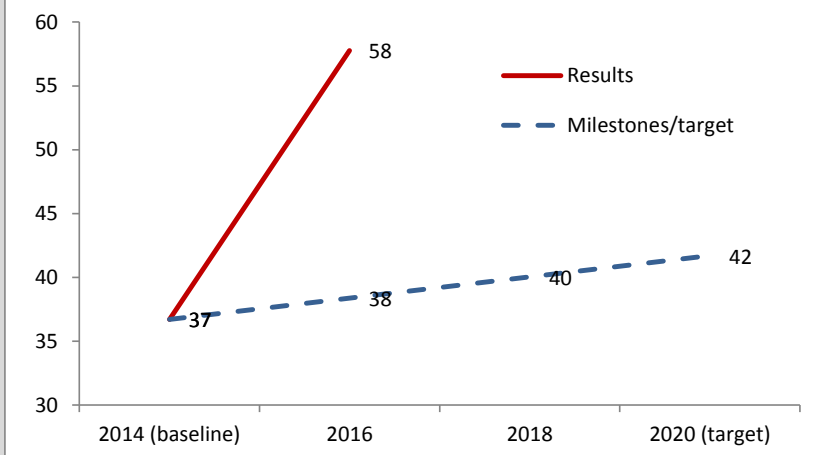
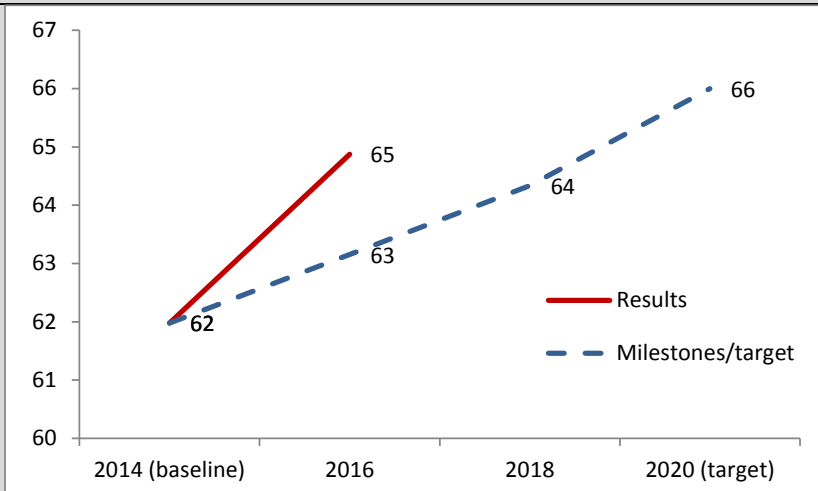
In November 2017 the Commission adopted an **Action Plan to tackle the gender pay gap** from all possible angles. The Commission launched in April 2017 "**An initiative for work-life balance** for working parents and carers" aimed at tackling women's underrepresentation in the labour market and the unequal share of care responsibilities between women and men.

2017 was a dedicated Year on Focused Action to **end Violence Against Women**. A number of conferences were organised, including the Annual Fundamental Rights Colloquium on Women's Rights in Turbulent Times.

A Union of Democratic Change

The Commission committed in the **Citizenship Report 2017** to enhance participation in the democratic life of the EU. The report identified the need to raise awareness on EU citizenship rights including on consular protection and electoral rights ahead of the 2019 European elections.

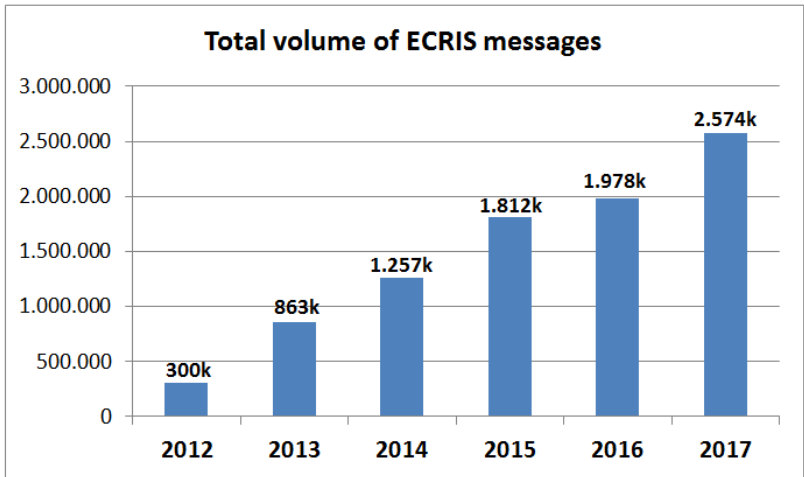
b) Key Performance Indicators (KPIs)

Result/Impact indicator (description)	Target (or milestones)	Latest known results as per Annual Activity Report
<p>Variation in consumers' confidence in cross-border online shopping</p>	<p>Baseline: 36.7 %⁴ Target 2020: Increase of about 5 percentage points Latest known result (2016⁵): 57.8 %</p>	 <p><i>Source: Survey on consumer attitudes towards cross-border trade and consumer protection</i></p>
<p>Consumer conditions index</p>	<p>Baseline: 62 Target 2020:66 Latest known result (2016⁶): 64.9</p>	 <p><i>Source: Surveys on consumer and retailer attitudes towards cross-border trade and consumer protection</i></p>

⁴ Due to a methodology change in the survey the figure for 2014 is estimated on the basis of the change observed between 2014 and 2016 (computed on data based on a comparable methodology)

⁵ The survey is biennial and the latest result refers to 2016

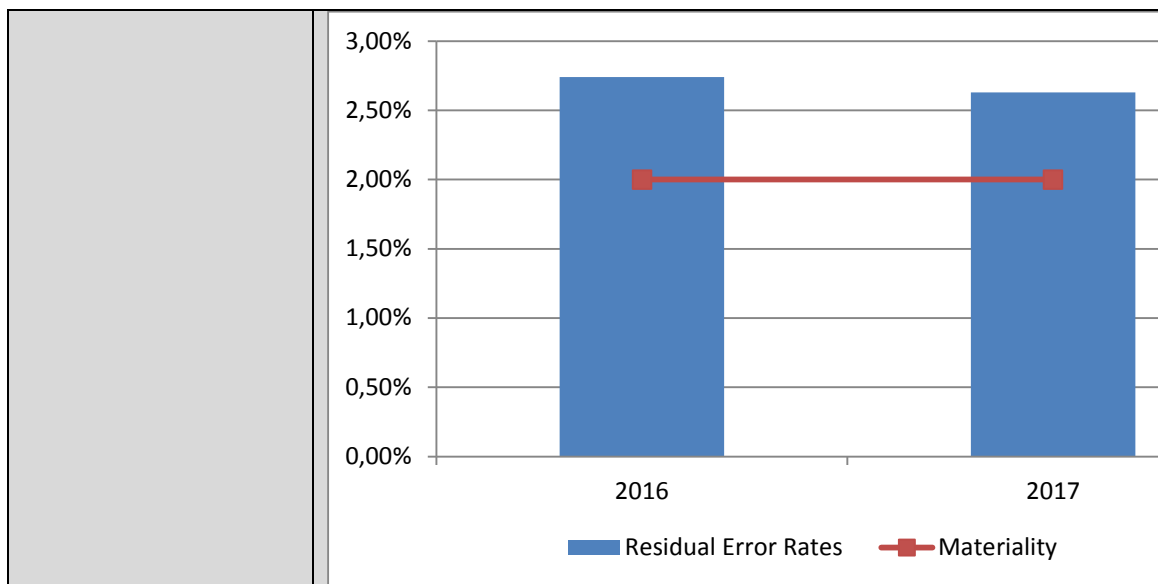
⁶ The two surveys on which the index is based are biennial and the latest results refer to 2016

Percentage of member states who in year y +1 implemented reforms to their judicial system made in the context of the European Semester in year y	Target 2020: 100 % of monitored Member States show some progress Latest known result (2017): 100%														
		Milestone/target ⁷													
	Result ⁸														
	2015	4 Member States received justice-related country-specific recommendations (CSRs)	X												
2016 ⁹	6 Member States received justice-related CSRs (2 Members States from 2015 and 4 new ones)	100% (4 Member States made at least limited progress)													
2017	5 Member States received justice-related CSRs [2 MS from 2015 and 3 from 2016]	100% (the 6 MS that received justice-related CSR in 2016 made at least limited progress)													
Number of exchanges of information in the European Criminal Records Information System (ECRIS)	Baseline: 300.000 (2012) Target 2020: 3.500.000 Latest known result: 2.573.976														
	 <table border="1"> <caption>Total volume of ECRIS messages</caption> <thead> <tr> <th>Year</th> <th>Volume (k)</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>300k</td> </tr> <tr> <td>2013</td> <td>863k</td> </tr> <tr> <td>2014</td> <td>1.257k</td> </tr> <tr> <td>2015</td> <td>1.812k</td> </tr> <tr> <td>2016</td> <td>1.978k</td> </tr> <tr> <td>2017</td> <td>2.574k</td> </tr> </tbody> </table>		Year	Volume (k)	2012	300k	2013	863k	2014	1.257k	2015	1.812k	2016	1.978k	2017
Year	Volume (k)														
2012	300k														
2013	863k														
2014	1.257k														
2015	1.812k														
2016	1.978k														
2017	2.574k														
Estimated residual error rate	Baseline: Target 2020: Latest known result: 2.63%														

⁷ Number of MS that received a country-specific recommendation on reforms to their judicial system.

⁸ Monitoring progress.

⁹ Target and result for 2016 were updated to enhance coherence of measurement.



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

In accordance with the governance statement of the European Commission, the staff of DG Justice and Consumers conducts 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 at achieving policy and operational objectives. The financial regulation requires the organisational structure and the internal control systems used for the implementation of the budget to be set up in accordance with these standards. DG Justice and Consumers has assessed the internal control systems during the reporting year and has concluded that the internal control standards are implemented and function as intended with the exception of the Financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers. Please refer to AAR Part 2 for further details.

In addition, DG Justice and Consumers 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 their capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by a reservation concerning direct management grants. The reservation¹⁰ is due to the residual error rate of 2.63% at the end of year which,

¹⁰ Reservation regarding the financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers under the budget chapters 33 02 and 33 03

although in decrease compared to last year (2.72%), remains above the materiality threshold.

d) Provision of information to the Commissioner

Under the obligations stemming from the provisions of Internal Control Standard 9 "Management Supervision", DG JUST sent to the attention of Commissioner Věra Jourová a report on the state of play on the main developments in the area of budget, finance and internal controls in DG Justice and Consumers up to the end of June 2017. In addition, the main elements of this report and assurance declaration, including the reservation envisaged, have been brought to the attention of Commissioner Věra Jourová, responsible for Justice, Consumers and Gender Equality.

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

The key results of DG JUST's work are presented below with the contribution in achieving the general objectives of the Juncker Commission and Europe 2020 strategy highlighted as appropriate. In a nutshell, in 2017 DG JUST delivered results contributing to the core horizontal processes of the Commission and noted progress on the key areas of work: civil justice, criminal law, fundamental rights and rule of law, equality and Union citizenship, and consumers.

DG JUST is responsible for three financial programmes: Rights, Equality and Citizenship (REC) Programme (2014-2020), Justice Programme (2014-2020), Consumer Programme (2014-2020). In 2017 DG JUST kicked off work for mid-term evaluations of these programmes.

DG JUST worked with the Consumers, Health, Agriculture and Food Executive agency (CHAFEA). CHAFEA's contribution is described under the objective of consolidated consumer rights in the internal market.

DG JUST also co-operated with three decentralised agencies: European Institute for Gender Equality (EIGE), the European Union's Judicial Cooperation Unit (EUROJUST) and European Union Agency for Fundamental Rights (FRA).

Decentralised agencies ensured that DG JUST implements evidence based policies by providing high quality data in the core areas such as non-discrimination and combating racism, xenophobia and other forms of intolerance. They also played an important role in ensuring mainstreaming fundamental rights and gender equality in national policies resulting from EU policies. This is namely the case in the field of procedural rights in criminal law with the adoption of several Directives in recent years.

EUROJUST promoted cooperation and coordination between the competent judicial authorities in EU countries involved in investigations and prosecutions of serious cross-border criminal cases.

The text below is organised per relevant general and specific objective.

A Connected Digital Single Market

General objective 2 A Connected Digital Single Market

Impact indicator: Aggregate score in Digital Economy and Society Index (DESI) EU-28

Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. The closer the value is to 1, the better. The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%).

Source of the data: [DESI](#)

Baseline (2015)	Target (2020)	Latest known results (2017)
0.478 ¹¹	Increase	0.52

Specific objective: Highest level of protection of privacy and personal data

In view of the entry into application on 25 May 2018 of the General Data Protection Regulation (GDPR) 2016/679, DG JUST continued to work closely with Member States to ensure the highest possible level of consistency. To this end, the GDPR Expert Group with Member States set up by Commission met 5 times in 2017. Moreover, DG JUST supported the work of the Article 29 Working Party composed of national data protection authorities, who has a key role in ensuring a coherent interpretation and enforcement of the new rules, in particular through the issuance of guidelines on key aspects of the new legislation. In 2017 DG JUST organised a number of events to reach out to stakeholders on GDPR, such as representatives of the health sector and SMEs. DG JUST is also supporting awareness-raising and compliance efforts undertaken at national level by awarding grants that can be used to provide training within data protection authorities, public administrations, legal professions and to data protection officers to familiarise them with the Regulation. Moreover, DG JUST issued a restricted call for proposals to support awareness-raising activities carried out by Data Protection Authorities at national level aimed at citizens and SMEs (to be allocated in 2018). DG JUST set up a multi-stakeholder group on GDPR to get the views of businesses, civil society, practitioners and academics on certain issues related to this legislation, in particular how to achieve an appropriate level of awareness about GDPR among stakeholders. Finally, DG JUST launched a study on the issue of certification contracted with external experts which will, among others, feed into the Commission's reflection on whether to make use of the empowerment to issue implementing or delegated acts granted under the GDPR.

¹¹ The DESI baseline value has been retained as reported in the DG JUST Strategic Plan 2016-2020

Specific objective 2.1 Highest level of protection of privacy and personal data				Related to spending programme Rights, Equality and Citizenship	
Result indicator: awareness of individuals and Member States of the new data protection rules incl. existence of supervisory authorities					
Source of data: EU Commission					
Baseline (2015 ¹²)	Interim Milestone (not applicable)			Target (2022)	Latest known results (EB 431 (2015 ¹³))
Current awareness level: 37% have heard about a public authority in their country responsible for protecting their rights regarding their personal data (EB 431 (2015))				>50%	37%
Planned evaluations: 2022 Commission evaluation report on the General Data Protection Regulation					
Result indicator: Number of Schengen evaluations per year					
Source of data: : EU Commission					
Baseline (2015)	Interim Milestone			Target (2019) Schengen evaluation, annual planning agreed with MS	Latest known results (2017)
	2016	2017	2018		
5	6	6	5	Total of 27 (+5)	6

¹² Last Eurobarometer on data protection was conducted in 2015

¹³ DG JUST will request national data protection supervisory authorities to provide data regarding awareness of individuals and Member States of the new data protection rules including existence of supervisory authorities. DG JUST will also submit its report about the GDPR in 2020.

Main outputs in 2017:**All new initiatives and REFIT initiatives from the Commission Work Programme**

Output	Indicator	Target	Latest known results (31/12/2017)
Regulation on the protection of individuals with regard to the processing of personal data by the Union institutions, bodies, offices and agencies Planning JUST/2014/032	Adoption of the Regulation by the College	January 2017	January 2017

Specific objective: Increased share of businesses and consumers engaging in online cross-border trade of goods and digital content, enhanced consumer and business confidence in buying and selling online, as well as in accessing and making use of digital content

The 2017 edition¹⁴ of the Consumer Conditions Scoreboard found a contrasting picture on the progress in the uptake of e-commerce among EU consumer and retailers respectively. While the proportion of consumers buying online continues to increase steadily (and, moreover, there is a breakthrough increase in confidence in online shopping from other EU countries), the proportion of retailers selling online has been stagnant. This suggests that continued efforts are needed to address supply-side and regulatory barriers that are constraining the further development of the Digital Single Market.

During 2017 DG JUST continued to advance negotiations on the proposals for two Directives aimed at addressing varying national legislation in the area of key mandatory consumer contract law rules, identified as obstacles to cross-border trade. Trilogues started on the proposal for fully harmonised rules on conformity and remedies for defective digital content. Progress was also made on the proposal for harmonised rules on conformity and remedies for defective goods after the Commission, taking into account the concerns of the co-legislators, the results of the fitness check of relevant EU consumer legislation and an impact assessment commissioned by the European Parliament, proposed the extension of the scope of the original proposal on online and distance sales to face-to-face sales (COM(2017)637 final).

DG JUST also furthered its analysis of the challenges and opportunities posed by the emergence of the data economy for citizens and businesses. It contributed to the Communication on the European Data Economy (COM(2017)9), on the basis of which a comprehensive public consultation and structured dialogue with stakeholders was launched. In this context DG JUST co-organised various workshops with DG CNECT, notably on the legal challenges related to the contractual transfer of/access to data and to liability for damages caused by robots and artificial intelligence, as well as in the context of the Internet of Things.

¹⁴ The 2017 edition of the Consumer Conditions Scoreboard is based on data collected in 2016.

A study investigating five peer-to-peer (P2P) platform markets and identifying the main issues for consumers and providers active in such markets from the perspective of consumer policy was published in June 2017 with a series of ten supporting case studies in July 2017. It showed that over half of consumers (55%) had at least one problem with peer platforms over the past year, mostly related to the poor quality of goods or services, or to the goods and services not being as described. About 60% of peer consumers experienced lack of information on the identification of holders of responsibilities in case of problems, possible responsibilities of the platform, and on right to compensation or reimbursement. A very small group of 20 of the 485 platforms found operating in the EU were very large, while 81% are small or medium-sized. More than half of the revenue and expenditure on both collaborative and (re)sale of goods platforms is generated by 10% of peers.

During 2017, DG JUST implemented a comprehensive action plan to further improve the effectiveness of the European Online Dispute Resolution (ODR) platform that the Commission has established and operates under Regulation (EU) No 524/2013 to strengthen consumers' and businesses' trust in online retail, including cross-border online retail. *Inter alia*, the Commission conducted a full performance analysis for the ODR platform including two user surveys, and revamped the platform's homepage and messaging, thereby improving the platform's user-friendliness and making the process on it more engaging for consumers and traders. The Commission also conducted a number of communication activities aimed to increase the platform's uptake amongst consumers and traders, including dialogues with key retailers and a communication campaign targeting consumers. The Commission published a Report on the ODR platform's first year of operation and a study on online traders' compliance with their legal obligation to provide a link to the ODR platform on their website.¹⁵ By the end of 2017, the platform had attracted more than 53.000 consumer complaints and 4.5 million unique visitors since its launch in February 2016.

The Consumer Protection Cooperation (CPC) Regulation was updated in 2017 in order to better enforce EU consumer law, in particular in the digital environment. The new CPC Regulation (EU) 2017/2394¹⁶, will enter into force in January 2020. It will improve the current framework by:

- Extending the scope of the CPC Regulation to infringements of short duration, which have already ceased before the enforcement starts, such as short term misleading advertising campaigns, infringements committed by multinationals in parallel in several Member States and it will also cover some additional consumer legislation (e.g. Article 20 of the Services Directive, geoblocking regulation, transport or financial services legislation);
- Strengthening of the minimum powers of the competent authorities to cooperate in the cross-border context, and especially to faster tackle bad online practices such as the power to carry out test purchases and mystery shopping, to suspend and take down websites, to impose interim measures, and to impose penalties proportionate to the cross border dimension of the practice incriminated;
- Putting in place stronger coordinated mechanisms to investigate and tackle widespread infringements;

¹⁵Both, the Report and the study can be downloaded here: https://ec.europa.eu/info/online-dispute-resolution-1st-report-parliament_en.

¹⁶OJ L 345/3 of 27.12.2017 - <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R2394&from=EN>

- allowing external bodies such as consumer and trade associations (invited to do so by Member States) and European Consumer Centres to post alerts and signal issues to the authorities and the Commission.

Specific objective 2.2 Increased share of businesses and consumers engaging in online cross-border trade of goods and digital content, enhanced consumer and business confidence in buying and selling online, as well as in accessing and making use of digital content		Related to spending programmes Rights, Equality and Citizenship Consumer	
Result indicator: Variation in business confidence in cross-border online selling Source of data: Retailers' survey informing Consumer Conditions Scoreboard, frequency: biennial			
Baseline (2014) ¹⁷	Interim Milestone n/a	Target (2020)	Latest known results (2016)
For 52.3% ¹⁸ of retailers currently selling online, <i>differences in national consumer protection rules and/or differences in national contract law</i> ¹⁹ are important obstacles to developing their sales to other EU countries	n/a	By 2020, the share of EU retailers still thinking that consumer contract law differences constitute an obstacle to cross-border e-commerce should decrease significantly. This decrease could reach up to 10 percentage points	47.8
Result indicator: Variation in consumers' confidence in cross-border online shopping. Source of data: Consumer survey informing the Consumer Conditions Scoreboard, frequency: biennial			
Baseline (year)	Interim Milestone n/a	Target (2020)	Latest known results (2016)
36.7% ²⁰ of EU consumers feel confident about purchasing online from another EU country	n/a	Increase of about 5 percentage points	57.8

¹⁷ The survey on Retailers Attitudes towards cross border trade and consumer protection was conducted in 2014 but results were published in 2015 (in the framework of the 11th Consumer Conditions Scoreboard)

¹⁸ Due to a methodology change in the survey on which the indicator is based ("Retailers attitudes towards cross border trade and consumer protection"), the figure for 2014 is not directly observable. It is therefore estimated on the basis of the change observed between 2014 and 2016 (computed on data based on a comparable methodology)

¹⁹ The indicator refers to the % of persons who have expressed their agreement on the fact that any of the two obstacles is important

²⁰ Due to a methodology's change in the survey on which the indicator is based upon ("Consumers attitudes towards cross border trade and consumer protection"), the figure for 2014 is not directly observable. It is therefore estimated on the basis of the change observed between 2014 and 2016 (computed on data based on a comparable methodology)

Result indicator: Increase in the share of businesses and consumers engaging in cross-border trade online
Source of the data: for businesses: Retailer survey informing Consumer Conditions Scoreboard (biennial), for consumers: Annual survey on ICT usage in households and by individuals, Eurostat

Baseline (2014) ²¹	Interim Milestone n/a	Target (2020)	Latest known results (2017)
<p>Businesses: Among all EU retailers, 11% sell online to consumers in other EU countries. Among businesses who sell online, about 27%²² sell cross-border.</p> <p>Consumers: Among all EU consumers, 15% buy online from another EU country. Among consumers buying online, about 29% buy cross-border.</p>	n/a	<p>Businesses: Increase by 5 percentage points of retailers selling online cross-border.</p> <p>Consumers: Increase the number of online buyers who make cross-border purchases by 5.3 percentage points.</p>	<p>Businesses: Among all EU retailers, 11% sell online to consumers in other EU countries. Among businesses who sell online, about 29% sell cross-border (2016).</p> <p>Consumers: Among all EU consumers, 19% buy online from another EU country. Among consumers buying online, about 33% buy cross-border (2017)</p>

Main outputs in 2017

Important items from work programmes/financing decisions/operational programmes

²¹ The survey on Retailers Attitudes towards cross border trade and consumer protection was conducted in 2014 but results were published in 2015 (in the framework of the 11th Consumer Conditions Scoreboard). Due to a methodology change in the survey on which the indicator is based upon ("Survey on Retailers attitudes towards cross border trade and consumer protection"), the figures for 2014 are not directly observable. They are therefore estimated on the basis of the changes observed between 2014 and 2016 (computed on data based on a comparable methodology)

²² The baseline has been set at the value estimated in 2014 on the basis of the change observed between 2014 and 2016 (computed on data based on a comparable methodology)

Output	Indicator	Target	Latest known results (31/12/2017)
Grants for joint actions to improve cooperation between national authorities responsible for the enforcement of consumer protection laws	Publication of the call for proposals	Q1 2017	Q2 2017
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Two Directives on the supply of digital content and on the online and other Distance Sales of Goods	<p>Progress in the negotiations at the Council Working Groups organised by the MT and EE presidencies.</p> <p>Progress in negotiations in the European Parliament: vote in the Committees on both proposals.</p>	<p>June 2017/December 2017</p> <p>May/June 2017</p>	<p>Trilogues on the digital content proposal started in December 2017</p> <p>In October 2017 the Commission amended its original proposal on online sales of goods to extend it to all sales which allowed substantive discussions to proceed in the Council</p>
Commission Communication on the emerging issues in the data	Adoption by Commission	Q1 2017	Q1 2017

economy Planning 2016/CNECT+/001			
Update and modernisation of the CPC Regulation	Adoption by Council and Parliament	Mid 2017	December 2017

A Deeper and Fairer Internal Market with a Strengthened Industrial Base

General objective 4 A Deeper and Fairer Internal Market with a Strengthened Industrial Base

Impact indicator: Intra-EU trade in goods (% of GDP)

Source of the data: Eurostat

Baseline (2014)	Target (2020)	Latest known results (2015)
20.8%	Increase	20.3%

Impact indicator: Intra-EU trade in services (% of GDP)

Source of the data: Eurostat

Baseline (2014)	Target (2020)	Latest known results (2015)
6.3%	Increase	6.6 %

Specific objective: Empowered energy consumers and enhanced competition through improved and comparable information on billing and offers, and improved tools for comparison and switching. A coherent framework to protect and incentivise consumers to opt for smarter consumption modes and selfgeneration.

In order to consolidate and update its evidence base regarding consumer requirements for improved and comparable information on billing and offers, as well as comparison tools and switching, DG JUST launched in 2017 a study on "*Pre-contractual information and billing in the energy market – improved clarity and comparability*". The objective of the study is to explore ways of improving comparability and clarity of pre-contractual information and billing information and how bill format and content can also encourage behavioural change towards, for example, reduced consumption or choosing green energy offers. In this sense, it investigates possible minimum requirements for pre-contractual information (offers) and bills that could ensure increased clarity, comparability and transparency of contractual conditions, energy prices and consumption information. It covers the 28 EU Member States, plus Norway and Iceland. The study includes desk research, consumer and stakeholder surveys, price collection and has a behavioural focus. The behavioural experiments will seek to identify how the format of pre-contractual information and elements of energy offers and bills affect consumer choice and understanding and assess which formats encourage consumer switching and shopping around. The final study report should be available in spring 2018 and should help Member States implement the sets of new rules on billing information introduced in

the revised electricity Directive.

Furthermore, in order to consolidate evidence on the transition of traditional energy consumers towards self-generation, DG JUST finalized and published in November 2017 a Study on Residential Energy Prosumers and detailed Member State factsheets as accompanying documents to the 3rd Report on the State of the Energy Union. The Study examines the various incentives and barriers faced by prosumers, provides a mapping of the regulatory and administrative conditions for prosumers in the Member States, and includes projections of future levels of self-generation uptake for PV panels, looking ahead to 2020 and 2030.²³

Finally, DG JUST launched an *Awareness Raising Campaign on Energy Efficiency* targeting energy poor and budget conscious households to increase awareness by consumers of their rights. The Campaign will also provide consumers with energy-saving tips and information on low-cost energy efficiency improvements. The Campaign started in the Czech Republic with a stakeholder meeting held in Prague in November 2017. The contractor is developing communication materials which also take into account the findings from the stakeholder meeting. If it is considered satisfactory, this pilot campaign should also cover Romania, Greece, and Portugal. DG JUST also ensured the mainstreaming of consumer policy in various Commission initiatives in the area of a green, low-carbon and circular economy and contributed to initiatives to support more sustainable consumption patterns for the benefit of both environment and consumers. For example, DG JUST held, together with consumer enforcement authorities, a workshop hosted by the Swedish Consumer Agency in December, on misleading environmental claims and the Unfair Commercial Practices Directive. It also launched a behavioural study on consumer engagement in a circular economy which will provide insights on consumer attitudes and behaviour regarding the durability and reparability of products to inform possible future policy initiatives at the EU, national or regional level. It also provided technical and policy input on various green economy files relevant for consumers, such as Ecodesign and Energy labelling preparatory work, the different mobility packages including the 2030 CO2 standards for cars, the EU Ecolabel REFIT, Sustainable Finance, tyre labelling, plastics strategy and drinking water legislation.

²³ https://ec.europa.eu/commission/publications/accompanying-documents-state-energy-union_en

Specific objective 4.1 Empowered energy consumers and enhanced competition through improved and comparable information on billing and offers, and improved tools for comparison and switching. A coherent framework to protect and incentivise consumers to opt for smarter consumption modes and self-generation.			Related to spending programme Consumer Programme	
Result indicator: Performance of consumer energy markets as measured by the Consumer Markets Scoreboard				
Source of the data: Consumer Markets Scoreboard				
Baseline (2013)	Interim Milestone		Target 2020	Latest known results (2016)
	2015	2017		
73	76.7	77	78	77.8 ²⁴
Result indicator: Comparability of offers by different electricity providers (on a scale from 0 to 10)				
Source of data: Market Monitoring Survey, reported in Consumer Markets Scoreboard				
Baseline (2013)	Interim Milestone		Target 2020	Latest known results (2016)
	2015	2017		
6.4	6.7	6.9	7	6.8
Result indicator: Comparability of offers by different gas providers (on a scale from 0 to 10)				
Source of data: Market Monitoring Survey, reported in Consumer Markets Scoreboard				
Baseline (2013)	Interim Milestone		Target 2020	Latest known results (2016)
	2015	2017		
6.6	7.1	7.2	7.3	7.2

Main outputs in 2017			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Awareness-raising action on energy consumer rights such as switching, and household energy efficiency improvements aiming at helping to reduce energy bills and improve quality of life	Launch of the action	Q2/Q3 2017	Q4 Interest of involved stakeholders (Ministries, consumer organisations, etc.) confirmed

²⁴ Data for 2017 will be reported in the 2018 Consumer Markets Scoreboard and refer to EU28. This indicator is monitored with a biennial frequency.

Specific objective: Consolidated and improved consumer rights in the internal market

The Bureau Européen des Unions de consommateurs-BEUC is co-funded under the management of Chafea executive agency. BEUC investigates EU decisions and developments likely to affect consumers, with a special focus on five areas: Financial Services, Food, Digital Rights, Consumer Rights & Enforcement and Sustainability. Under the current Framework Partnership Agreement (FPA) 2015-2018, BEUC submitted a proposal for 2018 Specific Grant Agreement (SGA). EU contribution to its operating grant was increased to EUR 1.750.000€ (the amount was increased by 350.000 €).

Chafea also manages the "Consumer Champion" project to promote collaboration and sharing of information. This initiative includes capacity building programmes for Consumer professionals through training courses and networking opportunities. This year those courses were also opened to new target groups such as EU staff members, NGOs, lawyers, academics and students. . The local courses were particularly successful as they created a unique space for learning as well as networking purposes as they allowed to gather all key players (consumer organisations, regulators, central and local authorities, etc.). An on-line platform set up to engage consumer professionals and easy exchange of information and material will require some adaptations to improve technically its accessibility and better complement face-to-face courses.

With the aim of promoting consumer education among secondary schools, the "Consumer Classroom" initiative helps teachers educate young people so that they consume in a conscious way and understand their role as actors in the economic system. This year, European teachers were invited to involve their students in creatively sharing their ideas on a range of topics including energy consumption, energy efficiency, sustainable consumption, etc. Through the competition, an Online Energy Consumption Tool Kit for Teens was set up.

In May 2017, the Commission finalised a comprehensive evaluation of the key pieces of EU consumer and marketing law as part of a REFIT Fitness Check and an assessment of the Consumer Rights Directive. The findings confirmed that overall, the current rules are still fit for purpose, also in the Digital Single Market, if enforced and applied properly. Some targeted improvements of the current EU consumer law directives, as well as reinforcement of their private enforcement through representative organisations defending collective consumer interests, which will be pursued in 2018 within the New Deal for Consumers, announced in the 2018 Commission Work Programme.

Within the spirit of the Fitness Check findings to raise awareness among consumers and traders on their rights and obligations stemming from EU consumer law, DG JUST ensured that the Consumer Law Ready training project for SMEs kicked off in spring 2017 and made sure that all training materials were of high quality.

The content update of the new Consumer Law database was carried out throughout 2017; however its launch as part of the e-Justice Portal was further delayed due to technical problems. It is now scheduled for spring 2018.

In parallel, DG JUST continued its thorough compliance checks of national transposition measures, in particular of the Consumer Rights Directive 2011/83/EU and of the Unfair Commercial Practices Directive 2005/29/EC. For the latter, we were able to close four infringement proceedings in 2017 due to satisfactory legislative amendments made by Member States.

DG JUST also organised two further workshops (4th and 5th) with Member States to assist them in the transposition of the new Package Travel Directive 2015/2302 which needs to be transposed by 1 January 2018.

To enhance consumer rights, strong consumer organisations and competent public bodies (at national, regional and local level, public or private) are needed to follow the rapid development and increasingly complex retail markets, to act to counterbalance market asymmetries and to advocate consumer interests.

DG JUST is supporting the efforts by consumer organisations, including through the strengthening of the role of the European Consumer Consultative Group (ECCG), to make it and its individual members more active partners of EU, and of national authorities in the design and implementation of consumer policies, which are very relevant for a successful implementation of the New Deal for Consumers.

The 2017 Consumer Conditions Scoreboard was launched at a press conference by Commissioner Jourova in July and evidenced significant developments, notably a broad improvement in consumer conditions across the EU (in particular on Knowledge and Trust and on Compliance and Enforcement) and a surge in consumer confidence in online shopping, especially in buying online from other EU countries. The Scoreboard's findings informed the preparation of the New Deal for Consumers.

An in-depth study on consumer detriment and a behavioural study on consumer decision making in insurance markets were finalised and published in 2017.

In order to strengthen consumer confidence and better protect the rights of consumers in the Internal market, the CPC network initiated and continued a number of coordinated actions and activities.

As more and more consumers were targeted by fraud and scams through **social media**, a Joint CPC action was initiated, in view of keeping the social media environment safe and consumers (especially vulnerable groups) free from the risks posed by illegal commercial practices through social media platforms. Consumer Protection Cooperation (CPC) authorities adopted a common position and asked the main social media operators (Facebook, Twitter, Google+) to establish a "notice and action" procedure for the reporting of illegal commercial practices. They also requested a change of certain Terms and Services that were deemed unfair in EU law. In mid-November 2017, CPC authorities sent final comments on the operators' proposals and asked them to complete and implement the necessary changes by end of 2017. A detailed table of the improvements and modifications that have been achieved, but also of the issues that these operators failed to address, was published early 2018.

In January 2017, the CPC-network published the commitments made by the five major **car rental companies**. The companies committed to pricing transparency and clearer terms and conditions: clarity on insurance and waiver policies and tank refuelling options, and more fairness when handling damages. In 2017 the CPC network closely monitored the car rental sector, as consumers still continue experiencing difficulties when contracting car rental services. A specific study to assess the results of the coordinated action was produced in 2017 and it concluded that in the various countries examined, the picture appeared generally improved with regard to the commercial practices of the five major car rental companies.

Following the revelation in the US that the **Volkswagen Group** had used defeat devices in diesel cars to pass pollutant emission tests, it was confirmed that non compliant defeat devices were used in approximately 8.5 million cars in Europe. In September 2017, the CPC authorities sent to VW a common position which expressed their concerns about the

repair and the guarantee of the VW cars and urged the group to swiftly repair them. In December 2017, Volkswagen committed to continue to offer the repair for free throughout 2018. CPC authorities continue their dialogue with Volkswagen to ensure that the company will meet all the requirements in their common position.

In September 2017, regarding the problem of **dual quality of food**²⁵ identified in some Member States, DG JUST drafted an interpretative notice which provides concrete guidance to competent national enforcement authorities on how to apply existing EU food and consumer protection legislation to potential cases of dual quality of food. Furthermore, DG JUST offered specific funding to the Commission's Joint Research Centre (JRC) to develop and implement a harmonised testing protocol in order to gather scientific evidence regarding the scope and dimension of the issue. It also offered funding to Member States to develop enforcement capacities. Both funds were made available under the Consumer Programme.

²⁵ This problems concern food sold in a similar package and branding in various EU countries but which present significant differences in their composition or characteristics.

Specific objective 4.2 Consolidated and improved consumer rights in the internal market		Related to spending programmes Rights, Equality and Citizenship Consumer	
Result indicator: consumer conditions index (data available every two years):			
<ul style="list-style-type: none"> - Knowledge and Trust - Compliance and Enforcement - Complaints and Dispute Resolution 			
Source of data: Consumer and retailer surveys for the Consumer Conditions Scoreboard (biennial frequency)			
Baseline (2014) ²⁶	Interim milestone (2018)	Target (2020)	Latest known results (2016)
Knowledge and Trust 55.06 (out of 100)	58	60	59.30
Compliance and Enforcement 71.91 (out of 100)	74	75	75.00
Complaints and Dispute Resolution 58.97 (out of 100)	61	63	60.34

Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Indicator	Target	Latest known results (31/12/2017)
Fitness Check of EU consumer and marketing law, covering Directive 2005/29/EC (Unfair Commercial Practices Directive); Directive 99/44/EC (Sales and Guarantees Directive); Directive 93/13/EEC (Unfair Contract Terms Directive); Directive 98/6/EC (Price Indication Directive); Directive 2006/114/EC (Misleading and Comparative Advertising Directive); Directive 2009/22/EC (Injunctions Directive). Planning 2017/JUST/023	Adoption by the Commission of the final report on the Fitness Check	Q2 2017	May 2017 SWD(2017)209 final

²⁶ Due to a methodology change in the surveys on which the indicator is based upon (Surveys on Consumers and Retailers attitudes towards cross border trade and consumer protection), the figures for 2014 are not directly observable. They are therefore estimated on the basis of the changes observed between 2014 and 2016 (computed on data based on a comparable methodology). This result indicator is also referenced in programme statements for the Consumer programme.

Follow-up of Fitness Check (including a possible legislative proposal) Planning 2017/JUST/063	Adoption by the Commission	Q4 2017	Submission of draft Impact Assessment to RSB in December 2017 Adoption planned for Q2 2018
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Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target	Latest known results (31/12/2017)
EU Pilot Project: SME training in the field of consumer law	Timely delivery by contractor of intermediate results of acceptable quality	From Q3 2017	Training material finalised; Training of lead trainers (1 per MS) done; first training of local trainers kickstarted in the UK and Ireland end 2017; website launched February 2018
Consumer Law Database	Full integration in and accessibility via e-Justice Portal	Q3 2017	Content update finalised; to be launched spring 2018 as part of e-Justice portal
Capacity building of consumer organisations (notably Consumer Champion) through online training modules, local training and best practise exchange via the community online platform.	Launch of the action	Q2/Q3 2017	Q2
Financial contribution to the functioning of a Union-level consumer organisation representing consumer interests (Operating grant)	Launch of the call	Q1 2017	Q2
Enhancing consumer education (Consumer Classroom) including the	Launch of the action	Q2 and Q4 2017	Q2 and Q4 (2 specific requests for

teachers' interactive on-line platform on consumer education, the development of education measures and materials and promotional activities			services)
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Evaluation of the Directive 2011/83/EU on consumer rights Planning 2017/JUST/001	Transmission of report to the European Parliament and the Council	Q2 2017	Adoption on 23 May 2017, COM(2017)259 final and SWD(2017)169 final
Negotiation authorisation for possible EU accession to the UN World Tourism Organisation (UNWTO) Convention on the protection of tourists and the rights and obligations of tourism service providers Planning 2015/JUST/056	Adoption of a Council Decision authorising the opening of negotiation and negotiating directives	Q1 2017	Council Decision adopted in March 2017
Consumer Conditions Scoreboard Planning 2017/JUST/062	Publication by the Commission	Q3 2017	Published in July 2017 and launched at a press conference by Commissioner Jourova

Specific objective: Consolidated and enhanced product safety through effective market surveillance in the Union

In the area of product safety, DG JUST made considerable technical improvements in the **Rapid Alert System for dangerous non-food products**, facilitating the exchange of information between Member States and the Commission on measures taken against dangerous products, and boosting public access to the relevant information. Cooperation between national authorities continued at a sustained level, as evidenced by the stable ratio of reports from other authorities to serious-risk-notifications.

The Commission continued to support national authorities towards a consistent approach to better **enforce product safety legislation** across the internal market. The exchange of best practices between national officials increased in 2017. Expert work has started to modernise co-ordinated market surveillance activities by national authorities which would facilitate future action facing new and emerging product safety issues. Time was invested to optimally revise the financing modus for these activities, passing from grants to

procurement, to make the future implementation more efficient and flexible. Therefore, no enforcement actions were financed under the 2017 budget. DG JUST also increased contacts and meetings with the Member State authorities to bring to the fore common challenges and find pragmatic solutions, as was the case for the risk assessment of chemicals, for which definite opinions of the Scientific Committees are available.

As a result, consumers in the EU benefit from synergies between national market surveillance and enforcement authorities and enjoy safer products on the internal market.

Work also continued with experts and stakeholders to address **challenges to product safety posed by e-commerce**. The Commission has adopted guidance to help national authorities to effectively enforce product safety rules regarding products sold online. A new e-enforcement academy for national officials was also created and kicked-off with targeted training in the field of online market surveillance.

As a big share of dangerous consumer products originate in third countries and as countries around the world face similar product safety challenges, DG JUST continued to step up **international cooperation**. Multilateral collaboration continued in the context of the relevant OECD working group, as well as bilateral work with the competent authorities in the U.S. and in China. DG JUST participated in training Chinese manufacturers with regard to EU product safety requirements, pursuing the objective to improve product safety at source. DG JUST also started negotiations with Canada to conclude an international agreement on the exchange of information on dangerous products.

To maintain a high level of consumer safety, in particular for young children as an important group of vulnerable consumers, the Commission has published in the Official Journal the references to the newly revised **European standards on child safety for lighters and baby carriers**. Products compliant with those standards are presumed to be safe. European standards are voluntary but widely used as an efficient tool of (co-) regulation. They serve both market access and consumer safety.

Specific objective 4.3 Consolidated and enhanced product safety through effective market surveillance in the Union			Related to spending programme Consumer
Result indicator: ratio number of reactions/number of RAPEX notifications (serious risks) Source of data: GRAS-RAPEX system			
Baseline (2010)	Interim Milestone 2017	Target 2020 (increase of 15 % as agreed in the Consumer Financial Programme 2014-2020)	Latest known results (2017)
1.07	1.15	1.23	1.66

Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Commission (implementing) decisions under the General Product Safety Directive 2001/95/EC on safety requirements to be met by European standards, on the publication of references of certain standards, on standardisation requests to the European Committee for Standardisation	Adoption by the Commission	2017	Decision on the publication of references for child safety requirements for lighters and baby carriers adopted
RAPEX related IT tools	Services for the maintenance of and upgrades to the IT systems for RAPEX financed under the 2017 annual work programme	No disruption of RAPEX IT systems and necessary maintenance and upgrades	Delivered
Grants in support of cooperation and uniform application of EU consumer product safety legislation including international aspects	Number of product specific joint enforcement actions under the 2017 annual work programme and number of Member States participating	3-4 product specific joint actions, and 66% of Member States participating in overall joint enforcement actions	No product specific joint enforcement actions started in 2017
Support to the exchanges of EU Member States and EFTA/EEA enforcement officials in the area of consumer safety (Directive 2001/95/EC)	Number of Member States' officials participating in funded exchange of officials under the 2017	30	55
Educational campaign to children/young people/parents on the correct and safe use of certain products such as child care products or other consumer products where misuse would entail specific risks.	Launch of the action	Q3 2017	Postponed and to be covered by communication in the context of the New Deal for Consumers

Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Cooperation and uniform application of EU consumer product safety legislation including international aspects	Number of product specific joint enforcement actions under the 2017 annual work programme and number of Member States participating	3-4 product specific joint actions, and 66% of Member States participating in overall joint enforcement actions	No joint enforcement actions started in 2017.

Specific objective: Easier resolution of disputes and recovery of claims, including across borders, for consumers and individuals

The revised rules on the European Small Claims Procedure entered into force in July 2017. They now cover claims of up to 5,000 euros and serve the consumers with simpler, faster and more relevant procedures. The European Account Preservation Order (EAPO) Regulation applies from 2017, but work continues to ensure its proper operation.

Specific objective 4.4 Easier resolution of disputes and recovery of claims, including across borders, for consumers and individuals		Related to spending programmes Rights, Equality and Citizenship Consumer	
Result indicator: use of (a) European Small Claims procedure, (b) European Account Preservation Order			
Source of data: impact assessments			
Baseline	Interim Milestone 2018	Target (2020)	Latest known results
(a) 2013: current number of claims filed is 3500 per year ESCP will enter into force in mid-2017	Additional 860 claims filed per year (increase of around 25% compared to the current number)	10,000 claims filed	3500 claims (2013)
(b) 2010: 11,6% of companies engaged in cross-border trade have applied for a	n/a	19,2% of companies engaged in cross-border trade would have applied for a	11,6% of companies engaged in cross-

preservation order Regulation applies as from January 2017		preservation order	border trade have applied for a preservation order (2010) ²⁷
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Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target	Latest known results (31/12/2017)
Support for the Online Dispute Resolution Platform including for translation work and hosting of the platform	Implementation of the Agreement for translation concluded between DG JUST and the Translation Centre for Performing the translations of all ADR outcomes;	Throughout the year 2017	Agreement implemented
Financial contributions for joint actions with bodies constituting the European Consumer Centres Network – ECC Net	Conclusion of the grant agreements with each ECC host	Q4 2017	Q4 2017- 23 FPAs 3 Framework Partnership Agreements and 9 Specific Gracts Agreements are concluded, , the remainder ones are being concluded early 2018
Capacity building activities in support of the European Consumer Centres; increasing the visibility and quality of services of European Consumer Centres	Conclusion of 1-2 service contracts	Q1 and Q3 2017	1 contract concluded in Q4 2016 and implemented in November 2017

²⁷ The data provided for both indicators (a) and (b) comes from impact assessments accompanying proposals for these instruments (European Small Claims Regulation (point a above) and European Account Preservation Order Regulation (point b)) and more recent data is currently not available. However, both instruments provide an obligation for Member States to collect certain data. DG JUST is currently discussing the development of data collection with Member States in the context of the European Judicial Network in civil and commercial matters.

Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Delegated Act on the European Small Claims Procedure	Adoption by the Commission	Q2 2017	June 2017
Report on collective redress Planning 2016/PLAN/405	Adoption by the Commission	Q2-3 2017	January 2018
Report on the functioning of the ODR platform	Adoption by the Commission	Q3-Q4 2017	Adopted in December 2017

Specific objective: Less differences between national insolvency regimes with the aim of increasing recovery rates, reducing time and costs of insolvency proceedings, and giving honest but bankrupt individuals a second chance in a reasonable time frame

In 2017, companies in difficulty were helped by better insolvency rules. The Regulation facilitating cross-border insolvency proceedings entered into force. It forms a basis for the planned EU-wide interconnection of insolvency registers. There was also steady progress in the negotiations on the proposal on preventive restructuring and second chance frameworks, relating to business insolvency. The objective of the proposal is to offer businesses an effective restructuring framework to avoid insolvency, as well as to give bankrupt - but honest - entrepreneurs a second chance by discharging their debts in a reasonable time period. It also includes measures aimed at enhancing efficiency and reducing the length and costs of all types of insolvency proceedings.

Specific objective 4.5		Less differences between national insolvency regimes with the aim of increasing recovery rates, reducing time and costs of insolvency proceedings; and giving honest but bankrupt individuals a second chance in a reasonable time frame	
		Related to spending programme(s) Justice	
Result indicator: recovery rates in insolvency proceedings			
Source of data: World Bank (Doing Business Index)			
Baseline (2014)	Interim Milestone	Target (2020)	Latest known results (2017)
	Not applicable.		
	(n/a)		
- maximum Finland: 90.1 cents on the dollar - minimum: Greece 34.9 cents on the dollar		Increase the average of recovery rate per Member State	- maximum Netherlands: 89.7 cents on the dollar - minimum : Croatia 32.7 cents on the dollar

Result indicator: average number of days of insolvency proceedings Source of data: World Bank (Doing Business Index)				
Baseline (2014)	Interim Milestone Not applicable.		Target (2020)	Latest known results (2017)
Shortest - Ireland: 0.4 years, Longest – Greece: 3.5 years	n/a		Shorten the time to resolve debts in Member States	Shortest -Ireland: 0.4 years, Longest – Slovakia: 4.0 years
Result indicator: average costs of insolvency proceedings Source of data: World Bank (Doing Business Index)				
Baseline (2014)	Interim Milestone Not applicable.		Target (2020)	Latest known results (2017)
The lowest costs - Belgium: 3,5 % of estate value The highest costs: Italy 22% of estate value	n/a		Reduce the costs of insolvency proceedings in Member States	The lowest costs – Belgium, Finland, The Netherlands: 3,5 % of estate value The highest costs: Italy 22% of estate value

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Proposal on preventive restructuring and second chance frameworks	Progress in the negotiations at the Council Working Groups organised by the MT and EE presidencies Progress in negotiations in the European Parliament: vote in the Committee	June /December 2017 December 2017	Steady progress in negotiations creating a solid basis for Council and European Parliament

			negotiations
Specific objective: More legal certainty for commercial and financial transactions in the internal market (e.g. assignment of claims)			

The Capital Markets Union Communication announces a Commission initiative to determine with legal certainty which national law shall apply to the third-party effects of transactions of claims and securities. To this effect, DG JUST and DG FISMA worked in 2017 to propose a regulation covering conflict of law rules applicable to the third-party effects of assignments of claims (JUST) and a Communication on existing EU conflict of law rules relating to securities (FISMA). This initiative is important for the functioning of financial markets, in particular to ensure legal certainty of financial transactions where claims are transferred or used as collateral. A joint public consultation covering both the area of assignment of claims and securities took place in 2017. The adoption of this two-fold initiative is expected - together with the CMU package - in March 2018.

In relation to Payment Accounts, DG JUST worked towards the adoption of three Commission Delegated and Implementing Acts relating to the standardised terminology and disclosure documents under the transparency chapter of the Payment Accounts Directive. The measures therein will be applicable across the EU by October 2018 and improve transparency and comparability of payment account fees.

DG JUST worked with DG FISMA to finalise the Consumer Financial Services Action Plan (adopted in March 2017) and has been working on its implementation since. In relation to consumer credit, DG JUST aims to put forward measures to improve credit worthiness assessment and are working with stakeholders to identify the risks and barriers to the cross-border provision of consumer credit and how to facilitate access to debt advice.

Specific objective 4.6 More legal certainty for commercial and financial transactions in the internal market (e.g. assignment of claims)

Related to spending programmes
Justice

Result indicator: Decrease in the difference in costs of cross-border transactions in securities to the level of domestic transactions in securities

Source of data: Deduction based on assumptions resulting from conservative estimates of cost differences between national transactions in securities and domestic transactions in securities contained on p. 25 of the Commission Staff Working Document accompanying the proposal for a Directive of the European Parliament and of the Council on legal certainty of securities holding and transactions (IMPACT ASSESSMENT) [unpublished]

Baseline 2009	Interim Milestone – Not applicable		Target (2020)	Latest known results (2017)
Costs of unclear conflict-of-law rules make a cross-border transaction in securities by 3,3 % higher than a domestic transaction in securities			Decrease the difference in costs of cross-border transactions in securities to the level of domestic transactions in securities by 2,8 %, that is from 3,3 % to 0,5 % by adopting EU rules on conflict-of-law on transactions in cross-border traded securities	This result indicator does not illustrate legal certainty for commercial and financial transactions anymore. Since DG JUST changed its approach in 2016, there will be no new measurement.

Main outputs in 2017:

Other important outputs

Output	Indicator	Target	Latest known results (31/12/2017)
Proposal on assignment of claims Planning 2017/JUST/015	Adoption	Q4 2017	Adoption postponed to Q1 2018

Specific objective: Better business environment for investors, stakeholders and companies in the EU, in particular SMEs, more development/integration of the European capital markets by developing efficient EU rules concerning the formation, operation and transformation of companies and on the relationship between a company's management, board, shareholders and other stakeholders

In 2017, DG JUST activities contributed in a number of ways to fostering a sound and predictable legal environment for business, while ensuring sufficient protection of interest affected by business operations, including shareholders, creditors, and employees.

DG JUST carried out in 2017 comprehensive preparatory work for a company law package as announced in the Commission Work Programme for 2017, with a view to making the best of digital solutions and providing efficient rules for cross-border operations whilst respecting national social and labour law prerogatives. In particular, extensive consultative work and data collection was carried out in 2017. The presentation of the package is expected early 2018.

As a result of the close cooperation between DG JUST and Member States, the interconnection of business registers went live in June 2017. This interconnection means an EU-wide electronic access to information on companies available in the Member State business registers via the European e-Justice portal. It will enable businesses, consumers, investors and authorities to know more about the companies they are dealing with or they want to do business with; it also ensures that company information is better updated in cross-border cases; all this increases transparency, trust and confidence in the Internal Market and further a connected digital single market.

As regards corporate governance, the adoption of the amended Shareholders Rights Directive in May 2017 by the EU co-legislator was an important step towards contributing to the long-term sustainability of EU companies, enhancing the efficiency of the chain of intermediaries and encouraging long-term shareholder engagement. DG JUST started working on implementing acts in 2017 in view of their adoption by September 2018.

With a view to furthering sustainable corporate governance, DG JUST followed in 2017 the Commission's work regarding sustainable finance and in particular the work of the High Level Expert Group on sustainable finance.

With regard to credit institutions and investment firms, DG JUST contributed to proposing in December 2017 a new prudential regime for investment firm supervision, including the rules on remuneration, corporate governance and transparency, aimed at making the regime more proportionate and better suited to the risk profile of investment firms.

At the same time, negotiations by the co-legislators continued on a 2016 proposal for amendments to the Capital Requirements Directive (CRD IV) and Regulation (CRR), relating inter alia to revision of the remuneration rules in order to take into account proportionality considerations and ensure better EU level harmonisation.

Specific objective 4.7 Better business environment for investors, stakeholders and companies in the EU, in particular SMEs, more development/integration of the European capital markets by developing efficient EU rules concerning the formation, operation and transformation of companies and on the relationship between a company's management, board, shareholders and other stakeholders			Related to spending programmes Justice	
Result indicator: regular increase in the number of limited liability companies in the EU. An increase in the number of limited liability companies in the EU would be an indication for a conducive environment for EU businesses, including SMEs. Source of data: Eurostat database ²⁸				
Baseline (2012)	Interim Milestone		Target (2020)	Latest known results (2015)
	(year)	(year)		
8.9 million	n/a	n/a	An increase in the number of limited liability companies in the EU ²⁹	11.9 million
Result indicator: regular increase in the number of EU companies which are controlled by companies from other MS (i.e. cross-border ownership/control, e.g. of subsidiaries, branches). An increase in the number of companies controlled by companies from other Member States illustrates the ability of companies to operate more easily across borders within the EU and to grow Source of data: Eurostat database ³⁰				
Baseline (2012)	Interim Milestone		Target (2020)	Latest known results (2014)
	(year)	(year)		
156,500	n/a	n/a	An increase in the number of EU companies controlled by companies from other MS ³¹	175,500

²⁸ Population of active limited liability companies in business demography by legal form statistics (from the structural business statistics database); aggregated data for EU-28.

²⁹ To be verified against the available data on an annual basis.

³⁰ Foreign controlled EU enterprises by country of the controlling entity from the structural business statistics database (inward FATS); aggregated data for EU-28.

³¹ To be verified against the available data on an annual basis.

Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Indicator	Target	Latest known results (31/12/2017)
Company Law Package, including initiatives to facilitate the use of digital technologies throughout a company's lifecycle, and cross-border mergers, divisions and conversion (the transfer of registered office) Planning 2017/JUST/011	Adoption of the legislative proposal	Q4 2017	Adoption of the legislative proposal planned in Q1 2018
Proposal on the law applicable to companies (linked to company law package) Planning 2017/JUST/007	Adoption of the legislative proposal	Q4 2017	Cancelled
Other important outputs			
Output	Indicator	Target	Latest known results (2017)
Setting up the Business Registers Interconnection in line with Directive 2012/17/EU	Business Registers interconnection goes live	June 2017	June 2017
Negotiations on the amendment of the Shareholders' Rights Directive	Adoption of the amendment by the co-legislators	Q1-2 2017	Adopted in May 2017
Negotiations on the amendments to the Capital Requirements Regulation and Directive, rules on remuneration and governance in financial institutions	Progress in the negotiations at the EP and in the Council	Q4 2017	In the Council, progress has been made. In the EP, a draft Report was delivered by the Rapporteur in November 2017.
Follow-up on public consultation and on the work of the High-level group on long-term and sustainable investment in view of contribution to the Strategy on sustainable finance	Contribution to the Strategy on sustainable finance as regards governance issues	Q3-4 2017	Interim report by HLG in September 2017, as preparation for future work on sustainable corporate governance, to be included in

			Action Plan on sustainable finance planned for Q1 2018
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An Area of Justice and Fundamental Rights Based on Mutual Trust

General objective 7 An Area of Justice and Fundamental Rights Based on Mutual Trust		
Impact indicator: Share of the population considering themselves as "well" or "very well" informed of the rights they enjoy as citizens of the Union		
Source of the data: Eurobarometer on Citizenship		
Baseline (2015)	Target (2020)	Latest known results (2016)
42%	Increase	50 %
Impact indicator: Citizens experiencing discrimination or harassment		
Source of the data: Eurobarometer on discrimination		
Baseline (2015)	Target (2021) The Eurobarometer takes place every 3 years.	Latest known results (2015)
21%	Decrease	21 % ³²
Impact indicator: Gender Pay Gap (GPG) in unadjusted form, EU-28		
Explanation: The unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.		
Source of the data: Eurostat		
Baseline (2013 - provisional figure)	Target (2020)	Latest known results (2016)
16.8%	Decrease	16.2 %

Specific objective: More effective national justice systems

In his 2016 State of the Union Speech, the President of the Commission highlighted the importance of an effective justice system and the rule of law: *"We Europeans also believe in independent, effective justice systems. Independent courts keep governments, companies and people in check. Effective justice systems support economic growth and defend fundamental rights. That is why Europe promotes and defends the rule of law."* The 2017 Annual Growth Survey also underlined how effective justice systems are necessary to support economic growth.

³² The latest known result comes from 2015. The measurement is based on the specific Eurobarometer.

To further contribute to this priority, DG JUST continued to monitor and support **justice reforms** in Europe. While outcomes differ per Member State and justice reforms often take years until their full implementation, a large number of Member States pursued their efforts to improve the effectiveness of their national justice systems. In the 2017 European Semester, 5 Member States (HR, IT, CY, PT, SK) received a country-specific recommendation on the need to improve the effectiveness of their justice systems. DG JUST also monitored 9 Member States (BE, BG, ES, LV, HU, MT, PL, RO, SI), in which justice reforms have been ongoing, and participated in the monitoring of justice reforms in Greece as part of an economic adjustment program.

DG JUST also prepared the **2017 EU Justice Scoreboard** to assist the Member States in achieving more effective justice by providing objective, reliable and comparable data on the quality, independence and efficiency of justice systems in all Member States.

Specific objective 7.1 More effective national justice systems		Related to spending programme Justice		
<p>Result indicator: percentage of MS who in year y+1 have implemented reforms to their judicial system made in the context of the European semester in year y</p> <p>Source of data: Country reports for the European Semester and the forthcoming EU Justice Scoreboards</p> <p>14 MS were subject to monitoring their reforms to their judicial system under the European Semester in 2015: progress in implementing measures to improve efficiency and quality of justice systems have been reported for all MS</p>				
Baseline (2015)	Interim Milestones (2016, 2017, 2018, 2019)		Target (2020)	Latest known results (2017)
0 %	100% of monitored MS show some progress in reforms		100% of monitored MS have implemented reforms with positive impact	100% (the MS that received justice-related CSR in 2015 and 2016 made at least limited progress)
<p>Result indicator: Cumulated number of legal practitioners trained on EU law or law of another EU MS</p> <p>Source of the data: own statistics</p>				
Baseline (year)	Interim Milestone		Target (2020)	Latest known results (2017)
	2016	2017		
87,134	420,000	490,000	700,000	638 000

Main outputs in 2017:**Other important outputs**

Output	Indicator	Target	Latest known results (31/12/2017)
The 2017 EU Justice Scoreboard. Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions.	On-time adoption (1 st quarter each year) of the annual EU Justice Scoreboard	Adoption of the EU Justice Scoreboard: March/April 2017	Adoption in April 2017
Justice reforms Country Reports and Country Specific Recommendation (European Semester)	On-time delivery to SG of JUST contributions on - country reports(Q1) - country specific recommendations in the context of the European Semester	- Q1 - Q2	On-time delivery for 14 MS (BE, BG, CY, ES, HR, HU, IT, LV, MT, PL, PT, RO, SI, SK)

Specific objective: Better EU financial markets with a sound framework to combat money laundering and terrorist financing
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After the adoption of the fully-fledged AML/CFT framework under the 4th AML Directive, the Commission was prompted by the tragic terrorist attacks of 2015-2016 and the Panama Papers to bring targeted amendments to further strengthen rules. In order to better protect the EU financial market, the revision focused on further enhancing the powers and cooperation of the FIUs, limiting anonymity of pre-paid instruments and virtual currencies, and bringing greater transparency via registers of bank accounts and making beneficial ownership registers more accessible. While it was expected that the trilogues would have ended in the first quarter of 2017, the co-legislators had difficulty in agreeing on some issues, more specifically on transparency of beneficial ownership and on politically exposed persons. In this respect, the trilogues took longer than expected and political agreement was reached in December 2017. The adoption procedure is expected in May 2018.

As regards the adoption of Regulatory Technical Standards (RTS) on additional measures in non-equivalent third countries and on the appointment of central contact points, these were delayed by European Supervisory Authorities and the need for a substantial legal revision of the Standards.

Reinforcing the cooperation between Financial Intelligence Units through appropriate measures was followed up with the adoption of a Staff Working Document in June 2017. As a consequence, it was decided to examine the need for regulatory measures to reinforce the cooperation between FIUs.

Three delegated acts were scheduled to be adopted in 2017. These were adopted by the Commission as planned. However, the first two of them were rejected by the European Parliament which considered that the scope of the acts should be revised. The Commission committed to revise its approach through a Roadmap that was submitted to the European Parliament and the Council in June 2017. This Roadmap led to the endorsement of the European Parliament of the third delegated act.

As regards the report on sanctions and monitoring and compliance measures based on article 22 of The Funds Transfer Regulation, the Commission first needed to receive the notifications by Member States on the sanctions and only afterwards assess them. Once all the notifications are received, DG JUST will do the assessment and write the report.

Finally, the adoption of an Implementing Decision regarding article 355 TFEU countries based on article 22 of The Funds Transfer Regulation (Regulation 2016/847) is a decision to be taken after a Member State provides a notification under art.24.

Specific objective 7.2 Better EU financial markets with a sound framework to combat money laundering and terrorist financing		Related to spending programmes Justice	
Result indicator³³: Regular increase in number of FIU.net requests per year. Within the preventative framework against money laundering and terrorism financing set by the 4 th AML Directive, aiming at ensuring full traceability of financial information, in case of suspicion of money laundering or terrorist financing, Financial Intelligence Units (FIUs) shall have access to the necessary information, including through requests made to other EU FIUs. An increase in the number of requests for information made between EU FIUs translates the level of cooperation and information sharing between FIUs within the EU. Source of data: FIUs (possible also Europol)			
Baseline (2015)	Interim Milestone	Target (2020)	Latest known results (2017)
17,140	n/a	An increase in the number of FIU.net requests per year	15 878 ³⁴

³³ As an additional indicator completing this data, one could envisage including the number of cross-border Suspicious Transaction Reports (STRs) that have been submitted by credit and financial institutions and other obliged entities and later disseminated to another MS. More importantly, the indicator of FIU.net requests alone is no longer sufficient because of the evolution of the system and it has to be completed by the number of cross-border STRs that have been disseminated to other MS through FIU.Net (or its successor), as done for 2016 already.

³⁴ The decrease compared to the year 2015 is due to the introduction of a new feature for cross-border reporting in FIU.Net (the so called "cross-border reports"). This new feature has been used large scale by all Member State FIUs since 2016. It enabled the exchange of 29 178 cross-border reports in 2017. As a result, FIUs sent less regular "requests" in 2017 by channelling information via this other cross-border reporting feature. In total, 45 056 exchanges of information were carried out in 2017 (i.e. 15 878 requests and 29 178 cross-border reports).

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Adoption of the proposal for a directive COM(2016)450	Adoption of the Directive by co-legislators	June 2017	Agreement in trilogue reached in December 2017
Adoption of a report on Supranational Risk Assessment according to Article 7 of Directive 2015/849	Adoption of a report	June 2017	Adopted in June 2017
Adoption of Regulatory Technical Standards (RTS) on additional measures in non-equivalent third countries and on the appointment of central contact points	Adoption of Regulatory Technical Standards	June 2017	In progress 1) RTS on central contact points prepared 2) RTS on non-equivalent third countries to be drafted by the ESAs Joint Committee
Reinforcing the cooperation between FIUs through appropriate measures	Decisions on appropriate measures	June 2017	Staff Working Document adopted in June 2017. Follow up Impact Assessment submitted to Regulatory Scrutiny Board in January 2018
Delegated acts on high-risk countries	Adoption of an amendment to the delegated acts	March, July, November 2017	Adopted as scheduled, rejection EP
Adopt a report on sanctions and monitoring and compliance measures based on article 22 of The Funds Transfer Regulation (Regulation 2016/847)	Adoption of a report	Last quarter of 2017	In progress
Adopt an Implementing Decision regarding article 355 TFEU countries based on article 22 ³⁵ of The Funds Transfer Regulation (Regulation 2016/847)	Adoption of an implementing decision	Last quarter of 2017	In progress

³⁵ This is about article 24 and not article 22 of the Regulation 2016/847.

Specific objective: Enhanced rights deriving from the citizenship of the Union

DG JUST followed up on the **Citizenship Report 2017**³⁶ which promotes EU citizenship rights and EU common values, enhances citizenship participation in the democratic life of the EU, reports on the simplification of the daily life for EU citizens, strengthens security and promotes equality.

To safeguard the essence of **EU citizenship** and its inherent values, DG JUST launched the fact-finding study on national schemes granting EU citizenship to investors. This will prepare the ground for the Commission to publish in the final quarter of 2018 its report on national schemes granting EU citizenship to investors.

Finally, DG JUST entrusted a network of Academics to contribute evidence in the field of citizenship to support policy making.

As regards strengthening security of the EU for its citizens and facilitating **free movement**, DG JUST finalized the study on EU policy options to improve the security of EU citizens' identity cards and residence documents of EU citizens residing in another Member State and of their non-EU family members.

In the field of **free movement**, DG JUST contributed to the work of Task Force 50 on the negotiations with the United Kingdom on its withdrawal from the EU on **safeguarding the rights of citizens**, which has been identified as one of the three priorities in these negotiations. Giving the dynamic of these negotiations, it was a challenge but indispensable to react under extreme time pressure. The EU concluded in December 2017 that sufficient progress has been achieved in the protection of the rights of its citizens in order to be able to allow the negotiations to proceed to their second phase.

Dialogues continued with a number of Member States on the implementation of **the EU acquis on free movement of EU citizens and their family members**, as the number of complaints, be it directly to the Commission or to Your Europe Advice and EDCC, remains very high.

In the field of **consular protection**, DG JUST assisted the Member States in the last phase of the implementation of the *Directive on the coordination and cooperation measures to facilitate consular protection for unrepresented citizens of the Union in third countries* by organising meetings of experts. The Directive, which represents a milestone in an area until then largely based on the intergovernmental approach, reinforces the right of EU citizens to consular protection by establishing clear coordination and cooperation measures among the Member States.

³⁶ COM(2017)30 of 31.1.2017

Specific objective 7.3 Enhanced rights deriving from the citizenship of the Union		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: Degree of delivery on the actions proposed in 2016 EU Citizenship Report The fulfilment of this specific objective can be influenced by political developments in Member States.			
Source of data			
Baseline (2016)	Interim Milestone 2018	Target (2019)	Latest known results (2017)
0% - 2016	50%	100% The target will be fixed in the 2016 Citizenship Report by defining a number of actions to be implemented in the following 3 years.	50%

Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Indicator	Target	Latest known results (31/12/2017)
Contribution to the White Paper setting out a vision for the future of the European Union (March 2017)	Contribution	Q1 2017	Contributed in Q1 2017
Enhancing the security features of ID cards and residence cards Planning 2016/JUST/050	Impact assessment study	Q3 2017	Study finalised in Q3 2017
Emergency travel documents for unrepresented citizens Planning 2017/JUST/017	Assessment of modernisation of rules	Q4 2017	Ongoing
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Awareness raising campaign on EU citizenship rights	Launch of the campaign	Q4 2017	Incorporated in overall COMM and EP campaign
Support to stakeholders: Foster the successful inclusion and	Number of grant agreements signed in	4	4

participation of mobile citizens in the host EU country's civic and political life	2017		
Network of academics on Union Citizenship	Signature of the contract	2017	Contract signed in November 2017

Specific objective: Enhanced rights enshrined in the EU Charter of Fundamental rights, including the rights of the child

During 2017, the Commission continued to mainstream the EU Charter of Fundamental Rights in its legislative proposals and main policy documents (eg. EU Migration Agenda, Digital Single Market, Security Agenda, etc.). Following the latest Interinstitutional Agreement on Better Regulation, it also became mandatory to spell out the Charter impact in explanatory memoranda. The Commission also monitored the application of the EU Charter in Member States, when implementing EU law and initiated infringement proceedings, where required.

The Commission Annual Report on the Charter describes key mainstreaming initiatives, as well as main proposals which aim at promoting rights and the Charter application by Member States. The 2017 Charter Report adopted in May 2017 was the basis for the Council Conclusions on fundamental rights adopted by the Council in October 2017.

In April 2017, the Commission adopted a Communication on the protection of children in migration, which set key actions to be taken at EU and national level to enhance the protection of children during all phases of migration (identification, reception, implementation of procedural safeguards and durable solutions). The Council adopted Conclusions in June 2017 welcoming it and recommending Member States to implement relevant actions and report back to Council and EP. Work is well advanced at EU level for the implementation of EU actions, including for instance the creation of a EU Guardianship Network; a database for best practice exchange on child protection in migration and an expert group has been established to monitor progress and challenges in the Member States. The 2017 Forum on the rights of the Child was devoted to the promotion of alternatives to the detention of children.

In 2017, the Council Decision on the Multiannual Framework of the Fundamental Rights Agency for the period 2018-2022 was adopted, thus allowing the Agency to efficiently carry out its tasks.

Following up on the 2016 Colloquium on Media and Democracy, DG JUST worked on whistleblower protection, by launching a public consultation and targeted stakeholder consultations, as well as a feasibility study on the basis of which it drafted an Impact Assessment (submitted to the Regulatory Scrutiny Board in December 2017). Work will continue in 2018 as announced in Juncker's State of the Union.

EU funding to increase Charter awareness and to promote rights of the child was provided as planned and reached the set target. The volume of applications for funding for rights of the child (including on violence against children) is always high and generally over-subscribed.

As per programme statements, the mid-term evaluation of the Rights, Equality and Citizenship Programme kicked off in 2017. More than 60% beneficiaries surveyed in this context indicated that funding received is effective to a high or a very high extent. The transnational dimension represents added value, promoting exchange of information as

well as mutual learning and dissemination of practice in the area of fundamental rights.

Specific objective 7.4 Enhanced rights enshrined in the EU Charter of Fundamental rights, including the rights of the child		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: number of States worldwide with whom all EU MS (except DK) have cooperation under the 1980 Convention on International Child Abduction			
Source of data			
Baseline (2015)	Interim Milestone (2017)	Target (2018) No specific target has been agreed but Member States are committed to cooperate with the Commission in order to expand the application of the Convention and respect Opinion 1/13 of the CJEU	Latest known results (2017) 4 more Council Decisions were adopted in December 2017 targeting 10 more third countries
15	3 additional third countries (Kazakhstan, South Korea, Peru)	13 (10 additional third countries compared to the 2017 milestone)	18 (3 additional third countries Kazakhstan, South Korea, Peru) have cooperation under the 1980 Convention with all MS (except DK)
Result indicator: awareness of the EU Charter of Fundamental Rights and its scope of application			
Source of data: Eurobarometer			
Baseline	Interim Milestone	Target 2018	Latest

(2015)			known results (2015)
14%	n/a	20%	14%

Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Support to stakeholders: Support integrated and multidisciplinary child-centred approaches to child victims of violence, as well as capacity building on rights of the child and child protection for professionals in asylum and migration	Number of action and operating grant agreements signed in 2017	22	21
Support to stakeholders: promoting the awareness of the EU Charter on Fundamental Rights among judges and practitioners	Number of action grant agreements signed in 2017	6	6
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Whistleblowing initiative (assess the scope for horizontal or further sectorial action at EU level to protect whistle-blowers who expose illegal conduct) Planning PLAN/2016/271	Publication of the impact assessment study	Q2 2017	Public consultation and external study completed. Impact Assessment submitted to the Regulatory Scrutiny Board in December 2017. Proposal expected for Spring 2018
Proposals on the acceptance of	Adoption of 4 proposals	Q3-Q4	Proposals

third states' accession to the 1980 Convention on International Child Abduction	by the Commission	2017	adopted in December 2017
Mainstreaming EU Charter of Fundamental Rights	Input in EC impact assessments and legislative proposals/explanations in explanatory memo	Continuou s	Charter mainstreaming was conducted in all relevant CWP 2017 legislative proposals (492 ISC in addition to ISGs attendance and informal consultations). Charter explanations in exploratory memo are mandatory following the latest Inter-institutional Agreement on Better Regulation
Report on the Application of the EU Charter of Fundamental Rights	Annual report	May 2017	Adopted in May 2017 Council Conclusions on the Charter Report adopted in October 2017
Recommendations on the protection of children in migration/list of actions	Outcome of the 2016 Forum on the Rights of the Child	Q2 2017	Commission Communication on the protection of children in migration (April 2017)
Adoption by Council and EP of COM decision on the Multiannual Framework of the Fundamental Rights Agency	Progress made in Council WG/EP to express consent	2017	Adoption by Council and EP on in December 2017
External evaluation of the FRA	Annual Report	2017	External evaluation of

			the FRA completed in 2017 and FRA Management Board Recommendations transmitted to the Commission in December 2017.
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Specific objective: A respected Rule of Law in the EU with any systemic threats addressed

In 2017, the Commission pursued its efforts to promote and uphold the respect of the **rule of law** in the European Union. In particular, the Commission continued its dialogue with the Polish authorities under the Rule of Law Framework. In July 2017, the Commission adopted a third Rule of Law Recommendation, substantiating its grave concerns regarding the planned reform of the judiciary in Poland, in addition to the persisting concerns relating to the Constitutional Tribunal. In December 2017, despite repeated efforts for almost two years to engage the Polish authorities in a constructive dialogue in the context of the Framework, the Commission concluded that there is a clear risk of a serious breach of the rule of law in Poland. Therefore, the Commission adopted a reasoned proposal in accordance with Article 7(1) of the Treaty on European Union, inviting the Council to determine that there is a clear risk of a serious breach by Poland of the rule of law. In December 2017, the Commission also issued a complementary fourth Rule of Law Recommendation, setting out clearly the steps that the Polish authorities can take to remedy the situation. Moreover, the Commission decided in December 2017 to take the next step in its infringement procedure launched against Poland in July 2017 for breaches of EU law by the law on Ordinary Courts Organisation, referring Poland to the Court of Justice of the European Union as regards gender discrimination and the threat to the independence of judges.

Specific objective 7.5 A respected rule of law in the EU with any systemic threats addressed		Related to spending programmes Justice
Result indicator: Number of systemic threats to the Rule of Law addressed through the Rule of Law framework or Rule of Law related infringements to ensure protection of the Rule of Law in Member states		
Source of data		
Baseline (2015)	Interim Milestone / Target	Latest known results (2017)
100 %	100 %	100% (Two Recommendations to Poland under the Rule of Law Framework; one Reasoned Proposal in accordance

		with Article 7(1) TEU regarding the rule of law in Poland; one infringement procedure against Poland concerning the Law on the Ordinary Courts.)
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Main outputs in 2017:			
Output	Indicator	Target	Latest known results (31/12/2017)
Addressing systemic threats to the Rule of Law in a Member State	Application of the Rule of Law Framework	n/a (crisis mechanism)	The Rule of Law Framework continued to be applied to Poland in 2017. Two Recommendations under the Framework were issued during this year. A reasoned proposal in accordance with Article 7(1) TEU was adopted.
Follow-up to EP and Council initiatives on rule of law (EP resolution on a new mechanism and Council Rule of Law dialogue)	Inclusion of rule of law aspects in COM policy (mainstreaming)	Q1	The Commission followed-up to the EP Resolution on a new mechanism and Council Rule of Law dialogue and transmitted its response to the EP in February 2017

Specific objective: A more developed European area of Justice with more judicial cooperation in civil and criminal matters

The Council Regulation (EU) 2017/1939 implementing enhanced cooperation on the establishment of the **European Public Prosecutor's Office (EPPO)** was adopted by the JHA Council of 12 October 2017 and entered into force on 20 November 2017. While 20 Member States will be part of the EPPO from the beginning, the non-participating Member States are encouraged to join the EPPO at a later stage.

The EPPO will be the first EU body equipped with the power to investigate and prosecute crimes affecting the EU budget, such as fraud, corruption and serious cross-border VAT

fraud. The EPPO is expected to bring a more consistent and effective prosecution policy for crimes affecting the EU budget. This will ultimately lead to a greater number of prosecutions, convictions and a higher level of recovery of fraudulently lost Union funds.

In accordance with Article 20 of the Regulation, the Commission will be responsible for the establishment and initial administrative operation of the EPPO, until the Office has the capacity to implement its own budget. Following a build-up phase of three years, the EPPO is expected to take up its investigatory and prosecutorial functions at the end of 2020 or beginning of 2021.

Through the **European Criminal Records Information System (ECRIS)**³⁷, Member States inform each other efficiently and quickly on convictions as contained in their national criminal records. In 2017, the use of ECRIS further increased compared to previous years, also due to the Commission's continued efforts to raise awareness and provide support to practitioners. In addition, the Commission adopted a first statistical report on the use of the ECRIS system³⁸ which confirmed the continuous increase in the number of exchanges between Member States. The report also highlighted the tangible results brought by the system: every third person checked via ECRIS has previous convictions.

ECRIS is equally important with regard to third country nationals convicted in the EU. In this respect, in June 2017 the Commission adopted a proposal for a Regulation³⁹ establishing a centralised system for the identification of Member States holding conviction information on third country nationals and to supplement and support the ECRIS system with regard to third country nationals (ECRIS-TCN).

The 2017 **European judicial training** report shows an increase of legal practitioners trained on EU law. To date, more than 630.000 legal practitioners were trained on EU law. The objective of training half (700.000) of all justice professionals in the EU should be achieved next year. In 2017, DG JUST launched the [evaluation](#) of the [2011 European judicial training strategy](#) and the [preparation of a future strategy](#) to take account of the lessons learnt since 2011 and of the new challenges that arose, in order to further improve the application of EU law and the mutual trust between justice professionals in cross-border proceedings.

As per programme statements, the Justice Programme finances the maintenance and extension of the **e-Justice Portal**. The portal includes information which facilitates access to justice for citizens (e.g. on cross-border legal proceedings, rights of victims of crime, "Find a Lawyer" or "Find a Notary" interfaces) and businesses (e.g. interconnected insolvency registers).

³⁷ On the basis of Council Framework Decision 2009/315/JHA of 26 February 2009 on the organisation and content of the exchange of information extracted from the criminal record between Member States (Framework Decision), OJ L 93, 7.4.2009, p. 23-32, and Council Decision of 6 April 2009 on the establishment of the European Criminal Records Information System (ECRIS) in application of Article 11 of Council Framework Decision 2009/315/JHA , OJ L 93, 7.4.2009, 33- 48.

³⁸ Report from the Commission to the European Parliament and the Council concerning the exchange through the European Criminal Records Information System (ECRIS) of information extracted from criminal records between the Member States of 29 June 2017 (COM(2017) 341 final)

³⁹ Proposal for a Regulation of the European Parliament and of the Council establishing a centralised system for the identification of Member States holding conviction information on third country nationals and stateless persons (TCN) to supplement and support the European Criminal Records Information System (ECRISTCN system) and amending Regulation (EU) No 1077/2011 of 29 June 2017 (COM(2017) 344 final)

The evolution of the **European e-Justice Portal** ('the Portal') continued in 2017 in terms of adding or extending interactive electronic services and the Portal's content. One of the major new achievements in 2017 was the launch of the European Access Point (EAP) to the Business Registers Interconnection System (BRIS), which went live in June 2017.

Towards the end of 2017, a new 'Beta' User Experience (UX) of the Portal was launched with the aim of fully modernising and replacing the current front-facing User Interface (UI) of the Portal in the course of 2018.

Member State participation was extended with respect to some of the existing electronic services, such as the "Find a lawyer" tool and the ECLI Search Engine, and new dynamic forms pursuant to Regulation (EU) No 655/2014, concerning the European Account Preservation Order, were added to the Portal.

In terms of user visits, the Portal saw a steady increase of 20% vis-à-vis the number of visits in 2016.

In 2017, work continued to improve the implementation of **judicial cooperation instruments in criminal matters**. A Handbook on How to Issue and Execute a European Arrest Warrant was published in October. Compliance assessments have started for several mutual recognition instruments. On the legislative side, negotiations of the Commission's Proposal on mutual recognition of freezing and confiscation orders in Council resulted in a General Approach in December 2017. On e-evidence, the Council endorsed in June the options set out in a Commission Non-paper, including a legislative measure, and work started to implement these options.

Work towards better **civil justice cooperation** continued in 2017 in various key areas. Council negotiations progressed steadily for a recast of the Brussels IIa Regulation, aimed at improving the protection of children and families in the context of cross-border parental responsibility disputes. In addition, work towards the revision and modernisation of judicial cooperation (revision of Service of Documents and Taking of Evidence Regulations) was initiated with plans for adoption in 2018.

In the international fora of judicial cooperation, work continued on the future Hague Judgments Convention concerning the recognition and enforcement of civil judgments and on UNCITRAL's project on enforcement of international commercial settlements resulting from conciliation.

Specific objective 7.6 A more developed European area of Justice with more judicial cooperation in civil and criminal matters				Related to spending programmes Justice	
Result indicator: number of exchanges of information in the European Criminal Records Information System (ECRIS) ⁴⁰					
Source of data: Member States					
Baseline (2012)	Interim Milestone			Target (2020 – target in line with the MFF period 2014-2020)	Latest known results (2017)
	(2017)	(2018)	(2019)		
300.000	2 100 00	2 300 000	3 300 000	3 500 000	2.573.976
Result indicator: cumulative number of legal professionals receiving training on EU law or law of another Member State since 2011 ⁴¹					
Source of data: Report on European judicial training					
Baseline (2011)	Interim Milestone		Target (2020 – target set in Communication (2011)551)	Latest known results (2017)	
	(2016)	(2017)			
87.134	420.000	490.000	700.000	638.213	
Result indicator: annual growth in the use of the European e-Justice Portal ⁴²					
Source of data: statistics gathered by the European e-Justice Portal					
Baseline 2012	Interim Milestone		Target 2020. Target included in MP 2015.	Latest known results (2017)	
	2016	2018			
630.000	Annual growth at 50% - 3.200.000	Annual growth rate at 20% since 2016 - 4.600.000	Annual growth rate at 20% since 2016 - 6.600.000...	approx. 3 840 000 visits - a 20% growth compared to the 2016 milestone.	
Result indicator: number of exchanges of cooperation between contact points of European Judicial Network (criminal)					
Source of data: European Judicial Network (EJN) Annual Report					
Baseline	Interim Milestone		Target	Latest	

⁴⁰ This result indicator is also referenced in programme statements under the Justice Programme.

⁴¹ This result indicator is also referenced in programme statements under the Justice Programme.

⁴² This result indicator is closely related to the indicator "Number of hits on the e-justice portal" in programme statements under the Justice Programme.

2011-12	2013-14	2015-16	(2017-18 target was set based on the past years' evolution with an assumption that the need for judicial cooperation will increase after the end of the former "third pillar" regime)	known results (2017)
15 000	20 000	25 000	30 000	13 000 (estimated) ⁴³
<p>Result indicator: the average time of the surrender procedure (time between the arrest and the decision on the surrender of the person sought) under the European Arrest Warrant in cases where the person consents to the surrender</p> <p>Source of data: EAW annual statistics</p>				
Baseline 2014	Interim Milestone 2018		Target 2020 (with better implementation of the FD EAW, the compliance of the time limit set in the FD – 10 days – is expected to improve gradually.)	Latest known results (2015)
19,4 days	14 days		10	14 days
<p>Result indicator: number of ECHR rulings (Art 5,6) violations</p> <p>Source of data: ECHR statistics on violations by Article and by State (2014) http://www.echr.coe.int/Documents/Stats_violation_2014_ENG.pdf http://www.echr.coe.int/Documents/Annual_report_2017_ENG.pdf</p>				
Baseline (2014)	Interim Milestone 2018		Target 2020	Latest known results (2017)
Art 5 (right to liberty):	Reduce number of violations by 20%		Reduce number of	Art 5 (right to

⁴³ The numbers are expected to remain the same or decrease slightly due to the implementation of the new electronic tool for counting the data by the Contact Points, which the Contact Points need to get familiar with first.

<p>78 violations by EU MS (of 212, i.e. 37 %)</p> <p>Art 6 (right to fair trial and length of proceedings): 202 violations by EU MS (of 266, i.e. 75 %)</p>		<p>violations by 40%</p> <p>No specific target agreed but COM's annual report and Council Conclusions on</p>	<p>liberty): 30 violations by EU MS (of 207, i.e. 14 %)</p>
	<p>Reduce number of violations by 20%</p>	<p>fundamental rights confirm EU commitment to comply with ECHR</p>	<p>Art 6 (right to fair trial and length of proceedings): 109 violations by EU MS (of 400, i.e. 27 %)</p>

Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Indicator	Target	Latest known results (31/12/2017)
<p>Proposal on mutual recognition of freezing and confiscation orders Planning 2016/JUST/024</p>	<p>Timely start of negotiations</p>	<p>Beginning of 2017</p>	<p>General Approach adopted by JHA Council in December 2017</p>
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
<p>Annual report on European judicial training</p>	<p>Cumulative number of legal professionals receiving training on EU law or law of another Member State since 2011</p>	<p>490.000</p>	<p>638.213</p>

Support to stakeholders: support for national and transnational projects to foster judicial cooperation in civil matters	Number of action and operating grants agreements signed in 2017	25	10
Support to stakeholders: support for national and transnational projects and European networks to foster judicial cooperation in criminal matters, procedural rights and victims' rights	Number of action and operating grants agreements signed in 2017	24	25
Support to stakeholders: support for national or transnational e-Justice projects	Number of grants agreements signed in 2017	12	4
Support to stakeholders: support for transnational projects on judicial training covering civil law, criminal law or fundamental rights	Number of grants agreements signed in 2017	19	27
Support to stakeholders: use of the European e-Justice Portal	Annual growth in the use of the European e-Justice Portal	Annual growth rate at 20% since 2016	In 2017 the e-Justice Portal received approx. 3 840 000 visits - a 20% growth compared to the 2016 milestone.
Operating grant to the EJTN	Number of judges and prosecutors trained in 2017 by EJTN	3700	5556
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Initiative on access to electronic evidence Planning 2017/JUST+/018	Timely delivery in line with Council conclusions of June 2016	June 2017	A Non-paper setting out options and an accompanying Technical Report were

			prepared in time for the June JHA Council. An Impact Assessment obtained a positive opinion from the Regulatory Scrutiny Board in December 2017.
Revision of the Brussels IIa Regulation	Progress in the negotiations at the EP and the Council	General approach Q4 2017	EP Report adopted on 18 January 2018 Target political agreement Q2 2018
Public Documents Regulation	Publication of the multilingual forms	Q42017-Q1 2018	Preparatory work going on, target Q1/2018
Regulations on matrimonial property regimes and property consequences of registered partnerships	Set up the committee Adoption of implementing act	Q2-3/2017	Comitology committee gave agreement in Q4/2017, and finalisation is expected for Q2/2018
World-wide recognition and enforcement of judgments and the enforcement of mediated settlement agreements	Progress in the negotiations towards finalisation Participation in the Special Commission in The Hague and Uncitral Working Group II	Q4/2017 (finalisation 2018) February 2017	Hague Conference : Draft Convention of 11/2017; Uncitral: Draft text in 10/2017;
Communication on a new strategy for European judicial	Outcome of conference on European judicial	Q4/2017	Ongoing work.

training	training in Q3 2017		Finalisation expected in Q3/2018
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Specific objective: A well-functioning European Judicial Network in civil and commercial matters with adequate resources

The Network is a core tool for the effective implementation of the Union acquis in the area of judicial cooperation in civil and commercial matters. It continues to provide substantial support to efficient judicial cooperation between Member States in civil and commercial matters. The full participation of its members is an integral part of the day to day implementation of the Union acquis in civil justice matters. The objective is to further improve the operation of the Network. In 2017, the focus was on launching the work of an IMI Pilot project on electronic case-handling (to be completed in 2018) and the development of gathering data on the operation of the civil justice instruments. In 2017, the priority of the Network to build and strengthen national judicial cooperation networks in all Member States was included in the Justice Annual Work Programme for 2018.

Specific objective 7.7 A well-functioning European Judicial Network in civil and commercial matters with adequate resources		Related to spending programmes Justice	
Result indicator: (d) indicators relating to European Judicial Network in civil and commercial matters:			
<ul style="list-style-type: none"> - number of EJN guides - number of incoming/outgoing requests between Contact Points - number of areas of factsheets on national law and procedures (e-Justice Portal) - number of visits to the EJN-civil section at the European e-Justice Portal 			
Source of data			
Baseline (2016)	Interim Milestone 2017	Target (2018)	Latest known results (2017)
<p>9 EJN guides</p> <p>Number of incoming/outgoing requests (baseline unknown)</p> <p>500 000 page views of EJN-civil section at the eJustice Portal</p> <p>EJN factsheets at the e-Justice Portal available in 18 areas.</p>	<p>11 EJN guides</p> <p>Number of incoming/outgoing requests: increase target</p> <p>750 000 page views of the EJN section at the European e-Justice Portal</p> <p>EJN factsheets in 20 areas</p>	<p>12 EJN guides</p> <p>Number of incoming/outgoing requests: increase target</p> <p>800 000 page views of the EJN section at the European e-Justice portal</p> <p>EJN factsheets available in 22 areas.</p>	<p>10 EJN guides (11th due in Q1 2018)</p> <p>Number of incoming requests /number of outgoing requests still unknown</p> <p>990.000 page views</p> <p>EJN factsheet available in 20 areas</p>

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Improving the operation of the network	Adoption by the Commission of the implementing regulation for the IMI pilot Data gathering mechanism	March 2017 2017	Work launched in 2017; adoption expected first half 2018 Working Group set up in 2017; work continues in 2018

Specific objective: Less discrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation and more Roma integration

In the field of **non-discrimination legislation**, the monitoring of correct enforcement and application of the Racial Equality Directive continued, with specific focus on monitoring the correct enforcement as regards the national equality bodies and the Roma. Ongoing Council negotiations on the proposed new Equal Treatment Directive continued at technical level. However, there was no breakthrough in the negotiations, which would allow adoption of the proposal in the near future.

DG JUST organised two meetings of **the High-Level Group on Non-discrimination, Equality and Diversity** to ensure policy coordination with Member States and other stakeholders on equality policy and non-discrimination on the grounds of race, ethnic origin, age, disability and sexual orientation. DG JUST also organised two meetings of the network of National Roma Contact Points. In addition, it organised a legal seminar with the European network of legal experts in gender equality and non-discrimination, as well as several training sessions to raise awareness among judges and legal practitioners on EU equality legislation.

The seventh Report (Communication) on Roma integration delivered a midterm review on the EU Framework for National Roma Integration Strategies up to 2020, taking stock of the use of targeted and mainstream European policy, legal and funding instruments for Roma inclusion, reviewed measures put in place under National Roma Integration Policies, and presented for the first time the trends since 2011 in Roma access to education, employment, healthcare and housing, as well as antidiscrimination (2011-2016 Roma integration indicators scoreboard). DG JUST also launched an in-depth evaluation of the EU Framework of the National Roma Integration Strategies up to 2020 with a view to developing potential policy proposals for the post-2020 European Roma Agenda.

The 11th Meeting of the **European Platform for Roma Inclusion** took place in November and focused on transition from education to employment. Finally, 10 National Roma platforms, one Framework Partner (European Roma Information Office) and four pan-European projects were supported under the Rights, Equality and Citizenship programme. In addition, an operating grant was also awarded to Equinet, the European

network of equality bodies, which ensures cooperation and the exchange of good practices between member states' equality bodies set up to fight discrimination on the grounds of racial or ethnic origin and sex.

Specific objective 7.8 Less discrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation and more Roma integration			Related to spending programmes Rights, Equality and Citizenship
Result indicator: Citizens' awareness of their right to equal treatment without discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation (note: data only available every three years). Four previous Eurobarometer surveys on discrimination took place (in 2006, 2009, 2012 and 2015). The next surveys in 2018 and 2021 will include several questions asked in previous years in order to provide insight into the evolution of citizens' awareness of their rights.			
Source of data: Eurobarometer surveys on non-discrimination			
Baseline (2015)	Interim Milestone 2018	Target (2021)	Latest known results (2015)
45%	55%	70%	45%
Result indicator: the number of Member States that set up structural co-ordination mechanisms with all stakeholders, including Roma, on the implementation of the National Roma Integration Strategies			
Source of data: Notifications by Member States			
Baseline 2015	Interim Milestone (2017)	Target (year + explanation how the target was agreed)	Latest known results (2017)
0	15	27 (2018). Relevant EU MS are only 27 (Malta has no Roma population)	22

Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Support to stakeholders: activities tackling non-discrimination of groups at risk including Roma and LGBTI people, as well as supporting National Roma platforms.	Number of action and operating grant agreements signed in 2017	32	32
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Setting up of National Roma Platform where	Number of National Roma Platforms set	20	22

action by all key stakeholders are co-ordinated	up		
Mutual learning seminars between MS (under the HL Group on Non-Discrimination, Diversity and Equality)	Number of seminars	2	2
Equal Treatment Directive (Proposal for a Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation)	Progress made towards adoption (Increased support by MS at the Council. Currently 26 MS)	28	26
Training of legal practitioners in sex equality and anti-discrimination law	Number of practitioners trained	600	600
Assess the prohibition of discrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation throughout the European Union	Number of: - country fiche on MS legislation - Thematic reports	39	38
Two seminars on mutual learning organised with the MS	Number of MS attending	14	16

Specific objective: Less racism, xenophobia, homophobia, anti-Semitism, anti-Muslim hatred and other related forms of intolerance

The Commission continued its dialogue with Member States in which major transposition gaps remained, to ensure that the minimum standards set in the Framework Decision on Combating Racism and Xenophobia, which penalises racist and xenophobic hate speech and hate crime, are correctly translated into national law. Important legislative developments were registered as a result in two Member States during 2017, which introduced brought amendments to their laws in order to address the concerns raised by the Commission, bringing the number of Member States where the transposition of this legislation can be considered satisfactory to 13. Relevant legislative developments on national provisions on hate crime and hate speech were also registered in four other Member States. The Commission will continue to pursue its efforts in order to ensure that this legislation is correctly transposed in all Member States, including by assisting Member States to address possible difficulties and challenges they are facing in translating the related criminalisation obligations into their national legal framework.

In this context, DG JUST continued to assist Member States in their efforts to ensure effective implementation of the law and improve responses to hate crime and intolerance

by fostering discussions, good practice exchange and informal guidance through the High Level Group on combating racism, xenophobia and other forms of intolerance. This led in 2017 to the compilation of informal guidance, among others, on how to ensure effective hate crime recording, which Member States are now testing and implementing through country workshops.

Significant progress was also achieved on countering illegal hate speech online: the monitoring of the implementation of the Code of Conduct carried out by the Commission in cooperation with civil society organisations showed a trend of continuous progress, proving that this self-regulatory tool, agreed with major IT companies in May 2016, contributed to quickly achieving tangible results on the removal of illegal hate speech by IT Companies. IT Companies removed on average 28% of the content notified, and reviewed 40% of notifications within 24h in 2016. In 2017, the two monitoring exercises carried out showed that content removal on average reached 59% (May 2017) and 70% (December 2017 – and published in January 2018), with 51% and 81.7% of notifications being reviewed within 24h.

The Commission also continues to support concrete initiatives by national authorities, civil society organisations and other key stakeholders with targeted funding, through both action and operating grants.

Specific objective 7.9 Less racism, xenophobia, homophobia, anti-Semitism, anti-Muslim hatred and other related forms of intolerance				Related to spending programmes Rights, Equality and Citizenship
Result indicator: the number of Member States that fully and correctly transposed Framework Decision 2008/913/JHA on combating certain forms and expressions of racism and xenophobia Source of data: Notifications by Member States				
Baseline (2015)	Interim Milestone 2016	Target (2018 + end of infringement procedures)	Latest known results (2017)	
4 Member States transposed the Framework Decision	4 further Member States transposed the Framework Decision	All MS transposed the Framework Decision	2 further Member States adopted amendments to bring their laws in line with the Framework Decision. Transposition is now overall satisfactory in 13 Member States.	

Result indicator: Number of Member States progressing on data collection and data recording of offences related to Framework Decision 2008/913/JHA (i.e. hate speech and hate crime offenses)

Source of data: Information provided by Member States on a voluntary basis⁴⁴

Baseline (2015)	Interim Milestone 2017	Target (2018) end of the mandate of the FRA Working Party ⁴⁵	Latest known results (2017)
Of the 14 MS with limited data and recording of offences 5 MS have reported to have improved the system (based on the information provided by the Fundamental Rights Agency)	10 Member States will have improved their system on data collection and recording of offences	All MS would have improved their system on data collection and recording of offences	MS agreed in December 2017 on key guiding principles on recording of hate crimes by law enforcement authorities . Testing phase started with country workshops planned in several MS

⁴⁴ Work of the subgroup on recording and data collection led by the Fundamental Rights Agency (FRA) in the context of the EU High Level Group on combating racism, xenophobia and other forms of intolerance

⁴⁵ This is the end of the first two years mandate of the FRA Working Party subgroup.

Main outputs in 2017:**Important items from work programmes/financing decisions/operational programmes**

Output	Indicator	Target	Latest known results (31/12/2017)
Support to stakeholders: Support dialogue and exchange of best practice in fostering tolerance and mutual respect, as well as support to Member States' authorities in the identification and exchange of good practices to ensure correct and full implementation of the EU Framework Decision on combating racism and xenophobia by means of criminal law	Number of action and operating grant agreements signed in 2017	21	14 action grants for targeted projects with EU relevance and 3 operating grants to umbrella anti-racism networks signed in 2017

Specific objective: More diversity in the workplace

DG JUST continued to actively promote diversity management through an EU-level platform to support Diversity Charters. In 2017 three new Diversity Charters were launched in Croatia, Slovenia and Slovakia, bringing the total number of Diversity Charters in the EU to 20. More than 9000 organisations, including companies, NGOs and public bodies covering over 15.3 million employees in the EU have signed the 20 Charters.

The 8th Annual Forum of Diversity Charters 'Diversity and Leadership in a World in Flux' took place in Tallinn in November 2017. The forum focused on how leadership can allow us to develop diversity and inclusion policies and overcome the challenges in changing societies, politics and economics, with new business models, technological advances and new ways of working and communicating. The Annual Forum brought together around 200 diversity experts, businesses and public sector representatives.

The latest EU Platform of Diversity Charters report 'Diversity Management in Central and Eastern Europe - Lessons learned and potential for growth' was published on this occasion to inspire organisations with an expertise in diversity to set up a Diversity Charter, as well as to encourage businesses in Central and Eastern European countries to commit to diversity and inclusion by joining their national Diversity Charters as signatories.

An action grant was awarded under the Rights, Equality and Citizenship (REC) Programme to a project "Cities for Equality: Fostering non-discrimination at the local level through diversity and equality management".

Specific objective 7.10 More diversity in the workplace			Related to spending programmes Rights, Equality and Citizenship	
Result indicator number of Member States that have adopted a Diversity Charter and number of companies that adhere to them				
Source of data				
Baseline (2015)	Interim Milestone		Target (2019)	Latest known results (2017)
	2017	2018		
14	19	23	28	20

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Engage further Member States and businesses in diversity management through their adhesion to national Diversity Charters	Total number of Diversity charters signed	19	20
Annual Diversity Charters' Forum	Number of Diversity charters attending the Forum	20	20

Specific objective: More support for EU Member States in key LGBTI-related areas and improved social acceptance

DG JUST further coordinated the implementation of the List of Actions to advance LGBTI Equality to increase the social acceptance of LGBTI people. The first Annual Report on the List of Actions was presented in February 2017 at the High Level Ministerial Conference on LGBTI Road Map organised by the Maltese Presidency, and which was also linked to a meeting of the High Level Group on Non-Discrimination, Equality and Diversity. Within the framework of this High Level Group, the Commission, together with the Portuguese Government, also organized a Good Practice Exchange seminar on *"Policies to combat bullying based on sexual orientation, gender identity/expression or sex characteristics in education"*⁴⁶ that took place in June 2017 in Lisbon. It brought together the European Commission, Member States and NGOs who shared their knowledge and experiences in order to develop policies and establish more effective ways to combat the discrimination of Lesbian, Gay, Bisexual, Transgender and Intersex people in educational institutions.

A strong symbolic statement in favour of LGBTI Equality was made on the International Day Against Homophobia and Transphobia (IDAHOT) by illuminating for the first time the Commission's main headquarter building, the Berlaymont, in the colours of the rainbow flag. To continue its awareness raising campaign "We all share the same dreams" DG JUST developed several videos based on letters of the acronym L-G-B-T-I.

⁴⁶ http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=603869

On the occasion of the Human Rights Conference of the WorldPride Madrid in June 2017 the Commission published **The Business Case of diversity for cities and regions with focus on sexual orientation and gender identity**. This report seeks to highlight good practices and policy initiatives implemented by regional and municipal authorities in Europe to make their areas safer, more inclusive and attractive for LGBTI people.

At the same occasion the Commission also published the report **Data collection in relation to LGBTI people: Analysis and comparative review of equality data collection practices in the European Union**, which shows the need for equality data in order to better understand and hence tackle discrimination and inequalities experienced by LGBTI people. The report highlights that in comparison to some other discrimination grounds, such as sex or age, sexual orientation and gender identity remain invisible in many social surveys. Moreover, any form of data collection pertaining to intersex people is still rare.

Finally, three networks promoting LGBTI equality received operating grants and 11 action grants were awarded to projects under the Rights, Equality and Citizenship (REC) programme focusing on combating stereotypes, free movement, sex workers, transgender and intersex equality. In addition, the Commission awarded grants to national authorities for projects aimed at developing and implementing practical and targeted information, awareness-raising and education activities aimed at preventing and combating violence against women. This included a project targeting specifically lesbian, bisexual, trans and intersex (LBTI) women.

Specific objective 7.11 More support for EU Member States in key LGBTI-related areas and improved social acceptance		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: number of Member State officials trained or participating in peer learning activities in LGBTI areas			
Source of data			
Baseline (2015)	Interim Milestone (2017)	Target (2019)	Latest known results (2017)
0	30	100 (Indicative number of officials attending training and peer learning seminars on LGBTI)	90
Result indicator: change in perceptions and attitudes towards LGBTI people (by measuring data against the 2015 Eurobarometer survey on discrimination) Four previous Eurobarometer surveys on discrimination took place so far (in 2006, 2009 2012 and 2015). The next surveys in 2018 and 2021 will include several questions asked in previous years in order to provide insight into the evolution of perceptions, attitudes and awareness of discrimination in the European Union, including on perception and attitudes towards LGBTI people).			
Source of data Eurobarometer surveys			
Baseline (2015)	Interim Milestone (2018)	Target (2021 + explanation how the target was agreed)	Latest known results (2017)
45%	55%	65%	45%

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Awareness raising activities in the MS	Number of MS involved	14	11

Specific objective: No gender-based violence and more victim support

2017 was a dedicated Year on Focused Action to end Violence Against Women. Under the hashtag #SayNoStopVAW, a social media campaign was launched, a dedicated website created with testimonials from funded projects, as well as awareness raising material. The Commission also provided grants under the Rights, Equality and Citizenship (REC)

Programme to Member State governments and grass roots organisations to run national and pan-European projects tackling the problem in a multitude of ways. A number of conferences, meetings and exchanges between stakeholders were organised to discuss different aspects of VAW, including the Annual Fundamental Rights Colloquium on Women's Rights in Turbulent Times. The Commission also launched an EU-wide survey on the prevalence of gender-based violence, coordinated by Eurostat, and got 11 Member States to participate in the pilot phase starting during the year. Finally, the EU signed the Council of Europe Istanbul Convention on combating violence against women in June 2017. Despite a limited scope of the Council's signing decision, the Commission worked constructively towards conclusion and ratification of the Convention.

Specific objective 7.12 No gender-based violence and more victim support		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: % of people that consider that domestic violence against women is unacceptable			
Source of data: Eurobarometers			
Baseline (2010)	Interim Milestone 2017	Target 2020	Latest known results (2017)
84%	90%	96%	96%
Result indicator: number of EU Member States that have signed and ratified the Istanbul Convention			
Source of data: Council of Europe			
Baseline (2011: date of opening for signature and ratification)	Interim Milestone 2017	Target (2020)	Latest known results (2017)
0	18	28	17

Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Awareness-raising of stakeholders through 2017 focused actions	Contract for the EU-level umbrella campaign carried out	Q4 2017	Ongoing, will be carried out in April 2018
In the context of the 2017 focused actions, support and engage Member States and NGOs	Number of action and operating grant agreements signed in 2017	23	22
Awareness-raising of stakeholders	EU Presidency conference on gender-based violence	February 2017	MT Presidency conference on in February 2017
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
EU accession to the Istanbul Convention	Progress in the negotiations with Council on the signing and conclusion decisions and in Parliament regarding its consent to the conclusion	Political agreement on the signing decision in Q1 2017 Favourable EP resolution	Council signing decisions in May 2017 EU signature of the Istanbul Convention in June 2017
Annual report on equality between women and men	Publication by the Commission	Q1 2017	March 2017
Exchanges of good practice on combating violence against women	Number of exchanges	2 exchanges	2 exchanges

Specific objective: More safeguarding of the fundamental right to data protection in our external relations

With the adoption of the data protection reform, it was decided to put a greater emphasis on the international dimension of privacy and develop a strategy in this respect. This strategy was detailed in the Commission's Communication on Exchanging and Protecting Personal Data in a Globalised World adopted in January 2017, addressing all aspects of the external aspects of data protection (renewed focus and strategic approach on adequacy decisions, development of alternatives for transfers, interplay with other policy areas in both the commercial and law enforcement fields etc.).

Regarding existing instruments, DG JUST ensured both the entry into force of the EU-US Umbrella Agreement (February 2017, following designation of the EU and its Member States under the US Judicial Redress Act) and the successful first annual review of the EU-US Privacy Shield (Commission's report was published in October 2017). Both instruments significantly strengthen the protection of Europeans' personal data when transferred to the US. The Commission also launched the review of the 11 existing adequacy decisions to ensure the continuity of these instruments under the new General Data Protection Regulation (GDPR).

Concerning new instruments for transfers, DG JUST implemented the strategy laid out in the above-mentioned Communication by launching and significantly advancing in adequacy negotiations with two strategic partners of the EU, Japan and South Korea. The talks with Japan are well advanced but the reluctance of the Japanese authorities to remedy the identified shortcomings in protection by means of binding and enforceable rules constitutes a challenge. As regards South Korea, the process is less advanced. Progress has been made regarding the analysis of the relevant Korean data protection legislation, but DG JUST has encountered difficulties when clarifying the exact scope of application of the Korean Network Act, in particular, on the adequacy of which the future decision will mostly rely, and the interplay between that act and the general Korean data protection law, which cannot be considered adequate.

The Commission also developed its approach regarding the interplay between data protection and other police areas, by notably adopting horizontal provisions for cross-border data flows and data protection in trade agreements, as well as negotiating directives on Europol agreements on law enforcement cooperation with 8 third countries (these are essentially agreements on the necessary data protection safeguards regarding the exchange of information between Europol and third countries).

Finally, DG JUST actively promoted high data protection standards globally, both through multilateral instruments (Convention 108 of the Council of Europe) and at regional level (e.g. contribution to the Ibero-American standards adopted in June 2017).

Specific objective 7.13 More safeguarding of the fundamental right to data protection in our external relations.			Related to spending programmes Rights, Equality and Citizenship
Result indicator: EU agreements ⁴⁷ with third countries or international organisations which guarantee personal data protection			
Source of data EU Commission			
Baseline (2016)	Interim Milestone 2018	Target 2020	Latest known results (2017)
0	1	More than 1	Launch of and advancement in adequacy talks with Japan and South Korea.

Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Indicator	Target	Latest known results (31/12/2017)
Strategy on exchanging and protecting personal data in a globalised world (Communication) Planning PLAN/2016/271	Adoption by the College	January 2017	January 2017
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Possible adoption of adequacy decisions	Adoption by the College	Q4 2017	Launch of and advancement in adequacy talks with Japan and South Korea.
Conclusion of Council of Europe Convention 108 (as modified)	Adoption of the text of the modernised convention by the Committee of Ministers of the Council of Europe and opening for signature	Q2 2017	Obstruction of one party to Convention 108 has not allowed final adoption of the modernised text. However, DG JUST has led the efforts to find a compromise, which is now

⁴⁷ The nature of adequacy decisions is better reflected in the term "arrangements" rather than "agreements".

			the basis for the final discussions.
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Specific objective: An adequate protection of EU citizens' personal data transferred to the US

In line with its objective to ensure a high level of protection for data transferred to the US, while facilitating such transfers for commercial reasons and in the area of law enforcement cooperation, DG JUST:

- Ensured a timely entry into force of the EU-US Umbrella Agreement (Feb. 2017) which involved the Commission obtaining from the US the coverage of the EU and its Member States under the US Judicial Redress Act.
- Ensured full implementation of the EU-US Privacy Shield following the adoption of the adequacy decision in 2016. This involved, for example, setting up the Privacy Shield arbitration panel (negotiation and adoption of rules of procedure, selection of arbitrators, appointing the arbitration management body).
- Carried out the first Annual Review of the Privacy Shield. This involved establishing a process, preparing the review, consulting various stakeholders and other institutional actors, leading the EU delegation to the review (composed of Commission representatives and national data protection authorities), preparing the report adopted by the Commission in October 2017.

Specific objective 7.14 An adequate protection of EU citizens' personal data transferred to the US		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: number of Commission adequacy decisions and EU agreements with third countries which guarantee personal data protection ⁴⁸			
Source of data: EU Commission			
Baseline (2015)	Interim Milestone 2018	Target 2020	Latest known results (2017)
1	12	More than 12	This result indicator cannot serve to illustrate results in the protection of EU citizens' data transferred to the US.

⁴⁸ This result indicator was erroneously inserted in the strategic plan under this objective. It is not relevant for this objective.

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
First annual review of the privacy shield	Meeting with US authorities	September 2017	Annual Review conducted on 18 and 19 Sept 2017 and results included in a Communication adopted by the Commission in October 2017.

Specific objective: Common data protection rules within the European Union in place

The Data Protection Directive for Police and Criminal Justice Authorities 2016/680 ("Police and Criminal Justice Authorities Directive") is to be transposed by 6 May 2018. In order to accompany the Member States in this process, DG JUST continued to work closely with them in the framework of the Expert Group set up by the Commission which met 5 times in 2017 on the Directive. It also supported the work of the Article 29 Working Party composed of national data protection authorities in issuing an Opinion on the Police Directive.

The Commission adopted in January 2017 a proposal for a revised Regulation on data protection for EU institutions, bodies, offices and agencies (revised Regulation 45/2001) to bring it into line with the the data protection reform which will be applicable from May 2018 onwards. The inter-institutional negotiations are still on-going.

Specific objective 7.15 Common data protection rules within the European Union in place		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: awareness of individuals and Member States of the new data protection rules incl. existence of supervisory authorities			
Source of data: Eurobarometer, EU Commission			
Baseline (2015) ⁴⁹	Interim Milestone Year	Target year	Latest known results (2015) ⁵⁰
Current awareness level: 37% have heard about a public authority in their	End of implementation period for the Police Directive into national law	> 50%	37%

⁴⁹ Last Eurobarometer on data protection was conducted in 2015

⁵⁰ DG JUST will request national data protection supervisory authorities to provide data regarding awareness of individuals and Member States of the new data protection rules including existence of supervisory authorities. DG JUST will also submit its report about the GDPR in 2020

country responsible for protecting their rights regarding their personal data (EB 431 (2015))			
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Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target	Latest known results (31/12/2017)
Support to stakeholders: training activities on the data protection reform	Number of grant agreements signed in 2017	8	1

Specific objective: A reduced gender pay gap

Reduction of the gender pay gap is one of the Commission's priorities and commitments of the Strategic engagement for gender equality 2016-2019. In November 2017, the Commission adopted an Action Plan 2017-2019 to tackle the gender pay gap (The Action Plan) from all possible angles. It includes a broad and coherent set of ongoing and upcoming measures to tackle the gender pay gap, both legislative and non-legislative initiatives mutually reinforcing each other. Together with the Action Plan, the Commission adopted an evaluation Report of the implementation of the Pay Transparency Recommendation which assesses Member States' implementation of the measures proposed in the Recommendation and the effectiveness of its application. On the Equal Pay Day on 31 October 2017, the Commission presented national and EU-wide fact sheets followed by the results of a special Eurobarometer on the gender pay gap in November.

As one of the actions envisaged in the Action Plan, the Commission is preparing an evaluation of the existing provisions, including the legal ones, on equal pay. The evaluation of Directive 2006/54/EC aims at improving the implementation and enforcement of the principle of equal pay for women and men. It will evaluate in-depth the functioning of the relevant EU legal provisions on equal pay for equal work and work of equal value (Article 157(1-2) TFEU , Article 4 of Directive 2006/54/EC and 2014 Commission Recommendation on pay transparency), as well as later developments: in particular the initial findings of the 2017 implementation report of the 2014 Recommendation which followed the 2013 evaluation.

It will evaluate the ways in which the existing legal provisions on equal pay have worked in practice, the approaches they have been implemented in EU Member States, how they attained their initial goals, how effectively are they enforced and how they could be improved and clarified in order to reinforce the enforcement and improve the implementation of the equal pay principle. Based on the results of the evaluation, the Commission will propose possible further measures to tackle the gender pay gap.

Specific objective 7.16 A reduced gender pay gap

Related to spending programme
Rights, Equality and
Citizenship

Result indicator: gender pay gap

The gender pay gap (GPG) reflects ongoing discrimination and inequalities in the labour market which, in practice, mainly affect women. In addition to direct discrimination, women face sectorial and occupational segregation, undervaluation of their work and unequal sharing of caring responsibilities.

Source of data: Eurostat

Baseline (2011)	Interim Milestone 2017	Target (2020)	Latest known results (2016)
16.9%	15%	14%	16.2%

Main outputs in 2017:**Other important outputs**

Output	Indicator	Target	Latest known results (31/12/2017)
European Equal Pay Day 2017	Press releases and media coverage	Q4 2017	<ul style="list-style-type: none"> - Joint statement by First Vice-President Timmermans and Commissioners Thyssen and Jourová - Country and EU factsheets. - Special Eurobarometer on GPG (November 2017)
Contributions to the Commission's Annual Growth Survey (AGS), country reports and definition of country-specific recommendations (CSRs)	Contributions sent in time for AGS and CSRs	Q1 2017 (for CSRs) Q3 2017 (for AGS and country report)	Contributions sent. Promoting gender pay gap is mentioned as one of policy objectives in AGS 2018. Gender Pay Gap raised in country reports for 8 countries.

Specific objective: More equality between women and men in decision-making

Inequalities between women and men result in talent being underused and impose a heavy toll on the economy and business. Equal participation of women and men in decision-making is a matter of justice, respect for human rights and good governance. The Commission's proposal from 2012 for a Directive to improve the gender balance among non-executive directors and related measures is still blocked in Council. However,

since the proposal was tabled, the presence of women in company boardrooms has improved in some countries – and the debate on the proposal at the European level has certainly contributed to that development – although the pace of change remains slow. Some progress was made in recent years mainly in Member States that have adopted national legislative measures. In others, the situation is at a standstill or even deteriorating.

Specific objective 7.17 More equality between women and men in decision-making		Related to spending programme Rights, Equality and Citizenship	
Result indicator: % of women among non-executive directors on boards of listed companies			
Source of data: EIGE gender statistics database: http://eige.europa.eu/gender-statistics/dgs/browse/wmidm			
Baseline (2012)	Interim Milestone 2017	Target (2020)	Latest known results (2017)
17%	30%	40%	25.3

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Directive on improving the gender balance on boards of listed companies	Adoption by the co-legislators	2017	Not achieved
Regular update of the Commission database on women and men in decision-making	online periodical publication	throughout	Ongoing/in co-operation with EIGE

Specific objective: Increased availability of childcare services

In April 2017, the Commission launched the Communication 'An initiative for work-life balance for working parents and carers' as one of the key deliverables of the European Pillar for Social Rights. The aim of this initiative is to tackle women's underrepresentation in the labour market and one of its main causes: the unequal sharing of caring responsibilities between women and men.

Measures to enhance female participation in the labour market, including childcare, are also tackled through the European Semester process. Childcare will be considered, through guidance and monitoring, including the proposal for a revision of the targets and a quality framework for childcare systems, as announced in the European Identity Communication of November 2017, discussions on monitoring in the Social Protection Committee, as well as inclusion in country specific recommendations in the European semester process (it is mentioned in the country reports of 9 countries), with possible corresponding ESIF funding, as well as a report on the Barcelona objectives to be adopted in the course of 2018, simultaneously with the Education Package.

Specific objective 7.18 Increased availability of childcare services		Related to spending programme Rights, Equality and Citizenship	
Result indicator: % of children up to 3 years/from 3 years of age to the mandatory school age, who are cared for under formal arrangements Source of data: Eurostat			
Baseline (2011)	Interim Milestone 2017	Target (2020)	Latest known results (2016)
30% (up to 3 years old) 84% (from 3 years old)	33% coverage 90% coverage (achievement of the Barcelona target)	To be decided at political level	32.9% (up to 3 years) 86.3% (from 3 to mandatory school age)

Main outputs in 2017:			
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Annual report on equality between women and men	Publication by the Commission	Q1 2017	Publication in March 2017
Contributions to the Commission's Annual Growth Survey (AGS), country reports and definition of country-specific recommendations (CSRs)	Contributions sent in time for AGS and CSRs	Q1 2017 (for CSRs) Q3 2017 (for AGS and country reports)	Contributions sent. Promoting work-life balance is mentioned as one of policy objectives in AGS 2018. Improved availability of child care was raised in country reports for 9 countries.

Specific objective: Improved work-life balance for working parents and caregivers

The Commission launched in April 2017 the Communication 'An initiative for work-life balance for working parents and carers' aiming to tackle women's underrepresentation in the labour market and the unequal sharing of caring responsibilities between women and men.

Work-life balance remains however a considerable challenge for many parents and workers with caring responsibilities, with a negative impact on female employment. A major factor contributing to the underrepresentation of women in the labour market is the difficulty of balancing work and family obligations. When they have children, women tend to work less hours in paid employment and spend more time fulfilling unpaid care responsibilities. Having an ill or dependent relative has also been shown to have a negative impact on female employment, leading some women to drop out of the labour market entirely. One of the main causes for this problem is an inadequate work-life balance policy. Unbalanced design of leave between genders, insufficient incentives for men to take leave to care for children and/or dependent relatives, limited possibilities to make use of flexible working arrangements, insufficient formal care services and economic disincentives have all been shown to exacerbate the female employment challenges.

This results, in particular in lower female employment rates and the difference between men’s and women’s employment rate of 18,1%. The Work-Life Balance initiative tries both with the proposal for a Directive and the non-legislative measures contained in the Communication to address these issues and support the reaching of the targets.

The main output of this package is the proposal for a Directive on work-life balance for parents and carers, which aims at modernising the existing EU legal framework in the area of family-related leaves and flexible working arrangements (including the introduction of non-transferable paternity leave, the strengthening of existing rules on parental leave, the introduction of carers' leave and the extension of the right to request flexible working arrangements). The package also contains a set of non-legislative measures aiming to remove barriers for parents and carers in the job market.

Specific objective 7.19 Improved work-life balance for working parents and caregivers			Related to spending programme Rights, Equality and Citizenship
Result indicator: female employment rate (20-64 age group) ⁵¹			
Source of the data: Eurostat			
Baseline (2013)	Interim Milestone 2017	Target (2020) EU2020 headline target	Latest known results (2017)
62.5%	68%	75%	65.3%
Result indicator: difference between men and women's employment rate in full-time equivalent (20-64 years)			
Source of the data: Eurostat			
Baseline (2013)	Interim Milestone 2017	Target (2020) EU2020 headline target	Latest known results (2017)
18.2	15	10	18.1%

⁵¹ This result indicator is also referenced in programme statements under the Rights, Equality and Citizenship programme.

Main outputs in 2017:**Other important outputs**

Output	Indicator	Target	Latest known results (31/12/2017)
Initiative to address the challenges of work-life balance faced by working families (package of legislative and non-legislative measures) Planning 2015/JUST/012	Adoption by the Commission	Q1 2017	April 2017

A Union of Democratic ChangeGeneral objective 10 **A Union of Democratic Change****Impact indicator:** Turnout in the 2019 EP elections**Source of data:** EP

Baseline (2014)	Interim Milestone	Target (2019)	Latest known results (2017)
42.61%	n/a	Increase	No new value

Specific objective: Enhanced EU citizens' democratic participation, including through cross-border information and facilitated participation in the EP and local elections, and increased legitimacy and accountability of EU decision-making, including by building on the concept of "lead candidates"

The Commission committed in its **Citizenship Report 2017**⁵² to enhance participation in the democratic life of the EU. The report identified the need to raise awareness on EU citizenship rights including on consular protection and electoral rights ahead of the 2019 European elections. There is a general challenge of participation rate in elections, which has been identified in all elections and a reverse of the trend has only be recently noted at national elections in France and the Netherlands following the elections in the United States and the UK referendum. DG JUST therefore contributed to the design of a number of corporate communication campaigns, aiming to raise awareness about the EU as a whole, and on the consular protection and electoral rights in particular. In the field of **elections**, in order to improve participation in the democratic life of the EU, DG JUST organized a workshop in the framework of European Week of Regions and Cities which allowed disseminating good practices fostering the participation of mobile EU citizens in elections. In the same vein, the Fundamental Rights Colloquium focused on the participation of women in political life. In addition, DG JUST launched a study on e-voting in order to explore the possibilities offered by digital means to increase voter turn-out. The Commission has also collected data on the participation of mobile EU citizens in local elections in many Member States and examples of good practice and in January 2018 published its report on Municipal elections (COM(2018) 44).

⁵² COM (2017) 30 of 31.1.2017

Specific objective 10.1 Enhanced EU citizens' democratic participation, including through cross-border information and facilitated participation in the EP elections, and increased legitimacy and accountability of EU decision-making, including by building on the concept of "lead candidates"		Related to spending programmes Rights, Equality and Citizenship	
Result indicator: Citizens' awareness of their right to vote and to stand as candidate in European elections in the Member State of residence, without having the nationality of that Member State			
Source of the data: Eurobarometer			
Baseline (2010) ⁵³	Interim Milestone 2017	Target 2020	Latest known results (2015)
67 %	76 %	80 %	67%

Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Latest known results (31/12/2017)
Follow up of the EP pilot project on e-voting	Number of grant agreements signed in 2017	3	2
Activities on democratic participation ahead of the 2019 EP elections (follow up of the 2015 elections report)	Grant agreements	4	3
Other important outputs			
Output	Indicator	Target	Latest known results (31/12/2017)
Awareness raising campaign on EU electoral rights	Launch of the campaign	Q 4 2017	Incorporated in overall Commission information campaign

⁵³ This baseline refers to year 2015 and not 2010.

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

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

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

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

2.1 Financial management and internal control

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

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- the reports by Authorising Officers by Sub-Delegation;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross sub-delegation;
- the reports of the external auditors on control results of Union 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 DG level;
- the results of the ex-post audits;
- the conclusion of the Internal Auditor on the state of internal control and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

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

This section reports the control results and other relevant elements that support management's assurance. It is structured into (2.1.1) Control results,

(2.1.2) Audit observations and recommendations, (2.1.3) Effectiveness of the internal control system, and resulting in (2.1.4) Conclusions as regards assurance.

2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives⁵⁴. The DG's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

The main results of the control indicators are reported below, while Annex 10 presents a more complete overview, together with a comparison with the previous year.

DG Justice and Consumers managed a budget in 2017 of EUR 205.68 million, excluding co-delegation type 2 which amount to EUR 4.42 million, and represents 0.13% of the total EU budget.

Because of the late adoption of the 2017 annual work programmes for REC and JUSTICE in March 2017 - implementation of 2017 appropriations started later. In November 2017, the implementation of legal commitments (grants, contracts) rate was 49% for the AWP, including the agencies (52% in 2016, 50% in 2015). Legal commitments on the remaining budget will be signed in 2018, once the pending evaluations of the applications received in response to the calls of proposals have been finalized.

An overview of the budgetary consumption of DG JUST's total commitments and payments in 2017 by programme is presented in the table below:

Programmes	Implementation of commitment appropriations		Implementation of payments appropriations	
	M€	%	M€	%
Administrative Expenditure (Global Envelope & Technical assistance)	4,00	95%	1,89	37%
REC Programme	56,40	99%	43,62	98%
Company Law	0,83	100%	0,47	94%
Other activities for fundamental rights	0,99	100%	0,51	100%
Justice Programme	46,56	98%	32,69	98%
Consumers Programmes	11,58	100%	4,69	99%
Pilot Projects	0,07	3%	5,84	91%
Completion Previous Programmes	1,30	100%	1,94	100%
Union Agencies	78,93	99%	78,12	99%
Total	200,65	98%	169,79	97%

⁵⁴ 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).

In terms of the use of commitment appropriations, 98% (EUR 200.65 million out of EUR 205.68 million) of the budget available was implemented, including the use of global commitments, which is in line with previous years' implementation rates (97%).

As far as payment appropriations are concerned 97% (EUR 169.78 million out of EUR 175.68 million) have been implemented during the year 2017. No global transfer was made during 2017 compared to 2016 when it contributed to the global transfer exercise with payment appropriations for a total value of EUR 7.5 million.

During the year 2017 the three Union Agencies (EUROJUST, FRA, EIGE) have together used nearly all of their commitment appropriations 99% and 83% of the payment appropriations. This is a result very similar to 2016 (99% in commitment appropriations and 80% in payment appropriations).

The table below summarizes all payments made by DG Justice and Consumers in 2017, in terms of activities per each distinct control system, as well as the key indicators (Residual Error Rates (RER) and cost-efficiency) available for each layer.

Summary of payments, main internal control indicators and reservations, per control system, 2017

	Activity	Total payments in 2017 (M EUR)
Direct management grants <i>M EUR 69.1 (40.7%)</i> RER = 2.63% <i>Cost-efficiency: 7.8%</i> Reservation issued	MFF 2007-2013 (2.68%)	4.56
	MFF 2014-2020 (38.01%)	64.54
Other direct management <i>M EUR 22.56 (13.29%)</i> RER est. <2% <i>Cost-efficiency(procurement): 8.6%%</i> No reservation	Procurement (12.32%)	20.92
	Cross subdelegations and service level agreements (0.9%)	1.64
Indirect management <i>M EUR 78.12 (46.01%)</i> RER est. <2% <i>Cost-efficiency: 0.5%</i> No reservation	Union Agencies (46.01%)	78.12
Total M EUR		169.79

Overall, reliable and complete control results are available for each control system. The analysis and conclusions of each relevant control category in terms of legality and regularity and cost efficiency is described and explained in further detail below under Part 2.1.1.1 and 2.1.1.2. Key indicators have been defined for each stage of the relevant

control system and presented in details in Annex 10. One reservation has been issued based on the legality and regularity indicators and detailed in Part 2.1.4.

Regarding the overall efficiency of controls, a positive conclusion has been reached based on an overall cost-efficiency indicator of 4.49% (details in Part 2.1.1.2). Regarding fraud prevention and detection, a chain of actions has been taken in 2017 (Part 2.1.1.3). During 2017, no cases of suspicious fraud and irregularities were transmitted to OLAF for investigation.

Due to the fact that sub-delegations (EUR 0.97 million) and service level agreements (EUR 0.67 million) are immaterial when taken individually (total 0.9% of the total payments of DG JUST), these activities are not covered in-depth in the present Annual Activity Report.

Summary of payments for sub- delegation DG's

DG	Cross sub-delegation (JUST/ DG X) (M EUR)
COMP	0,14
CNECT	0.3
ESTAT	0,11
HOME	0.37
OP	0,01
PMO	0,04
Total	0,97

None of the concerned services have reported any particular problem/risk on the use of appropriations cross delegated to them by DG JUST in 2017.

2.1.1.1 Coverage of the Internal Control Objectives and their related main indicators

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

DG Justice and Consumers 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 methodology **to determine the materiality level for reservations** is described in detail in Annex 4.

The materiality is determined for each relevant distinct internal control system across various ABB lines ("horizontal" approach). The main distinct internal control systems are (a) direct management – grants, (b) direct management - procurement and (c) indirect management (EU subsidies to Union Agencies). These layers are determined by the differences in the ex-ante and ex-post control approach put in place in DG Justice and Consumers to control and obtain assurance for each type of expenditure – each control approach and results are described in more detail in following sections and in Annex 5

(Internal Control Templates).

A possible reservation is considered for each of these control systems separately. The control objective is to ensure that for each system, the residual error remains below 2%.

In 2017 AAR there is one reservation⁵⁵, because the residual error rate at the end of year (equal to 2.63%) although in decrease compared to last year is above the materiality threshold.

2.1.1.1.a Direct management – grants

As described in the Internal Control Template for direct management grants (Annex 5), the analysis of the effectiveness with regard to legality and regularity is built around the four main control processes (stages): 1) programming, evaluation and selection of proposals 2) contracting 3) monitoring and 4) ex-post controls. Key indicators have been defined for each stage and presented in details in Annex 10. Materiality is assessed in accordance with Annex 4.

Stage 1: Programming, evaluation and selection of proposals

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

In 2017, 198 applications in total (190 in 2016) were awarded a grant out of about 670 applications evaluated. As of 2016, most operating grants are awarded through framework partnership agreements (REC and JUSTICE programmes).

A total of 29 operating grants were awarded including two direct grants to beneficiaries identified in the basic act and in a monopoly situation. In 2017, 1 remaining action grant from 2016 was funded under direct agreement procedure to international organisations.

In 2017 a higher number of grants was awarded (+4%). 20 projects (out of 37) were funded from the reserve list in order to achieve better results in terms of budget implementation for grants.

Stage 1	Number of projects evaluated: ↘ 670 (1,082 in 2016)
	Number of projects selected: ↗ 198 (190 in 2016)
	Value selected projects/available budget: ↗ 119.5 % (91% in 2016)

Stage 2: Contracting

The second stage concerns the grant agreement preparation and signing of the legal commitment. The overall control objective of this stage is to ensure the optimal

⁵⁵ Reservation regarding the financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers under the budget chapters 33 02 and 33 03

translation of each awarded proposal into a legally binding grant agreement. This is the main tool for ensuring best value for public money, effectiveness, economy and efficiency of the use of the budget appropriations.

Stage 2	<p>Value of grant agreements signed: ↗ EUR 74.2 million (66.7 million in 2016)</p> <p>Average amount of a grant: ↘ EUR 374,950 (350,907 in 2016)</p>
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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. The 2017 average adjustment resulting from these controls was 2.89%.

In 2017, DG Justice and Consumers signed all grants awarded during the year for a total amount of EUR 74.2 million and a total of 198 grant agreements signed.

Stage 3: Monitoring

This stage comprises ex-ante checks of beneficiaries' cost claims and the verification of the reliability and legality of the underlying financial transactions. 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.

The effectiveness of controls for the legality and regularity of transactions is measured through the number of exceptions and non-compliance events recorded. The recording of the exceptions and non-compliance events for assessing the effectiveness of controls for the legality and regularity of transactions showed that in 2017 no exception was recorded in relation to the contracting phase for grants.

In 2017 no non-compliance events were recorded and no unfavourable opinions were issued by ex-ante verification.

Stage 3	<p>Value of final cost claims processed: ↘ EUR 49.4 million (55 million in 2016)</p> <p>Share of ineligible amount: ↘ 1.52% (2.9% in 2016)</p>
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Stage 4: Ex-post control

The fourth stage includes the ex-post audits as well as the correction of any sums being paid incorrectly. 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 programme.

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 strategy implemented in DG Justice and Consumers 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.

In 2017, DG JUST carried out 38 ex-post controls as foreseen in the annual audit plan. Taking into account the audits initiated in 2016, 35 audit reports were finalised in 2017. These 35 audits covered 32 project coordinators/main beneficiaries and 35 projects for a total project value of EUR 14.3 million. As per 31 December 2017, the finalised audits lead to an audit coverage of 27.97% for the 2007-2013 programming period alone and a total audit coverage of 25.79 % for the combined auditable population of the 2007-2013 and 2014-2020 programming periods.

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

- ✓ Insufficient supporting documents;
- ✓ Wrong calculation of the costs charged;
- ✓ Costs not foreseen in the grant agreement / budget/ programme guidelines;
- ✓ Cost exceeding the ceiling (budget + 10%) or agreed maximum;
- ✓ Cost incurred outside of the eligibility period / not eligible.

Stage 4	Average amount of a grant audited: ↗ EUR 409.443 (337,226 in 2016) Percentage of projects audited that contains errors: ↗ 94% (86% in 2016)
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The follow-up ratio shows that 100% of the audit files were followed up within three months.

Cumulative coverage rates for grants under direct management and the related residual error rates are reported below for the programming period 2007-2013. 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 assessment of the residual error rate and amount at risk not detected by the supervisory and ex-ante elements of the internal control is carried out through analysis of ex-post audits. The table below summaries the results of this analysis done according to the four steps detailed in Annex 4.

Audit coverage and error rate for 2007-2020 funds (multiannual)	2017	2016
Cumulative Auditable Population (in M EUR)	358.49	339.85
Cumulative Audited Population (in M EUR)	92.46	78.13
Cumulative Audit coverage (%)	25.79%	23%
Cumulative detected error rate (%)	3.47%	3.41%
Cumulative residual error rate (%)	2.63%	2.72%

The residual error rate for 2007-2020 funds remains still above 2% at the end of 2017 (2.63%). A consideration whether the declaration of assurance should be qualified with a reservation is detailed in section 2.1.4.

Targeted communication and calculation tools made available to beneficiaries, along with ex-ante checks and ex-post audits, can mitigate these risks to a certain extent, but never at 100%.

A limited number of payments against cost claims has been made under the 2014-2020 programs. Whilst the first ex-post audits for 2014-2020 programs started in 2016, they are not yet finalised. Therefore, no error rate for the new period is available yet. As a matter of precaution, the figures of the 2 programming periods have been combined, resulting in a slightly inflated residual error rate due to the larger unaudited population (2.65% for the combined period 2007-2020 compared to 2.58% for the 2007-2013 periods alone).

2.1.1.1.b Direct management – procurement

The control system for direct management procurement is grouped around three core processes: procurement procedures, financial operations, and supervisory measures.

Stage 1: Procurement procedures

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 Justice and Consumers selects the proposal that contributes the most towards the achievement of the policy or programme objectives in terms of effectiveness and compliance.

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 Justice and Consumers reviewed:

- Reporting of exceptions and non-compliance events, defined as control overrides or deviations from policies and procedures: during the reporting year, there were 2 exceptions (one covering both exception and non-compliance event) and 3 non-compliance events registered in the exceptions and non-compliance events register. All of them are related to Art.86.1 FR "*Saisine a posteriori*".
- Between 1st of January and 15th of June 2017, 1 Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP) with a value of EUR 0.8 million, was submitted to Justice Procurement Committee (JPC). No "avis défavorable" or opinions for rejection were issued by the Committee during 2017.

After dismantling of the JPC (from 16th of June until end of the year), 2 open procedure contracts with a total value of EUR 1.59 million were awarded by the relevant Authorising Officer.

- Number of projected tenders cancelled: no cases in 2017.
- Number of redress procedures filed by the applicants represent also an indicator of the robustness of the tendering process and provide assurance with respect to the effectiveness of the internal control system: during 2017, DG Justice and Consumers did not register any and there is no evidence that such an action may occur for the 2017 open procedures awarded.

As a result of these controls, no tender projects were cancelled, no negative opinions or rejections were issued by the procurement committee and no redress procedures were encountered. This shows that the controls put in place work correctly.

Stage 1	<p>Value of contracts signed: ↗ EUR 30.83 million (25.99 million in 2016)</p> <p>Number of contracts: ↗ 210 (149 in 2016)</p>
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Stage 2: Financial transactions/monitoring

The second stage concerns the management of the contracts and payments made. This stage comprises ex-ante checks of beneficiaries' cost claims and the processing of transactions. 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.

There were no errors detected, nor penalties applied.

Stage 2	<p>Value of payments made: ↘ EUR 20.92 million (21.19 million in 2016)</p> <p>Number of payments: ↗ 687 (633 in 2016)</p>
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Stage 3: Supervisory measures

Based on the methodology described in Annex 4, as the ex-post controls on operations are carried out by the DG's own controls and/or internal and external audit (Internal

Audit Service or the European Court of Auditors), no ex-post audits are performed for contracts within DG JUST. 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. As the Court of Auditors has estimated the overall error rate in the procurement implemented by the European Commission at 0,2%⁵⁶, this has been used as the best estimate of the possible amount at risk in chapter 2.1.1.1.d.

2.1.1.1.c. Indirect management - Union Agencies

DG Justice and Consumers acts as partner DG for three agencies which received budget implementation tasks from the legislative authorities: the Institute for Gender Equality (EIGE), the Fundamental Rights Agency (FRA), the European Agency for Judicial Co-operation (EUROJUST).

Agency /MEUR	CA	Cons.	% Budget
EIGE	7.8	7.63	98%
EUROJUST	48.95	48.69	99%
FRA	22.81	22.61	99%
	79.55	78.93	99%

Agency /MEUR	PA	Cons.	% Budget
EIGE	7.8	7.63	98%
EUROJUST	48.04	47.88	100%
FRA	22.81	22.61	99%
	78.65	78.12	99%

Commitment and payment appropriations were implemented almost 100%. The Internal Control Template (ICT) on indirect management in Annex 5 details the applicable supervision and reporting activities, details of which are reported below.

Stage 1: Operations: monitoring, supervision and reporting

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

DG Justice and Consumers takes part in the governance of the agencies by participating as a member in the Management Boards with one voting right, when the governing rules allow for this. Membership rules are laid down by the founding regulations of each agency.

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 Justice and Consumers ensures the following monitoring activities:

- *Monitoring of the agencies' policy activities:*

The monitoring of the agencies' activities is the main responsibility of the relevant policy units. They are involved in numerous contacts at working level, coordination meetings, providing opinions on annual work programme, draft budget, Establishment plan and monitoring of their implementation.

- *Budgetary monitoring:*

⁵⁶ Source: 2017/C 322 Annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2016. "Estimated level of error for Chapter 10: Administration" (p.21)

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

The programme management unit of DG Justice and Consumers and the programming, planning and legal advice sector in Unit.01 are involved in the analysis of the annual budgets proposed by agencies and also participated in the programming of the agencies' budgets for 2016-2020.

Unit JUST/04 is involved in the revision of the annual budget proposed by agencies and also participates in the programming of the agencies' budgets for 2014-2020.

The AOS validates regular (mostly quarterly) payments to the 3 agencies under the responsibility of DG Justice: the European Institute for Gender Equality (EIGE), the Fundamental Rights Agency (FRA), the European Agency for Judicial Co-operation (EUROJUST).

The AOS ensures that the requests for appropriations from the agencies are in line with their needs for their current cash-flow. To this end, unit JUST/04 validates the cash-flow requests from the agencies on the basis of their needs for the forthcoming months in close collaboration with the agencies' staff. Commitment and payment appropriations are 100% implemented.

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.

Thus, in the framework of building assurance for the 2017 Annual Activity Report, notification letters were sent by DG JUST to traditional agencies requesting to notify significant events with possible impact on DG JUST assurance for 2017, such as weaknesses of the internal control system or particular issues with reputational or political impact.

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).

Stage 2: Commission's contribution

The control objective is to ensure that all elements of the payment request is fully assessed before paying the subsidy or decide to suspend or interrupt payments.

DG Justice and Consumers ensures that the requests for appropriations from the agencies are in line with their needs for current cash flow. To this end, the financial unit validates the cash-flow requests from the agencies on the basis of their needs for the forthcoming months in close collaboration with the agencies staff.

Stage 3: Audit, evaluations and discharge

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.

In the Court of Auditors opinion, the accounts of EUROJUST, FRA and EIGE for the year ended 31 December 2016 present fairly, in all material respects, the financial position at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer.

The Court comments for budgetary management refer to the fact that carry-overs of committed appropriations were high for Title II (expenditure for support activities) for EUROJUST and for Title III (operational expenditure) for EIGE and FRA.

On the Internal Control aspects the Court comment on the fact that the formal (sub-)delegations from authorising officers (by delegation) were not always consistent with the authorisation rights for transactions in the ABAC workflow system for FRA, further on in relation with EIGE the Court comments on two aspects for which the Institute took note.

On the sound financial management and on performance comments of the Court, EIGE has already started to implement an action plan addressing the recommendations and some early actions have already been implemented, such as the Knowledge Management and Communications Strategy 2016-2018, as adopted by the Management Board on 18 May 2016. The Single Programming Document includes detailed actions on communication and increased uptake monitoring; baselines for measuring output indicators were established in 2016.

Audits performed by Internal Audit Service (IAS)

DG JUST's representatives in the management Boards of the Agencies have not been informed of any critical issues arising from audits performed by the IAS or other assurance providers that would be very significant from a reputational perspective.

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

2.1.1.1.d Overall conclusion on effectiveness of controls as regards legality and regularity

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

For DG JUST, the estimated overall amount at risk at payment⁵⁷ for the 2017 payments made is EUR 1.73 million. This is the AOD's best, conservative estimation of the amount of *relevant expenditure*⁵⁸ during the year (EUR 143.75 million) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

With regard to the direct management grants, the cumulative detected error rate is based on the results of audits carried out by DG JUST (Chapter 2.1.1.1). In the case of procurement, a reliable estimation from the Court of Auditors was used (0.2% see also point 2.1.1.1.b). Other activities are not considered risk-prone and it is estimated that

⁵⁷ In order to calculate the weighted average error rate (AER) for the total *relevant expenditure* in the reporting year, the *detected*, estimated or other equivalent error rates have been used.

⁵⁸ "*relevant expenditure*" during the year = payments made, minus new pre-financing paid out, plus previous pre-financing cleared.

the error rate is below the threshold as in the case of payments to Agencies as well as for cross-subdelegations.

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections⁵⁹ for those 2017 payments made are EUR 0.98 million. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years.

The difference between those two amounts leads to the estimated overall amount at risk at closure⁶⁰ of 0.75 M€.

⁵⁹ Based on the 7 years historic average of recoveries and financial corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years. For 2016 the ARC rate has been calculated at 2.1%. For calculation of overall amount at risk the rate has been kept not higher than the estimated average error rate.

⁶⁰ For some programmes with no set closure point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

Estimated overall amount at risk at closure

amounts in M€

	1	2	3	4 = 1 - 2 + 3	5	6 = 4 x 5	7	8 = 4 x 7	9 = 6 - 8
DG JUST activities	Payments made by DG JUST in 2016	Pre-financing	Cleared pre-financing	Relevant expenditure	Average error rate AER %	Estimated overall amount at risk	Average recoveries and correct. ARC %	Estimated future correction	Estimated overall amount at risk at closure
Grants	69,10	61,41	41,08	48,77	3,47%	1,69	2,02%	0,98	0,71
Procurement	20,92	1,97	0,87	19,82	0,20%	0,04	0,00%	0,00	0,04
Contribution to executive agencies	0,00	0,00	1,63	1,63	0,00%	0,00	0,00%	0,00	0,00
Subdelegations & service level agrmnts.	1,64	0,00	0,00	1,64	0,00%	0,00	0,00%	0,00	0,00
Traditional agencies	78,12	78,12	71,90	71,90	0,00%	0,00	0,00%	0,00	0,00
Tot.	169,78	141,50	115,48	143,76	1,20%	1,73	0,68%	0,98	0,75

2.1.1.2 Cost-effectiveness and efficiency

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

Regarding the cost-effectiveness of controls, the conclusion was reached on the basis of an estimation of costs of control over the value of the related funds (value of payments), in the form of indicators and their evolution over time for each of the distinct control systems and stages described in Annex 5. Details are presented in Annex 10.

As a general overview, the total cost of controls performed in 2017 in DG Justice and Consumers was estimated at EUR 7.64 million, representing 4.49% of total payments made in the year. It should be noted that, in total, costs of controls for all stages and efficiency indicators slightly increased compared to 2016 (EUR 7.6 million vs EUR 6.8 million), mainly due to higher allocations of FTEs to the procurement management control tasks, as the number of procurements signed increased by 40,9% compared to 2016.

Furthermore, there is a number of non-quantifiable benefits resulting from the controls operated during the programming phase in the grant management process, aimed at ensuring that the financed projects contributed to the achievement of the policy objectives, and from the deterrent effect of ex post controls. At the same time the procurement procedures are to a large extent a regulatory requirement which cannot be curtailed. DG Justice and Consumers considers that the necessity of these tasks is undeniable, as shown by the risks outlined in Annex 5, significant proportions of the appropriations would be at risk in case they were not in place.

Control System	2017			2016		
	Costs (M EUR)	Payment (M EUR)	Costs/payment (%)	Costs (M EUR)	Payment (M EUR)	Costs/payment (%)
Direct - Grants	5.41	69.1	7.83%	5.11	57.77	8.85%
Direct Procurement	1,8	20.92	8.6%	1,11	21.19	5.2%
Indirect - Agencies	0.42	78.12	0.5%	0.62	72.53	0.8%
Other	n/a	1.64	n/a	n/a	5.57	n/a
Total	7.6	169.79	4.49%	6.84	157.06	4.36%

The DG's relative⁶¹ level of cost-effectiveness is considered adequate. 2016 was the third year when the risk based approach was applied for verification of the final cost claims in view of different risk profiles of the beneficiaries and completeness and accuracy of the provided documentation with the aim to re-direct the control resources towards more stringent controls where needed, while having leaner and less burdensome controls where appropriate.

Regarding the efficiency of controls, DG Justice and Consumers assessed it based on "time-to" indicators, measuring the time spent to complete a specific procedure.

⁶¹ E.g. taking into account the relative labour-intensity of the operations, which may imply (dis)economies of scale due to the number and value of the transactions

Concerning grants, DG JUST awarded a higher number of grants (+4.2%) in comparison to 2016 (198 vs. 190) and increased the time-to-award (150 days vs 110 days in 2016), as well as the time-to-pay (38 days vs. 37 days in 2016).

Time to award and time to grant have deteriorated in 2017 compared to 2016 (respectively + 40 days and +26 days). This is due to the phasing in of the new and complex grant management H2020 IT system, fully rolled out in 2017, which requires a huge investment during the first two-three years.

Direct management grants	<p>Time-to-inform: ↗150 days (110 in 2016, limit Art. 128.2(a) FR is 180)</p> <p>Time-to-grant: ↗ 113 days (87 in 2016, limit Art. 128.2(b) FR is 90)</p>
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At the level of the payment transactions performed in the DG, the efficiency indicators show that DG Justice and Consumers' overall average payment time for the year amounted to 29 days (with suspension) and 83% of all payments were made on time (vs. 92% in 2016). The relative high number of late payments is mainly on final cost claims, and e-invoices via a functional mailbox. The delay can be explained by:

- the dismantling of SRD in June 2017, just before the summer;
- the adaptation to the new financial circuit and the new implication of operational units in the workflow.

Invoices were registered on average in 4.1 days during 2017 (vs. 2 days average in 2016). This is within the 7 days allowed for registration.

In the area of grant payments, 15.83% of the grant payments have been made later than the legal times, and increased by 4.5 points compared with 2016 (11.32%).

In relation to payment delays in procurement transactions, the average number of days dedicated to a payment increased by 4 days, while the time for payment of subsidies to Union Agencies increased by 3 days compared to 2016.

All	<p>Procurement time-to-pay: ↗ 24 days (20 in 2016)</p> <p>Union Agencies time-to-pay: ↗ 13 days (10 in 2016)</p> <p>Grants time-to-pay: ↗38 days (37 in 2016, Art. 92 FR)</p>
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Based on the above available information assessed as being complete and reliable, considering the non-quantifiable benefits of the controls, along with the fact that the total costs of controls remained at a similar level in 2017, **DG Justice and Consumers could reach a positive conclusion with regard to the cost-effectiveness and the efficiency of its entire control system.**

2.1.1.3 Fraud prevention and detection

DG Justice and Consumers has developed and implemented its own anti-fraud strategy since 2012, elaborated on the basis of the methodology provided by OLAF. Its implementation is being monitored with biannual reporting to management.

The update of the anti-fraud strategy following the updated methodology and guidance for anti-fraud strategies from OLAF was initially planned for 2016, and will now be finalised in the first quarter of 2018 taking into account the reorganisation of DG Justice and Consumers in 2016 and SRD dismentalmnt.

Even if in principle, the controls targeted at preventing and detecting fraud are very similar to those intended to ensure the legality and regularity of the transactions (the unintentional errors), specific anti-fraud related actions were carried out in DG Justice and Consumers in 2017:

- the risk of fraud was integrated in the risk assessment,
- selection of fraud risk-based audits are a basis of the annual external audit plan,
- regular attendance to FPDnet meetings.

During 2017, 3 investigations were opened and no investigations have been finalised. DG Justice and Consumers continued to provide as far as possible, upon request of an investigator, all required information and to assist the investigator in his/her analysis.

2.1.2 Audit observations and recommendations

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

DG Justice and Consumers is audited every year by both internal and external independent auditors: the Commission Internal Audit Service (IAS) and the European Court of Auditors (ECA).

- ***Summary of the IAS audit recommendations issued during the year***

During the reference period, the IAS completed its internal audit plan for the year 2017:

- The IAS finalised in DG Justice and Consumers one new multi-DG audit on **"HR management / staff allocation"**. In its Final Report, the IAS issued a very important recommendation relating to Allocation of human resources within the DG and two important recommendations relating to HR Strategy and Sustainable People Management. All recommendations stemming from this audit were accepted by DG JUST, and the action plan will be implemented by the end of third quarter of 2018
- The IAS launched and finalised in 2017 **"Audit on Other Statistics"**. In its Final Report, the IAS issued 4 important recommendations relating to Completion of the statistical inventor and masterplan, Management of the statistical process by DG JUST, Methodological and quality framework for the statistics produced or acquired internally, and Referencing and use of disclaimer when publishing statistics. All recommendations stemming from this audit were accepted by DG JUST.
- At the end of 2017, the IAS launched in DG JUST one new multi-DG audit on "Risk management".

As regards the implementation of recommendations issued in previous year:

Regarding the audit "Management of grants under 2014-2020 Justice and Rights, Equality and Citizenship programmes in DG JUST", finalised in July 2016, the IAS followed up and closed two recommendations in 2017: one Very Important (relating to "Contracting Phase") and one Important (relating to "Annual Work Programme and Calls for Proposals"). In respect of the other two recommendations from the same audit, one is still open (relating to "Implementation Phase" – Important) and the other one (relating to "Evaluation Process" – Very Important) has been sent for review to the IAS and it's currently being followed up by the auditors.

In conclusion, the IAS stated in its contribution to this report that internal control systems audited are partially effective since one 'very important' recommendation remains to be addressed, in line with the agreed action plan. The residual risks related to this recommendation may affect one or several internal control principles and/or components. This revision does not reflect a deterioration in the state of internal controls in respect of last year, but rather reflects an alignment with the approach set out in DG BUDG's Implementation Guide on the new Internal Control Framework of the Commission, in particular on the identification of internal control deficiencies and on the assessment of the internal control system.

- **Summary of the ECA audit findings**

The *Court of Auditors* examined the financial management/legality & regularity of transactions of DG Justice and Consumers in *Chapter 8 "Security and citizenship"* of its Annual Report for 2016 (published in November 2017). The Chapter does not have any reference to DG Justice and Consumers.

As a follow up of performance audit on *"EU policy initiatives and financial support for Roma integration: significant progress made over the last decade, but additional efforts needed on the ground"*, published on 26 June 2016, there is still an open recommendation yet to be implemented.

The European Parliament calls on the Commission to establish a genuine European strategy for Roma inclusion, that is to say, a European action plan devised and implemented at every political and administrative level, involving representatives of the Roma community, and based on the core values of equality, access to rights, and non-discrimination; maintains that such a strategy must help to promote genuine inclusion of Roma and their access to education, employment, housing, culture, health care, participation in public affairs, training, and free movement within the Union.

The Commission assesses annually the implementation of National Roma Integration Strategies. It reports to the European Parliament and the Council on progress made in integration of Roma population in Member States and achievement of goals per each key area defined in the EU Framework.

In parallel, the Commission also plans to launch an in depth evaluation of the EU Framework. The various stakeholders will have an opportunity to contribute to this evaluation through the online questionnaire which will be uploaded soon on the Commission's website. The final evaluation report is expected in 2018.

2.1.3 Assessment of the effectiveness of the internal control systems

The Commission adopted in 2017 a new Internal Control Framework⁶² based on the revised COSO Framework principles that will become fully applicable only as from 01/01/2018.

In line with the guideline of the new IC Framework, DG JUST has already identified and inserted in the 2018 Management Plan a set of IC monitoring criteria according to the new IC principles. These criteria will be used for the annual assessment of the ICS for the first time within the 2018 AAR exercise.

2017 is a transitional year for which DG JUST reports on the effectiveness of its ICS on the basis of the previous Internal Control Standards.

⁶² C(2017)2373 of 19.04.2017, Communication to the Commission from Commissioner Oettinger: "Revision of the Internal Control Framework"

The Commission has adopted these 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 Justice and Consumers 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 Justice and Consumers annually assesses the effectiveness of its key internal control systems, including the processes carried out by implementing bodies in accordance with the applicable Commission guidance. The assessment relies on a number of monitoring measures and sources of information including:

- **Reviews of exceptions and non-compliance events** with the Internal Control Standards (ICS). 5 exceptions relating to procurement procedures were recorded in 2017;
- Results of the **relevant audits** performed or followed up by the Internal Audit Service which concluded that internal control systems audited are partially effective since one 'very important' recommendation remains to be addressed, in line with the agreed action plan. The Court of Auditors' findings were of minor nature and therefore do not undermine the effectiveness of the internal control system in place. For details please refer to part 2.1.2;
- The annual **risk management exercise** performed in the context of the management plan. No critical risks were identified;
- The **Authorising Officers by Sub-Delegation Reports**, including compliance with the ICS, **and declaration of assurance** (detailed in part 2.1.1).

This analysis had enabled the Internal Control Coordinator to report on the state of internal control and his recommendations to the Director-General. There is satisfactory evidence that the processes and procedures in place control the main risks by providing reasonable assurance that the key objectives are met and that the activities are carried out as intended.

It has to be noted that as a result of the dismantlement of the HOME-JUST Shared Resources Directorate (SRD) on June 2017, some tasks and staff have been transferred to DG JUST and in particular those related to:

- Budget, accounting, ex-ante control from SRD to Unit JUST.04.
- Internal Control and reporting from SRD to Unit JUST.01.

In addition, IT systems management for both DG HOME and DG JUST has been fully concentrated in Unit JUST.B4 while External Audit activity for both DGs is being carried out by Unit HOME.E4.

As a result of the above a new financial circuit within DG JUST has been adopted and Memorandum of Understanding between DG JUST and DG HOME signed to rule the provision of IT and External Audit activities. The adoption of these actions made it possible not to impact the effectiveness of the internal control system and allowed the continuity of these activities.

As it concerns IAS audits, DG JUST set up robust action plans for each of these audit recommendations and regularly follows up their implementation, with increased focus on the very important recommendations.

DG JUST has assessed the internal control systems during the reporting year and has concluded that the internal control standards are implemented and functioning as intended.

2.1.4 Conclusions as regards assurance

This section reviews the assessment of the elements reported above (in Section 2.1.1.1, 2.1.2 and 2.1.3) and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2 stems from the results of management and audit monitoring, based on the results of the self-assessment, ex-post controls, 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 cross sub-delegations or delegation agreements.

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

The key arguments for the assurance are listed below:

- Overall, reliable and complete control results are available for each control system, indicating positive results in terms of effectiveness, legality and regularity, cost-effectiveness and efficiency (except for the high multiannual residual error rate in grant management as explained below).
- Full compliance with the Internal Control Standards; weaknesses are known and addressed;
- No critical issues highlighted by internal or external auditors;
- For DG Justice and Consumers, the estimated overall amount at risk for the 2017 payments made is estimated as at EUR 1.73 million. This is the AOD's best conservative estimation of the amount of expenditure authorised during the year (EUR 169.79 million), not in conformity with the applicable contractual and regulatory provisions at the time the payment is made. This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections for those 2017 payments made are EUR 0.98 million. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years.
- No other major issues pointed out by the Authorizing Officers by Sub -delegations in their reports.

Methodology for determining materiality level for reservations

The materiality is determined for each relevant distinct internal control system across various ABB lines ("horizontal" approach). The main distinct internal control systems are (a) direct management – grants, (b) direct management - procurement and (c) indirect management (EU subsidies to decentralised agencies). These layers are determined by the differences in the ex-ante and ex-post control approach put in place in DG Justice and Consumers to control and obtain assurance for each type of expenditure – each control approach and results are described in more detail throughout Chapter 2 and in Annex 5 (Internal Control Templates).

A possible reservation is considered for each of these control systems separately. The control objective is to ensure that for each system, the residual error remains below 2%.

The residual risk was analysed for each distinct control system, as detailed in section 2.1, and the results of each were analysed separately to determine its impact on assurance and a need to issue a reservation:

The estimated multiannual residual error rate for the grants directly managed by DG Justice and Consumers for 2017 is 2.63% in decrease compared to last year (2.72%).

Overall Conclusion

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

- Financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed under the budget chapters 33 02 and 33 03.

The financial impact of the reservation on the assurance is assessed at 0.75% of the payments made by DG Justice and Consumers in 2017 amounting to EUR 1.28 million.

2.1.5 Declaration of Assurance and reservations

DECLARATION OF ASSURANCE

I, the undersigned,

Director-General of General Directorate of Justice and Consumers

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁶³.

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 limited conclusion of the Internal Auditor on the state of control and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

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

However the following reservations should be noted:

- *Reservation regarding the financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers under the budget chapters 33 02 and 33 03*

Brussels, 03/04/2018

Tiina Astola

(signed)

⁶³ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

Reservation 1 (template to be adhered to)

DG	Justice and Consumers
Title of the reservation, including its scope	Financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers
Domain	Centralised direct management - grants (2007-2020 programmes)
ABB activity and amount affected (= "scope")	33 02 – Rights, Equality and Citizenship and 33 03 – Justice. Total payments related to grants (2007-2020 programmes) in 2016: € 69.1 million.
Reason for the reservation	At the end of 2017, the residual error rate is above the materiality threshold.
Materiality criterion/criteria	The materiality criterion is the cumulative residual error rate, i.e. the level of errors that remain undetected and uncorrected, by the end of the management cycle. The control objective is to ensure that the residual error rate on the overall population is below 2% at the end of the management cycle.
Quantification of the impact (= actual exposure")	The estimated multiannual residual error rate for DG Justice and Consumer directly managed grants for 2017 is 2.63%. The maximum impact is calculated by multiplying the multiannual residual error rate by the sum of direct management payments based on cost statements actually processed and pre-financings cleared in 2017 (€ 48.61 million). The estimated impact in 2017 is € 1.28 million.
Impact on the assurance	Legality and regularity of the affected transactions, i.e. only payments made against cost claims (interim payments and payments of balance). The assurance is affected within the scope of the quantified budgetary impact, which represents 0.75 % of payments made by DG JUST in 2017.
Responsibility for the weakness	Some weaknesses still persist in the control system (the resources constraints does not allow to control 100% of the cost claims). The remaining weaknesses are still mainly due to the complexity of the rules defining the eligibility of the costs and the difficulties for beneficiaries to put in place a proper project accounting system. This is reinforced by the fact that DG Justice signs mainly multi beneficiary grant agreements where co-beneficiaries as such are also managing the project money and should apply the same eligibility rules and principals as the project co-ordinators but the Commission contractually does not have direct control over the co-beneficiaries or direct communication channels. Moreover, the co-beneficiaries are not directly responsible toward the Commission but they are represented by the project coordinator.
Responsibility for the corrective action	Action plan corrective action proposed: The most recent analysis of detected errors shows that the main reasons for ineligibility are linked to a lack of supporting documentation (18%) and staff costs related findings (6%). Ineligible costs can be reduced thanks to targeted communication with the help of appropriate calculation tool made available to the beneficiaries and, where necessary (based on risks identified during implementation phase), through on the spot monitoring visits. The rate of ex ante correction can also be improved using an ex ante financial analysis strategy based on project/beneficiary risk assessment. The Corrective actions hereafter are also based on the <u>outcome of the IAS audit on JUST management of grants, the recommendation received and the agreed Action</u>

	<p><u>plan.</u></p> <p>1/ Risk based ex ante financial analysis The need for sampling supporting documents of individual projects is assessed by using a standard check list, helping the financial officer identify potential risks within each costs claim. Particular emphasis will be put on checking staff costs which represent 57.18% of total ineligible costs.</p> <p>A specific Excel tool calculating eligible project staff costs, as well as standard timesheet are made available on the website for grant beneficiaries (and training regarding their use is presented during kick-off meetings).</p> <p>2/ Better communication with beneficiaries Specific emphasis is put on the description of eligible costs and justifying documents in the grant management guide/guide for applicants.</p> <p>During kick-off meetings, a dedicated session on project financial management is organised.</p> <p>On-the-spot monitoring visits should be organised on the beneficiaries' premises, focussing on the financial management of projects. The coverage of the project portfolio by such visits should cover beneficiaries selected on the basis of the risks identified during project implementation, or for recurrent beneficiaries selected because of irregularities revealed at the occasion of an ex-post audit.</p> <p>3/ Rules for costs eligibility have been simplified in the sense that the distinction contained in the guide for applicant, between public and private staff costs has been abolished. This simplification was introduced in 2015 and will produce its effects only on projects financed in 2016. It should reduce the number of errors linked to inaccurate staff costs reporting because of a complex set of rules, difficult to apply in practice.</p> <p>4/ Business processes for budget reviews and final payments are gradually being aligned with those in force within H2020 family to take into account the use of the corporate e-grant IT tool. This might imply, in the medium term, an extension of the use of simplified costs options for specific categories such as staff and subsistence costs.</p> <p>5/ Maintain the (high)rate of projects audited in the population at risk.</p> <p>The ex-post audit plan for 2017 foresaw 38 audits of grants and has been fully implemented, i.e. audits have been carried out and are now in the reporting phase, which is planned to be completed by June 2018. As mentioned in the AAR 2016, such a high number of audits will allow reaching an audit coverage of more than 20% of the auditable population of grants directly managed for MFF 2007-2013. Such high coverage will have a direct impact on the reduction of the residual amount at risk at the end of the management cycle. Compared to the previous year it is possible to determine a positive trend, in the sense that the error rate is slightly decreasing. Yet, it is still too early to draw conclusions as the majority of the 38 audits of grants carried out in 2017 are currently under contradictory procedure with the beneficiaries.</p> <p>Moreover, the ex-post audit plan for 2018 foresees 42 audits of grants. This will allow keeping an audit coverage of more than 20% of the auditable population for MFF 2007-2013.</p>
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2.2 Other organisational management dimensions

2.2.1 Human resource management

At the end of 2017, DG JUST has 522 staff (456 statutory staff and 66 other staff) compared to 497 in 2016.

The average age of staff members in DG JUST is 43 and the proportion of female staff reaches 61% across all grades. Female representation is above the average of the Commission for senior managers (80% for DG JUST) and reaching an almost equal balance for all managers combined at 48% with only one first time female appointment to management to be made to reach the target set by DG HR.

As regards organisation of HR matters, DG JUST completed the second wave of the HR modernisation pilot project in February 2017, assigning HR staff to several Account Management Centres that are responsible for delivering HR services to a group of DGs. A small local HR Business Correspondent Team was set up (1 HR Business Correspondent assisted by one HR assistant, in total 2 Full Time Equivalentents) directly attached to the Director-General with the task of helping DG JUST's management to address strategic and sensitive human resource issues.

The second wave of this HR modernisation pilot project was challenging for DG JUST as the new ways of working between DG HR and the HR Business Correspondent Team continued to evolve. Unlike some other DGs participating in the pilot project, DG JUST reduced its in-house team to a minimum and therefore relied more than any other DG on the efficiency of the new HR delivery model.

Following the centralisation of a number of HR processes, including learning and development and fit@work, 2017 was a year of transition to find a coherent modus operandi with a view to further developing activities in 2018.

An Internal Communication correspondent was appointed under the Synergies and Efficiencies Review to transmit HR corporate priority messages to staff and contribute to streamlining the new delivery model, in particular in terms raising staff awareness.

The former Shared Resources Directorate of DG JUST and DG HOME was split in 2017. DG JUST reintegrated IT and Document management and DG HOME - Audit, with agreements to continue providing the related services to the other DG.

DG JUST continued its realignment to the Commission's political priorities that had started at the end of 2016. This realignment ensures full integration of the various policies under the DG's responsibility, and their effective matching with a rationalised structure and appropriate resources.

Concrete actions were implemented in for improving efficiencies in 3 key areas: workflows, briefings and going paperless.

2.2.2 Better regulation

In line with the current political calendar, DG JUST has been working concurrently on several impact assessments in 2017 to inform various legislative proposals that the DG aims to have adopted under the current Commission's mandate. In 2017, six impact assessments were submitted for scrutiny to the Regulatory Scrutiny Board. The Board issued opinions for four impact assessments and reviewed the assessments for the initiatives on a New Consumer Deal and on whistleblower protection in the first quarter of 2018 (both positive on second submission).

The opinion was positive on first submission for two of the files, i.e. the impact

assessment underpinning a proposal for an initiative on access to electronic evidence ('e-evidence') and that for a sustainable arrangement for a computerised system for communication in judicial proceedings ('e-codex'). It was eventually positive with reservations for the impact assessments underpinning the company law package and an initiative on the assignment of securities and claims. The DG was furthermore involved in the finalisation of the impact assessment for a proposal to support work-life balance for parents and care-givers in the first months of the year that was submitted by DG Employment.

The DG concluded in May 2017 an extensive Fitness Check of six Directives that form the core of the EU consumer acquis and an evaluation of the Consumer Rights Directive (2011/83/EU). It launched the mid-term evaluations of its 2014–2020 financial programmes, i.e. the Consumer financial programme (jointly with the ex-post evaluation of the 2007 -2013 programme), the Rights, Equality and Citizenship programme and the Justice programme. All three SWD will be published in 2018. In 2017, it also engaged in the evaluations of the EU Framework for National Roma Integration Strategies up to 2020, of the rules applicable to residence and identity documents as well as those on emergency travel documents – the last two being carried out alongside impact assessments for subsequent initiatives to be tabled in 2018.

Last but not least, efforts to further increase the awareness of Better Regulation within the DG were also pursued: the DG's intranet was updated and revised following the publication of the new Guidelines and a Lunchtime Seminar on Better Regulation was organised in July 2017. Additionally, the DG benefitted from a presentation of the main changes in the Better Regulation Guidelines by SG and Regulatory Scrutiny Board in September 2017.

2.2.3 Information management aspects

DG JUST complies with the document management policies of the Commission. The filing of documents is done on a consistent basis and the percentage of unfiled documents is almost within the target value (2.04% and the target is <2%). In particular DG JUST introduced BASIS for briefing management, streamlining all internal briefing-related work. In 2017 DG JUST revised the filing plan of Ares in order to reflect the new structure of DG JUST following the re-organisation. Finally, DG JUST introduced paperless workflows as of April 2017.

These are first steps in preparing and implementing a knowledge management strategy that will allow fast dissemination of important information and time and consistency gain through re-use of already created knowledge. As the shared resource directorate was dismantled in June 2017, the responsibility for drafting a knowledge management strategy has been reassigned and postponed for 2018.

The number of DG JUST's ARES files open for consultation to the entire Commission has reached 16.48%. While opening up the closed/old files for consultation at Commission level might pose confidentiality problems, since it is difficult to reassess past sensitivities in terms of content, all newly created files in DG JUST are by default open for consultation at Commission level (as of 2015).

2.2.4 External communication activities

There were 117 press materials published throughout the year (including 29 press releases and 88 press chapeaux) and, on top of that, 21 factsheets explaining DG JUST projects in a more attractive format. DG JUST also worked on 94 speeches for the Commissioner and senior management.

Press activities were accompanied with a strong social media on three accounts, including 2 Twitter accounts (@EU_Consumer – 1,834 new followers; @EU_Justice – 5,297 new

followers) and one Facebook account (EU Justice and Consumers - 12,030 new followers). These accounts offered more audiovisual content than before and, for the first time, new functionalities like a live coverage from the events with the Commissioner. In 2017, DG JUST also prepared and agreed a social media strategy for the Commissioner's account and actively helped the Cabinet to deliver on the three established indicators (increase in the number of followers; increase in the average engagement rate; increase in the Klout score).

In 2017, DG JUST also organised awareness raising campaigns and events on such topics as: product safety (campaign on social media); women's rights (annual colloquium on fundamental rights); children's rights (forum); and consumer rights (solving disputes through the use of Alternative Dispute Resolution entities and the Online Dispute Resolution Platform). Certain activities, like the campaign on data protection, had to be postponed to reflect the new components that needed to be organised (in the data protection case – it was the new web guidance).

Last but not least, the year 2017 marked an important step in the web presence of the Commission with the launch of a central, corporate website. This meant that DG JUST content had to be integrated in the new website, and the old DG JUST websites (Justice and Consumers) had to be frozen and archived. All DG JUST content is now live on the Commission Europa site.