

ANNEXES

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

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission³⁴, I have reported my advice and recommendations to the Head of Service on the overall state of internal control in the Service.

I hereby certify that the information provided in Section 2 of the present AAR and in its annexes is, to the best of my knowledge, accurate and exhaustive."

Date 22/03/2018

[signed]

Christian MEUNIER

Head of Unit FPI.1

and

Head of Unit in charge of Risk Management and Internal Control³⁵ of FPI

³⁴ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

³⁵ Due to the "lean" structure of FPI, this function is assigned to the Head of Unit level.

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

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

Human Resources

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Indicator 1: Percentage of female representation in middle management

Source of data: DG HR Collaborate Workspace

Baseline (2015)	Target	Latest known results (31/12/2017)
20%	40% by 2019	40%

Main outputs in 2017:

Description	Indicator	Target	Latest known results
Selection and appointment of new middle managers with preference to the under-represented gender in case of equal merit	Increased percentage of women in middle management	End 2019 ³⁶	20%

Indicator 2: Percentage of staff who feel that the Commission cares about their well being

Source of data: Commission staff survey

Baseline (2014)	Target	Latest known results (31/12/2016)
39%	Increase on baseline by 2020	39%

Main outputs in 2017:

Description	Indicator	Target	Latest known results
			No staff survey organised in 2017 (2016 results:

³⁶ The FPI Management Plan 2017 did not include any specific target for 2017. One new female middle manager was appointed.

Sound allocation of human resources ensuring effective and efficient operation of the DG	Delivery of the DG in the context of the 5% reduction	Sound allocation of human resources ensuring effective and efficient operation of the DG	39%)
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Indicator 3: Staff Engagement Index			
Source of data: Commission staff survey			
Baseline (2014)	Target	Latest known results (31/12/2016)	
59%	Increase on baseline by 2020	60%	
Main outputs in 2017:			
Description	Indicator	Target	Latest known results
Employee Engagement Index	Percentage of staff who respond positively to Staff Survey	Increase on 2014 (59); Commission average: 65	No staff survey organised in 2017 (2016 results: 60%)

Financial management

Objective: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions Main outputs in 2017: Ex ante verification files, ex post controls.			
Indicator 1: Number of EPCs			
Source of data: Internal			
Baseline (2016)	Target	Latest known results (31/12/2017)	
25	As per EPC plan	20	
Main outputs in 2017:			
Description	Indicator	Target	Latest known results
Ex-post controls	Number of EPCs	As per EPC plan	20

Objective:

Effective and reliable internal control system in line with sound financial management.
DGs are requested to reach a conclusion on cost effectiveness of controls.
Main outputs in 2017: Conclusion on cost effectiveness of controls (AAR 2017)

Indicator 1: Conclusion on cost effectiveness of controls**Source of data:** Internal

Baseline (2016)	Target	Latest known results (31/12/2017)
Positive conclusion	Yes (positive conclusion)	Positive conclusion

Main outputs in 2017:

Description	Indicator	Target	Latest known results
Conclusion based on calculation of costs of controls	Cost-effectiveness of controls	Yes (positive conclusion)	Positive conclusion

Information Management

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

Indicator 1: Percentage of registered documents that are not filed³⁷ (ratio)**Source of data:** Hermes-Ares-Nomcom (HAN)³⁸ statistics

Baseline (2014)	Target	Latest known results (31/12/2017)
15.02%	0% by 2020	11.91%

Main outputs in 2017:

Description	Indicator	Target	Latest known results
Important documents are registered	% of documents not filed	Improve on baseline	11.91%

Indicator 2: Number of HAN files readable/accessible by all units in the DG**Source of data:** HAN statistics

Baseline (2014)	Target	Latest known results (31/12/2017)
92.10%	95% by 2020	94.08 %

Main outputs in 2017:

Description	Indicator	Target	Latest known results
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³⁷ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

³⁸ Suite of tools designed to implement the [e-Domec policy rules](#).

Access to files by all Units	Number of readable HAN files	Improve on baseline	94.08 %
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Indicator 3: Number of HAN files shared with other DGs			
Source of data: HAN statistics			
Baseline (2014)	Target	Latest known results (31/12/2017)	
23.77%	40% by 2020	14.94%	
Main outputs in 2017:			
Description	Indicator	Target	Latest known results
Files shared with other DGS	Number of HAN files shared with other DGs	Improve on baseline	14.94%

External Communication

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.

Indicator 1: Percentage of EU citizens having a positive image of the EU

Source of data: Standard Eurobarometer (DG COMM budget)

Baseline (2015) November	Target	Latest known results (31/12/2017)	
Total "Positive": 37% Neutral: 38 % Total "Negative": 23%	Positive image of the EU ≥ 50%	35% Positive 35% Neutral 38% Negative 25%	

FPI external communication focused on how the EU budget contributes to the achievement of Juncker's Commission political priorities Nr.9, 'a stronger global actor'. FPI ensured its website was up to date including new public interest stories on all operations.

Most of the communication spending was administered by the EEAS, both in Headquarters and in Delegations, in line with the Service Level Agreement (SLA) concluded between FPI and EEAS in 2013 and the spending related to the annual press and information budgets for some 135 EU Delegations throughout the world. Another large part of spending financed a television transmission on the Euronews channel in the Farsi language while continued support was also given to management and updating of the FPI website. See also Part I 'Information outreach on the Union's external relations'.

Annual communication spending (based on estimated commitments):

Baseline (Year n-	Target (Year	Total amount spent	Total of FTEs working on external communication
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1):	n):		
EUR 12,500,000	EUR 12, 000,000	EUR 12,472,672	0

ANNEX 3: Draft annual accounts and financial reports



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ANNEX 4: Materiality criteria

The principal criterion for defining significant weaknesses is the detection of significant deficiencies/errors during the controls, supervision and evaluation exercises. Different parameters are considered, such as the nature/typology of the deficiency and its scope, the relative importance of the system component affected by the deficiencies, their frequency and duration, their cause, the financial impact, monetary value of the identified problem/amount considered erroneous, the amount considered at risk, the possibility to undertake corrective actions and the existence of compensatory measures (mitigating controls which reduce the impact of the weakness). In addition, an examination is made as to whether the deficiencies give risk to special factors which put at risk the reputation of EU institutions (e.g. risk of widespread fraud).

From the examination carried out on the basis of the above factors, management should conclude that the deficiencies are significant and deserve to be disclosed in the declaration of assurance where:

- the problems identified concern key control elements/components linked to the underlying expenditure and, having regard to the relevant factors, it appears they are systematic and wide-ranging in their occurrence;
- the multi-annual residual error rate (RER) for one or more activities of the Service exceeds 2% of the authorised payments of the reporting year for this activity;
- the audit coverage is insufficient and information on internal control system inadequate to conclude on the robustness of internal control;
- the existence of critical issues reported by the Court of Auditors, the IAS or OLAF, including the impact on assurance of very important recommendations for which there is a significant delay in the implementation of the action plan;
- there are distinctive factors in relation to the qualitative aspects of the deficiencies, which give rise to a high reputational risk (both concerning the nature of the impact on reputation, the breadth of awareness of the event as well as the duration of impact on a reputation) for the EU institutions, which would lead to the conclusion that the deficiencies are significant notwithstanding the absence of one or both of the above elements.

Identification and correction of weaknesses/errors are based on a number of sources, comprising, inter alia, regular assessment of the implementation of the internal control framework; specific controls, audits or investigations and their results; management and monitoring reports; and recommendations of internal and external audit bodies.

ANNEX 5: Internal Control Templates for budget implementation (ICTs)

ICT 1: *Instrument Contributing to Stability and Peace (Grants – direct management)* *Partnership Instrument, Instrument for Cooperation with Industrialised Countries (Grants – direct management)*

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

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

Overall control efficiency indicator: estimated cost of controls of grant operations divided by total amount of expenditure under grant operations in the year.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.	Ex-post control strategy: Carry out audits of a representative sample of operations to determine effectiveness of ex-ante controls. If error rate over tolerable threshold, control a risk-based sample to lower the residual error rate below the tolerable threshold. Validate audit results with	Representative sample: annual ex-post control plan sufficiently representative to draw valid management conclusions. Selection based on comprehensive risk assessment. Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.	Costs: cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit. Benefits: value of the errors detected by the auditors.	Effectiveness: detected error rate. Residual error rate. Number of supervisory control failures. Number of projects with errors; amount of the errors detected. Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits compared with

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	beneficiary. If needed: referring the beneficiary or grant to OLAF			benefits (ratio).
	Supervision missions to Delegations by independent staff (FPI.1) not involved in the operational and financial circuits.	Size and composition of the sample are determined in accordance with the portfolios managed by the visited Delegations.	Costs: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission. Benefits: non-quantifiable.	Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments managed.
The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.	Establish an ex-post supervision strategy: Carry out ex-post controls of systems and transactions in EU Delegations implementing IfS/IcSP and ICI/PI projects Recommended: to be able to serve multiple purposes (e.g. for assurance as well as to give guidance and advice on IfS/IcSP and ICI/PI systems and procedures)	Annual ex-post control plan of EU Delegations to visit based on comprehensive risk assessment. Desk review in case of high risk Delegations (e.g. Afghanistan) Depth: review of underlying checklists and documents relating to IfS commitments and payments.	Costs: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission. Benefits: value of the errors detected by the supervisors.	Effectiveness: Number of administrative errors detected by the supervisors. Number of material findings. Value of material errors concerned. Detected error rate. Residual error rate. Average number of errors per Delegation. Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments verified.

B - Implementing results from ex-post audits/controls

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

Overall control efficiency indicator: percentage of cashed recoveries as of 31 March N+1.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented.</p> <p>Financial operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>.</p> <p>Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary</p>	<p>Benefits: value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p> <p>Loss: value of such ROs which are 'waived' or have to be cancelled.</p>	<p>Effectiveness:</p> <p>Success ratio: % of value of the ROs over detected errors by the auditors after 1 year (not yet available).</p> <p>Number of suspected fraud cases transferred to OLAF.</p> <p>Analysis of financial control findings, internal control findings and other compliance findings per category of error. Number of occurrences per category of error detected.</p> <p>Efficiency Indicators:</p> <p>Time-to-recovery (not yet determined).</p>

ICT 2: Instrument contributing to Stability and Peace
Indirect management (including 'similarly' managed budget 'entrusted' to other entities)

Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”).

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

DEVCO is in charge of launching 4-pillar compliance assessments (International Organisations) and 6-pillar compliance assessments (indirect management).

Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control with or around the entity?”).

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.	Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements. Carry out verification missions of international organisations.	Coverage: verification missions of international organisations included in annual ex-post control plan. Selection of verification missions based on comprehensive risk assessment identical to grants.	Costs: cost of the verification missions of international organisations included in the total cost of the annual ex post control plan. Benefits: value of the errors detected by the verification team.	Effectiveness: Number of verification missions; number of internal control and other compliance findings; amount of the errors concerned. Efficiency Indicators: Cost/benefit ratio.

Stage 4 – Commission contribution: payment or suspension/interruption.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements.</p> <p>Ex-ante OV and FV.</p> <p>Carry out (mid-term) verification missions of international organisations under joint management.</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p>Coverage: 100% of the contribution payments (for ex-ante OV and FV.</p> <p>Verification missions of international organisations included in annual ex-post control plan (conducted after 1st year of operations or before signature of new contribution agreement).</p>	<p>Costs: cost of the verification missions of international organisations included in the total cost of the annual ex post control plan.</p> <p>Benefits: value of the errors detected by the verification team. The total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p>	<p>Effectiveness: Number of verification missions; number of internal control and other compliance findings; amount of the errors concerned.</p> <p>Efficiency Indicators: Cost/benefit ratio.</p>

Stage 5 – Audit and evaluation (indirect management only)

Main control objectives: Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission has not sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>Ex-post control strategy: Carry out audits of projects under indirect management.</p> <p>If error rate over tolerable threshold, control a risk-based sample to lower the residual error rate below the tolerable threshold.</p> <p>Validate audit results with beneficiary.</p> <p>If needed: referring the beneficiary or grant to OLAF</p>	<p>Representative sample: annual ex-post control plan may include indirect managed projects. Selection based on comprehensive risk assessment.</p> <p>Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Costs: cost of the external audit firms for the controls of IfS beneficiaries. Average cost per audit (for all management modes combined).</p> <p>Benefits: value of the errors detected by the auditors.</p>	<p>Effectiveness: detected error rate. Residual error rate.</p> <p>Amount of budget of errors concerned.</p> <p>Number of projects with errors; amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits (if any under indirect management) compared with benefits (ratio).</p>

ICT 3: Common Foreign and Security Policy
Indirect management (including 'similarly' managed budget 'entrusted' to other entities)

Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement” / etc).

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

Overall control efficiency indicator: estimated cost of control of CSFP operations divided by total amount of expenditure under these operations in the year.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity). The Council takes decisions on political grounds without taking into account the comments from the Commission on sound financial management. The Commission does not play a programming role nor does it have a final say in decisions. The</p>	<p>Ensure participation in the decision making process from an early stage. Ex-ante verification (checklist based verification) of the proposed projects, beneficiaries and budgets before adoption by the Council. Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions). Hierarchical validation within the authorising department. Inter-service consultation,</p>	<p>Coverage/Frequency: 100% of each proposed project. Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied with. <u>Factors</u> would be (i) whether it is an establishment or a prolongation, (ii) consistency with any other entities entrusted by the same DG or family. If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of</p>	<p>Costs: estimation of cost of staff involved in the preparation, adoption and selection work. Benefits: non-financial qualitative benefits (clear contracts, less disputes, time saved during the implementation phase, reputational). Financial benefits: approved budget lower than initially proposed, improved implementation of the budget.</p>	<p>Effectiveness: Quality of the legal work – Council Decision. Number of initially negative ISC opinions. Number of contracts not signed.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
Commission can, due to its expertise in project management and its budgetary role, try to influence the Council's decisions. Arguments on sound financial management risk being overruled and the Council often may make decisions on political grounds, with political objectives being considered to be of overriding importance.	including all relevant DGs. Adoption by the Commission.	budget involved and significant reputational consequences.		

Stage 2 – Ex-ante (re)assessment of the entrusted entity's financial and control framework (towards "budget autonomy"; "financial rules").

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

Overall control efficiency indicator: number of entrusted entities pillar-assessed (target = 100%).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee	<u>Ex-ante assessment, conditional to granting budget autonomy</u> Hierarchical validation	Coverage/frequency: 100% of entrusted entities/initial and follow-up assessments	Costs: estimation of cost of staff involved in the ex-ante assessment process (which may include	Effectiveness: Number of art. 60 assessments Efficiency Indicators:

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
achieving all 5 ICOs	<p>within the authorising department</p> <p>Use of Model- or Framework- financial rules (MFR or FFR)</p> <p>Requiring justification and prior consent for any deviations from financial rules</p> <p>Requiring ex-ante control of procurement and contract award files, approval of selection and grading of international contracted staff.</p> <p>Postponing the budget autonomy.</p>	<p>Depth may be determined after considering the <u>type or nature</u> of the entrusted entity (e.g. other international organisation with a specific EC agreement, CFSP persons, etc) and/or the <u>value</u> of the budget ,size of the entity concerned and the location (difficult environment).</p>	<p>missions, if applicable). Cost of externalised assessments.</p> <p>Benefits: The (average annual) total amount entrusted to the entity, possibly at 100% if significant (legal) errors would otherwise be detected.</p> <p>Qualitative benefits: mission better organised, more efficient due to application of correct procedures.</p> <p>Less support to be provided by FPI.</p>	<p>Number of exceptions reported by the missions/EUSRs.</p> <p>Number of interventions by FPI.</p>

Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control with or around the entity?”).

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (timely) informed of relevant	Delegation Act/ Contribution agreement/etc specifying the control, accounting, audit, publication, and other	<p>Coverage: 100% of the entities are monitored/supervised.</p> <p>Frequency: monthly, quarterly interim reports</p>	<p>Costs: estimation of cost of staff involved in the actual (regular or reinforced) monitoring of the entrusted entities</p>	<p>Effectiveness: number of reports scrutinised, problems detected, number of regular monitoring actions</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>management issues encountered by the entrusted entity, and/or does not (timely) react to notified issues by mitigating them or by making a reservation for them – which may reflect negatively upon the Commission’s governance reputation and quality of accountability reporting.</p>	<p>related requirements and the reporting .</p> <p>Monitoring or supervision of the entrusted entity (e.g. ‘regular’ monitoring meetings at operational level; <u>review of reported control results and any underlying management/audit reports</u>; scrutiny of the interim and final reports, etc).</p> <p>Reporting template provided by FPI. Obligatory use of audit framework contracts for the final financial report audit.</p> <p>Management review of the supervision results.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - reinforced monitoring of operational and/or financial aspects of the entity - intervention, e.g. via own on-the-spot controls, specific external audits - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	<p>are immediately carefully scrutinised. At least one monitoring mission per year/entity is carried out.</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The depth: full control of the entity’s internal control and management systems and actions.</p>	<p>(which includes missions). The cost of specific external audits if required.</p> <p>Benefits: Avoiding the cost of significant (legal, management, accounting, fraud, reporting) errors if these controls would not be in place. Reputational benefit.</p>	<p>(missions), number of serious IAS and ECA findings.</p> <p>Efficiency Indicators: Cost/benefit ratio. Cost of monitoring and support missions, provision of additional expert support.</p>

Stage 4 – Commission contribution: payment or suspension/interruption.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Delegation Act/ Contribution agreement/etc specifying the control, accounting, audit, publication, etc related requirements and the reports to be submitted for the contribution. – <i>incl. reporting back</i></p> <p>Management review of the supervision results.</p> <p>In-depth ex-ante OV and FV before making next contribution if need be.</p> <p>Hierarchical validation of contribution payment and suspending payment of contribution (fully or partial) until entrusted entity has taken corrective additional measures.</p>	<p>Coverage: 100% of the contribution payments.</p> <p>Frequency: with each pre-financing payment and in-depth if need be.</p>	<p>Costs: estimation of cost of staff involved in the OV and FV of the contribution payments to the entrusted entities. Costs of the additional mitigating controls (on-the spot missions, monitoring).</p> <p>Benefits: The total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p> <p>Benefits: reputational and preventive.</p>	<p>Effectiveness: (amount of any unused operating budget recovered).</p> <p>Number of additional mitigating controls taken as a result of financial management issues.</p>

Stage 5 – Audit and evaluation, Discharge

Main control objectives: Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources, which may confirm or contradict the management reporting received from the entrusted entity itself.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission has not sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>Delegation Act/Contribution agreement/etc specifying the control, accounting, audit, publication, etc related requirements; reporting requirements; independent external audit of the accounts and financial statement.</p> <p>The entities are part of the population subjected to the ex-post control programme.</p> <p><u>If needed:</u></p> <ul style="list-style-type: none"> - supplementary ex-post audit(s) on-the-spot, by FPI.3 of the entity. - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	<p>Coverage: The final report/financial statement per mandate (annual for most CSDP missions and EUSRs) and the required external audit report to be in-depth scrutinised.</p> <p>Frequency: once a year (as a rule).</p> <p>Entities are selected for ex-post controls (external audits) on the basis of a risk analysis.</p> <p>The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the own ex-post controls and audits (which may include missions, if applicable). Cost of the appointment of audit firms for the outsourced audits.</p> <p>Benefits: The (average annual) total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.</p> <p>Benefits: value of the errors with the entity's beneficiaries detected by the own auditors, and subsequently corrected.</p>	<p>Effectiveness: detected error rate, residual error rate.</p> <p>Number of transactions with errors; amount of the errors detected by the own supervisors.</p> <p>Efficiency: total (average) annual cost of own audits compared with benefits (ratio).</p>

ICT 4: Partnership Instrument, Instrument for Cooperation with Industrialised Countries (Procurement - direct management)
Election Observation Mission (Procurement - direct management)

Stage 2 – Financial transactions

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The products/services foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits. Follow-up by project manager.</p>	<p>Coverage: 100% of the contracts are controlled</p>	<p>Benefits: Amount of irregularities, errors and overpayments prevented by the controls</p>	<p>Effectiveness: Ex ante verification results</p> <p>Efficiency: Ex ante verification results</p>

Stage 3 – Monitoring implementation

Main control objectives: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth*	How to estimate the costs and benefits of controls	Possible control indicators
<p>An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment</p>	<p>Supervisory desk review of procurement and financial transactions</p> <p>Ex-post publication (possible reaction from tenderer / potential tenderer such as whistle blowing)</p> <p>Ex-post control strategy: Carry out audits of procurement projects (products/services).</p>	<p>Representative sample: annual ex-post control plan may include procurement projects. Selection based on comprehensive risk assessment.</p> <p>Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Costs: cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit (for all management modes combined).</p> <p>Benefits: value of the errors detected by the auditors.</p>	<p>Effectiveness: detected error rate. Residual error rate below tolerable threshold.</p> <p>Amount of budget of errors concerned.</p> <p>Number of projects with errors; amount of the errors detected (for all management modes combined).</p> <p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits (if any procurement contract) compared with benefits (ratio).</p>

Stage 4 – Ex-post controls

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

Overall control efficiency indicator: estimated cost of controls of procurement operations divided by total amount of expenditure under procurement operations in the year.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Ex-post control strategy: Carry out audits of a representative sample of operations to determine effectiveness of ex-ante controls.</p> <p>If error rate over tolerable threshold, control a risk-based sample to lower the residual error rate below the tolerable threshold.</p> <p>Validate audit results with beneficiary.</p> <p>If needed: referring the beneficiary or grant to OLAF</p>	<p>Representative sample: annual ex-post control plan sufficiently representative to draw valid management conclusions. Selection based on comprehensive risk assessment.</p> <p>Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Costs: cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit.</p> <p>Benefits: value of the errors detected by the auditors.</p>	<p>Effectiveness: detected error rate. Residual error rate.</p> <p>Number of supervisory control failures.</p> <p>Number of projects with errors; amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits compared with benefits (ratio).</p>
	<p>Verification missions to Delegations by independent staff (FPI.1) not involved in the operational and financial circuits.</p>	<p>Size and composition of the sample are determined in accordance with the portfolios managed by the visited Delegations.</p>	<p>Costs: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission.</p> <p>Benefits: non-quantifiable.</p>	<p>Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments managed.</p>
<p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.</p>	<p>Establish an ex-post supervision strategy: Carry out ex-post controls of systems and transactions in EU Delegations implementing IfS/IcSP and ICI/PI projects</p> <p>Recommended: to be able to serve multiple purposes (e.g. for assurance as well</p>	<p>Annual ex-post control plan of EU Delegations to visit based on comprehensive risk assessment. Desk review in case of high risk Delegations (e.g. Afghanistan)</p> <p>Depth: review of underlying checklists and documents relating to IfS commitments</p>	<p>Costs: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission.</p> <p>Benefits: value of the errors detected by the supervisors.</p>	<p>Effectiveness:</p> <p>Number of administrative errors detected by the supervisors. Number of material findings. Value of material errors concerned. Detected error rate. Residual error rate. Average number of errors per Delegation.</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	as to give guidance and advice on IfS/IcSP and ICI/PI systems and procedures)	and payments.		Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments verified.

B - Implementing results from ex-post audits/controls

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

Overall control efficiency indicator: percentage of cashed recoveries as of 31 March N+1.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO	Coverage: 100% of final audit results <i>with a financial impact</i> . Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary	Benefits: value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered). Loss: value of such ROs which are 'waived' or have to be cancelled.	Effectiveness: Success ratio: % of value of the ROs over detected errors by the auditors after 1 year (not yet available). Number of suspected fraud cases transferred to OLAF. Analysis of financial control findings, internal control findings and other compliance findings per category of error. Number of occurrences per category of error detected. Efficiency Indicators: Time-to-recovery (not yet determined).

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

This annex, which *applies only to indirect management*, includes information about implementing tasks entrusted to national or international public sector bodies and bodies governed by private law with a public sector mission. In practice, this includes "national agencies" and bodies governed by private law with a public sector mission including PPPs (but not executive agencies, regulatory agencies, EIB and EIF).

In 2017, 32 delegation agreements under indirect management were signed for a total amount of EUR 125,4 million.

The majority of the delegation agreements was signed with UN agencies (21 delegation agreements for a total amount of EUR 84,1 million). Four delegation agreements were signed with International Labour Organization (EUR 22 million), 3 with Organisation for the Prohibition of Chemical Weapon (EUR 3,6 million), 2 with Organisation for Security and Cooperation in Europe (EUR 2,8 million) and remaining 2 (EUR 12,9 million) with other international organisations.

The most important reasons for selecting a specific implementing partner are:

1. Presence / capacity to mobilise in the field
2. Speed of deployment in the field
3. Expertise in the concerned areas
4. Track record of similar activities in the past

The cost of administration (management fee) related to indirect management (entrusted entities) is estimated at EUR 8 million in 2017. To be noted that only a portion of that fee covers the costs of controls of the entrusted entity, but cannot be compared with control activities performed at headquarters presented in the table under cost-effectiveness and efficiency (point 2.1.1 Control Results).



Annex 6_
Int_Org_Indirect mgt

ANNEX 7: AOSD Reports of the Union Delegations

The assurance is based, *inter alia*, on **annual reports of sub-delegated authorising officers** (at HQ) and by heads of EU delegation managing FPI funds (IcSP/IfS and PI/ICI) which include a declaration of assurance.

For 2017, 59 AOSD reports by the Heads of Delegations were received and analysed at HQ, 5 AOSD reports by the Heads of the Regional Teams and 5 AOSD reports by Heads of Units in FPI HQ. The reports do not point to any issues which could have potential material impact on the assurance.

ANNEX 8: Decentralised Agencies (not applicable)

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



ANNEX 9
Evaluations and oth

ANNEX 10: Specific annexes related to financial management

Overall objective of the action plan:

The overall objective is to take additional control measures to improve the financial management of FPI projects (NPD and ICI beneficiaries).

This action plan provides a detailed breakdown of measures taken during **2016** and **2017** to address the weaknesses in the financial management of FPI projects (NPD and ICI) as highlighted in the 2015 AAR. They were taken as the basis for **reporting** in the 2017 Annual Activity Report. Some of these measures (e.g. with Delegations) may also be applied, as necessary (based on the results of ex-post controls) to funds managed under the Instrument contributing to Stability and Peace.

Action to be taken	Target date	Responsible unit	Status	Comments (if any)
<p><i>Action plan n°1: Awareness-raising on the most common types of errors and the ways to avoid them.</i></p> <ul style="list-style-type: none"> • For ICI: HQ should provide support to the Delegations to help them with training materials and possible participation in info sessions on the spot. Financial information sessions for ICI beneficiaries in at least three high risk geographical zones, via contractor/DEL/HQ <ul style="list-style-type: none"> ○ Japan ○ Korea ○ Australia/New Zealand 	<p>Q4 2016 Q3 2017 Q2 2017</p>	<p>FPI.4, FPI.1</p>	<p>Implemented (recurrent)</p>	<p>Financial information sessions organised by DEL JAP with ICI Beneficiaries. Financial Monitoring of Waseda University during Supervision Mission (Sept 2016). A financial information session in Korea was organised in 2017. A dedicated finance and contracts session was organised within the PI Training week in 19-23 June 2017.</p>

<ul style="list-style-type: none"> For CFSP/NPD: Organise info-sessions (kick-off meetings) with new beneficiaries to raise awareness on applicable contractual provisions and regulations and to insist on the negative impact at the end of the project if financial management is taken lightly. <p>Projects committed in 2016-2017:</p> <ol style="list-style-type: none"> CFSP/2015/05/Outer Space Grant - United Nations Office for Disarmament Affairs (UNODA), CFSP/2015/32/CTBT - The preparatory commission for the comprehensive nuclear-test-ban treaty organization (CTBTO), CFSP/2016/04/ United Nations Office for Disarmament Affairs (UNODA), Biological and Toxin Weapons Convention (BTWC), CFSP/2016/22/UNDP SEESAC IV, CFSP/2016/24/Fuel Bank – International Atomic Energy Agency (IAEA), CFSP/2016/25/ International Atomic Energy Agency (IAEA) VII, CFSP/2017/12/UNODA PoA SALW, CFSP/2017/13/UNODA 1540 IV, CFSP/2017/14/BAFA ATT OP II, CFSP/2017/17/Chemical safety and security in Ukraine OSCE – Organization for Security and Cooperation in Europe (OSCE), CFSP/2017/22/GICHD Mine Ban Convention CFSP/2017/23/OSCE SALW, CFSP/2017/27/EF ATT OP II, 	<ol style="list-style-type: none"> project 1 was cancelled projects 2-6 committed in 2016 projects 7-15 committed in 2017. 	<p>FPI.3, FPI.1</p>	<p>Implemented (recurrent)</p>	<p>In 2016-2017, FPI concluded NPD actions with UNODA, UNDP. IAEA, OSCE, BAFA, EF, and GICHD</p> <p>The kick-off meetings with UNODA BTWC project took place on 11 February 2016 with presence of representatives of FPI, EUDEL in GVA and SECPOL.1.</p> <p>A kick-off meeting with UNDP for SEESAC IV project was held on 27 January 2017 with the participations of UNDP staff (the beneficiary), the Project manager from FPI.1, and a large representation of FPI (finances) unit.</p> <p>The kick-off meetings for IAEA and Fuel Bank were held in May 2017 and for two contracts signed with OSCE (SALW and chemical safety and security in Ukraine) a kick-off meeting took place on 3 October 2017. The OSCE representatives, their counterparts implementing both projects on the ground in Ukraine, Georgia and former Yugoslav Republic of Macedonia and EEAS were present.</p>
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<p>Projects in the pipeline (not yet committed):</p> <ol style="list-style-type: none"> 1. CFSP/2017/30/HCoC IV, 2. CFSP/2017/xx/iTrace III (CAR), 3. CFSP/2017/xx/ Chemical Weapons Libya (OPCW) 4. CFSP/2017xx/SatCen (OPCW) 5. CFSP/2017xx/UNODA FMCT 6. CFSP/2017xx/UNLIREC CASAC 7. CFSP/2017xx/JCPOA-IAEA 	<p>1. projects 1-6 to be committed still in 2017</p>		<p>Another three projects, Mine Ban Convention with GICHD and PoA SALW with UNODA, and ATT OP II signed with EF and BAFA will be kicked-off in November 2017. A meeting with the implementing entity for UNODA 1540 IV project will be arranged in the course of that month.</p> <p>Still before the end of 2017, FPI plans to conclude agreements with FRS, IAEA, OPCW, UNODA and CAR. Kick-off meetings for their respective projects (chemical weapons in Libya; Satellite Imagery; iTrace) will be organised upon signature of the agreements. Depending on the duration and timing of decision-making by EEAS and the Council.</p> <p>In addition, it should be noted that as plans and needs are constantly being updated the actual contracts signed may differ from the list of contracts previously identified.</p>
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<p><u>Action plan n°2: Reinforce the financial/control skills at HQ and in Delegations. Strengthen FPI financial circuits in Delegations (through the setting up of Regional Teams).</u></p> <ul style="list-style-type: none"> • For ICI and for CFSP/NPD: Reorganization of financial circuits at HQ through centralization of the functions into one central unit (FPI.1 Unit). • For ICI: One specific training for the 5 financial officials managing ICI projects (1 in HQ and 4 in Delegations) in the second half of 2016. 	<p>31/12/2016</p> <p>Q3/Q4 2016</p>	<p>FPI.4, FPI.1</p>	<p>Implemented</p> <p>Implemented</p>	<p>One central financial unit has been created and financial circuits re-organized.</p> <p>As part of the specific training provided to financial verifiers in Nov 2015 and the PI seminar held in June 2016, financial officials, including the 5 financial officials managing ICI as well as PI files have been reached. The information sessions allowed to sensitise participants on core finance and contracts rules, covering also ICI. A specific finance and contracts session was organised during the PI seminar in 2017 (19-23 June).</p>
<p><u>Action plan n°3: Reinforce the accountability of all Delegations managing ICI files as to the monitoring of performance and the follow-up and corrective measures to errors identified by audits.</u></p> <ul style="list-style-type: none"> • FPI.4 to engage with all Delegations every quarter to discuss project performance, follow-up on individual audit findings and to mutually identify any additional corrective measures. • FPI.4 to keep FPI.1 informed of any issues of concern 	<p>31/12/2016</p>	<p>FPI.4/FPI.1</p>	<p>Implemented (recurrent)</p>	<p>As part of its support functions to Delegations, FPI.4 is in continuous dialogue with Delegations managing ICI files to identify and monitor possible corrective measures to be taken at the Delegation level. Video-conferences (VCs) in March 2016, Bilateral meetings in June 2016. A VC was organised in October 2016 with all PI delegations to discuss finance and contracts issues, and reply to delegations concerns and questions. A new VC on finance and contracts issues took place in March 2017.</p>

<p><u>Action plan n°4: Increase monitoring missions (especially to NGOs beneficiaries) with a real focus on financial aspects:</u></p> <ul style="list-style-type: none"> • For CFSP/NPD: The following NPD projects were monitored in 2016 by staff with financial background: <ol style="list-style-type: none"> 1. CFSP/2014/01/Bundesamt fuer Wirtschaft und Ausfuhrkontrolle– ATT IV 2. CFSP/2014/36/ Fondation pour la Recherche Stratégique (FRS) - HCoC III • And respectively in 2017: <ol style="list-style-type: none"> 1. CFSP/2014/06/THINK TANK II – The EU Non Proliferation Consortium 2. CFSP/2014/36 HCoC III 	<p>Q2 2016</p> <p>Q3 2016</p> <p>2017</p>	<p>FPI.3</p>	<p>Implemented (recurrent)</p>	<p>The following monitoring missions were undertaken:</p> <ol style="list-style-type: none"> 1. CFSP/2014/01/Bundesamt fuer Wirtschaft und Ausfuhrkontrolle– ATT IV – 27-28 June 2016. Recommendations in the course of implementation by the beneficiary. 2. CFSP/2014/06/Think Tank Network II – Fondation pour la Recherche Stratégique (FRS) – 15-16/02/2016 - the same beneficiary (FRS) implements the project CFSP/2014/36/ Fondation pour la Recherche Stratégique (FRS) - HCoC III. Observations are relevant for both projects. FPI.1 is constantly monitoring the contracts, and one additional monitoring mission has taken place in 2017. 3. CFSP/2015/31 I-Trace II implemented by CAR (Conflict Armament Research) 24-25 November 2016. Recommendations are being implemented by the beneficiary. 4. CFSP/2014/36 HCoC III implemented by Fondation pour la Recherche Stratégique (FRS) 10-11 July 2017. 5. CFSP/2014/06/Think Tank Network II – Fondation pour la Recherche Stratégique (FRS), 12 July 2017. These three contractors represent (together FRS and GICHD) the only non-pillar beneficiaries of NPD actions.
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<p><u>Action plan n°5:</u> Increase ex-ante audits (special purpose audits) to ensure that the expenditure presented on the final financial statement by the beneficiary is free of irregularities before the final payment is issued.</p> <p>Contract special purpose audits for projects identified as "high risk" to ensure that the expenditure presented on the interim and/or final financial statement by the beneficiary is free of irregularities <u>before</u> the interim and/or final payment is issued.</p> <ul style="list-style-type: none"> For CFSP/NPD: Ex-ante audits will be carried out either before interim or final payment for the following payments: <ol style="list-style-type: none"> CFSP/2014/36/ Fondation pour la Recherche Stratégique (FRS) - HCoC III (Interim payment in July 2016 ; Final payment in July 2017) CFSP/2015/48/ Bundesamt fuer Wirtschaft undAusfuhrkontrolle – Coarm Outreach (Interim payment in January 2017 ; Final payment in April 2018) CFSP/2014/06/Think Tank II (Interim payment in July 2016 ; Final payment in July 2017) 	<p>Q3 2017</p> <p>Q1 2017</p> <p>Q1 2017</p>	<p>FPI.1</p>	<p>Implemented (recurrent)</p>	<ol style="list-style-type: none"> CFSP/2014/36 HCoC III: The beneficiary FRS (as part of the consortium) was audited for another NPD action (Think Tank II) in the Q4 of 2016 (see 3 below). Since the auditors did not raise any significant finding, the FPI decided, based on the low risk, to cancel the ex-ante audit for the prefinancing of CFSP/2014/36. A final EVR will accompany the final report. CFSP/2015/48 Coarm outreach: The FPI received an expenditure verification report right after the payment of the prefinancing. CFSP/2014/06/Think Tank II: An ex-ante audit was launched and approved before approving the interim payment.
<p><u>Action plan n°6:</u> Further improvements on the quality of mandatory expenditure verifications. The Commission has the possibility to reject and ask to change to another auditor.</p> <ul style="list-style-type: none"> For CFSP/NPD: At the contracting stage with the beneficiaries, check the professional capacity of local auditors proposed to perform expenditure verifications. If necessary, request to change to another auditor with proven experience in grant/project management audit. 		<p>FPI.3</p>	<p>Implemented (recurrent)</p>	<p>This check applies only to grant agreements. In 2016 the FPI did not conclude any grant agreement in the field of the NPD. In 2017 grants were concluded with BAFA and GICHD. The selected auditors were BDO AG and Deloitte, both approved by the FPI.</p>
<p><u>Action plan n°7:</u> Develop a brief user guide focused on financial matters for the attention of beneficiaries of NPD grant agreements.</p>	<p>31/12/2016</p>	<p>FPI.1/FPI.3</p>	<p>Implemented</p>	<p>There were no grants approved in 2016. In 2017, the FPI is in the process of distributing the existing grant user guide (Chapter 19 of the DEVCO Companion) as well as the grant Tool Kit to beneficiaries of NPD grant agreements.</p>

<p><u>Action Plan n°8: Request beneficiaries to provide (a sample of) supporting documents when they submit a financial report.</u></p> <ul style="list-style-type: none"> For ICI: Request beneficiaries grants to provide (a sample of) supporting documents when they submit a financial report for interim and final payments. The action will take place for all payments (those managed by HQ and those managed in Delegations). The number of payments scheduled during 2016 is 45 in total (HQ 16; Canada 0; Korea 2; Japan 9; Washington 18) For CFSP/NPD: Request beneficiaries to provide (a sample of) supporting documents when they submit a financial report for interim and final payments (there are currently 28 ongoing actions). 	31/12/2016	FPI.3, FPI.1 FPI.4	<p>Implemented (recurrent)</p> <p>Support documents to include <i>inter alia</i></p> <p>time-sheets</p> <p>employment contracts</p> <p>salary/payroll slips</p> <p>travel tickets/hotel costs</p> <p>sub-contracting</p> <p>and/or</p> <p>procurement files</p> <p>any purchase invoice</p>	<p>A system of sampling of ICI supporting documents has been put in place and is being implemented at HQ level. Delegations have been requested to implement a similar system for ICI payments handled at their level. As for ICI, the sampling has been carried out for three payments since the introduction of this action. As a result of the sampling, the total ineligible amount found was 6401.21 EUR (representing 0.34% of the total invoiced amount).</p> <p>For CFSP/NPD, this check applies to non-pillar assessed entities. There are currently 6 open actions signed with 5 different beneficiaries. Since the approval of this note, the FPI has only approved interim payments for the contracts CFSP/2014/06 Think tank, CFSP/2015/31/I-Trace II, CFSP/2014/36 HCOC III, CFSP/2015/48/Coarm Outreach. In all the cases, the beneficiaries have submitted an expenditure verification report together with the last request for pre-financing, except for BAFA (beneficiary of the CFSP/2015/48/ Coarm Outreach contract) who submitted the expenditure verification report after the request for pre-financing.</p>
<p><u>Action plan n°9: Identify synergies between supervision missions and potential monitoring missions to beneficiaries with a focus on financial aspects (i.e. combine the two where feasible).</u></p> <ul style="list-style-type: none"> For ICI: The supervision missions for the Delegations in US and Japan will include this ICI monitoring action. 	Q4 2016	FPI.4/FPI.1	Implemented	<p>The FPI 1 supervision mission to Japan has been conducted (September 2016) including a financial monitoring of ICI projects while the mission to the US took place in October 2016.</p>

<p><i>Action plan n°10: Increase financial professional capacity of beneficiaries with small structures by requiring them to hire professional financial staff as part of their project budget to ensure proper financial management and reporting.</i></p> <ul style="list-style-type: none"> • For CFSP/NPD: Ensure that the grant agreement budget includes a provision under the staff cost heading of a professional finance officer 		FPI.3	<p>Implemented (recurrent)</p> <p>This is a requirement to be imposed upon all new beneficiaries as part of their contract</p>	<p>This check applies only to grant agreements. In 2016 the FPI did not conclude any grant agreement in the field of the NPD.</p> <p>In 2017 the following NPD grants have been concluded:</p> <ul style="list-style-type: none"> - CFSP/2017/14/ATT OP II - BAFA - CFSP/2017/22/Mine Ban Convention - Maputo Action Plan (GICHD) <p>In both cases, the beneficiaries are well established entities with solid structures ensuring that the finances of the action are well managed.</p> <p>The following grants will be concluded before the end of the year:</p> <p>HCOC IV (FRS) I-TRACE III (CAR)</p> <p>In these cases the beneficiaries are smaller entities. The Commission will ensure that the BIS contain enough resources for a professional finance officer.</p>
<p><i>Action plan n°11: For non-proliferation and disarmament projects, inform the Member States of the mitigating measures taken in order to address financial weaknesses encountered with certain implementing partners.</i></p>		FPI.3	Implemented	

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

The annex is not applicable for the Service for Foreign Policy Instruments as all the information building up assurance on this topic has been presented in section 2.1.3 of this Annual Activity Report.

ANNEX 12: Performance tables

General Objective 9: A Stronger Global Actor			
Impact indicator 1: EU collective Net Official Development Assistance (ODA) as a percentage of EU GNI: a) in total, b) to LDCs (Least Developed Countries)			
Source of data: OECD Development Assistance Committee (DAC)			
Baseline 2014	Interim Milestone	Target	Latest known results
	2020	2030	2015
In total: 0.43% To LDCs: 0.11% Based on analysis of final 2014 ODA spending by EU Member States and non-imputed spending by the EU institutions as reported by OECD DAC. Final data for 2 EU Member States was not available so earlier data was extrapolated.	In total: n/a To LDCs: 0.15%	Council Conclusions of 26 May 2015, in the framework of the 2030 Agenda for Sustainable Development. In total: 0.70% To LDCs: 0.20%	In total: 0.47% To LDCs: 0.11%

19.02 –Instrument contributing to Stability and Peace - Crisis response, conflict prevention, peace-building and crisis preparedness

Specific objective 1.1: In a situation of crisis or emerging crisis, to swiftly contribute to stability by providing an effective response designed to help preserve, establish or re-establish the conditions essential to the proper implementation of the Union's external policies and actions in accordance with Article 21 TEU.		Related to spending programme Instrument contributing to Stability and Peace (IcSP)	
Result indicator: Percentage of projects adopted within 3 months of a crisis context (period from date of presentation to PSC).			
Measure swift mobilization of resources to implement projects for short-term crisis response and conflict prevention where other financial instruments are not available and/or where the IcSP needs to contribute to a comprehensive response.			
Source of data: FPI 2			
Baseline 2012	Interim Milestone	Target	Latest known results
	2017	2020	2017
2011-2013: 69% ⁶	70 %	75%	47%

⁶ The indicator measures swift mobilization of resources to implement projects for short-term crisis response and conflict prevention where other financial instruments are not available and/or where the IcSP needs to contribute to a comprehensive response. Total number of IfS actions adopted in 2011 was 47 of which 26 were adopted (COM Decision) within 3 months of a crisis context (presentation to PSC), which constitutes a percentage rate of 57%. (This 2011 figure is the baseline given in the Strategic Plan). Total number of IfS actions adopted in 2012 was 37 of which 29 were

Main outputs in 2017:

Policy-related outputs

Description	Indicator	Target	Latest known results (situation on 31/12/2017)
<p>Swift adoption of short-term crisis response measures⁷ where other financial instruments are not available and/or where action is required to contribute to a comprehensive response</p> <p>Whilst it is not possible to predict the number and the regions where the actions will be launched, the High Representative and the Commission will attempt to ensure a geographical balance between regions.</p>	Percentage of projects/Financing Decisions adopted within 3 months of a crisis context (date of presentation to PSC).	70% on 31/12/2017	47%

Main expenditure outputs

Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Swift contracting of short-term crisis response measures (EAMs) after adoption of the Commission Decision	Percentage of programmes/projects contracted within 4 months after adoption of the Commission Decision.	70% on 31/12/2017	86% ⁸

Completed evaluations:

Final evaluation of the Instrument for Stability Crisis Response Component 2007-13 /2016/Instrument for Stability (IFS)

http://ec.europa.eu/dgs/fpi/documents/key-documents/ifs_crc_eval_ex_summary_en.pdf

Mid-term evaluation of the Instrument contributing to Stability and Peace

<http://ec.europa.eu/dgs/fpi/documents/key-documents/icsp-mte-final-report.pdf>

Specific objective 1.2: To contribute to the prevention of conflicts and to ensure capacity and preparedness to address pre- and post-crisis situations and build peace.

Related to spending programme Instrument contributing to Stability and Peace (IcSP)

Result indicator: Date of the yearly AAP approval; date of the the full contracting of the

adopted (COM Decision) within 3 months of a crisis context (presentation to PSC), which constitutes a percentage rate of 78%. In 2013, the percentage rate was 72%. Therefore, the average percentage rate for the last three years amounts to 69 %. The objective is to reach a percentage rate of 75 % by 2020.

⁷ Exceptional Assistance Measures – Article 3 of the IcSP Regulation

⁸ On 31 December 2017 40% of the funds adopted had been contracted, and the percentage of programmes/projects contracted within 4 months after adoption of the Commission Decision is of 86%.

previous year AAP; and percentage of the implementation of the previous AAPs.			
Source of data: FPI2			
Policy-related outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Launch of the implementation of the 2017 Annual Action Programme under Article 4 of IcSP Regulation	Adoption of the Annual Action Programme (AAP), in cooperation with the EEAS	June 2017	Adopted in June 2017
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Action documents under AAP 2016 contracted	% of action documents under AAP2016 contracted by 31/12/2017	100%	100%
Action documents under AAPs 2014 and 2015 implemented as planned	% of action documents under AAP 2014-2015 for which implementation is on track /first report received	50%	90%
Completed evaluations: Mid-term evaluation of the Instrument contributing to Stability and Peace http://ec.europa.eu/dgs/fpi/documents/key-documents/icsp-mte-final-report.pdf			
Main outputs in 2017:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2017)
Launch of the implementation of the 2016 Annual Action Programme under Article 4 of IcSP Regulation	Adoption of the Annual Action Programme (AAP), in cooperation with the EEAS	May 2017	Adopted in June 2017
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
With the funding programmed under the IcSP Regulation, 9 % of the envelope is foreseen to finance an estimated number of 5 actions per year.	Number of estimated actions launched under the Annual Action Programme.	5 on 31/12/2017	7

Specific objective 1.1, 1.2: other important outputs

Related to spending programme Instrument contributing to Stability and Peace (IcSP)

Main outputs in 2017

Description	Indicator	Target	Latest known results (situation on 31/12/2017)
IcSP Regulation amended to incorporate CBSD	All inputs provided for cooperation with other Commission services and EEAS to allow for timely adoption of the CBSD proposal by Parliament and Council. Source of data: Official Journal of the European Union	31 December 2017	Amending Regulation adopted on 12 December 2017 ⁹
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Development and roll-out of web-based communication tools	Number of web-based communication products developed and press releases issued Source of data: FPI 2	31 December 2017	4 products developed: <ul style="list-style-type: none"> - Update of website - Leaflets - Photo gallery - Stand in the European Development days

⁹ Regulation (EU) 2017/2306 of the European Parliament and of the Council of 12 December 2017 (OJ L 335, 15.12.2017, p. 6–10).

19.03 - Common Foreign and Security Policy

Specific objective 1.3: Support to preservation of stability through substantial CSDP missions and EUSRs mandates		Related to spending programme(s) Common foreign and security policy (CFSP)	
Result indicator 1.3.1: Planned vs. actual capacity deployment rate (international staff) of the main CSDP missions			
<p>It measures the actual implementation of the deployment (versus the operational plan) of the CSDP civilian missions under the respective responsibilities of:</p> <ul style="list-style-type: none"> - EEAS in terms of human resources mobilization (international staff, i.e. staff seconded from the Member States and contracted staff), IT, procurement, logistics, etc. - FPI in terms of expenditure management (budget, contracting, support to missions in financial issues, etc.) <p>The indicator monitors the effectiveness of the on-going civilian CSDP missions' deployment but also the level of cooperation between the HRVP's services (EEAS and FPI). The fulfilment of the objectives of the mission's mandate depends on the transfer of know-how, which is linked to the rapid generation of civilian capabilities. Reaching the full operational capacity of CSDP missions depends on effective mobilization of human resources and logistics.</p> <p>Source of data: Civilian Planning and Conduct Capability (CPCC) quarterly update on staff</p>			
Baseline 2012	Interim Milestone	Target	Latest known results
	2017	2020	2017
84%	86%	90%	80,6%

Main outputs in 2017:			
Description	Indicator	Target date	Latest known results (situation on 31/12/2017)
Swift preparation and adoption of the Commission Financing Decisions after Council Decisions' adoption	Percentage of Commission Financing Decisions adopted within 1 month after Council Decision adoption.	90% by December 2017	100%
Swift contracting after Commission Financing Decision adoption	Percentage of Delegation Agreements with EUSRs & civilian CSDP missions signed within 1 month after Commission Financing Decision adoption.	90% by December 2017	100%

<p>Specific objective 1.4: Support the implementation and promotion of:</p> <ol style="list-style-type: none"> 1) strategy on non-proliferation of weapons of mass destruction in order to increase security in this area (WMD); 2) strategy on combating illicit accumulation and trafficking of Small Arms and Light Weapons (SALW) as well as measures against illicit spread and trafficking of other conventional weapons; 	Related to spending programme(s) Common foreign and security policy (CFSP)
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3) EU's policies in the field of conventional arms exports, in particular on the basis of Common Position CFSP/944/2008.

Result indicator 1.4.1: Number of countries having ratified the treaties mentioned in the baseline

Source of data:

CTBTO website: <http://www.ctbto.org/the-treaty/status-of-signature-and-ratification/>

UN Resolution 1540 website: <http://www.un.org/en/sc/1540/>

IAEA website: <https://www.iaea.org/Publications/index.html>

Arms Trade Treaty website: <http://www.un.org/disarmament/ATT/>

Baseline	Interim Milestone¹⁰	Target	Latest known results
2012	2017	2020	2017
1) Comprehensive Nuclear-Test-Ban Treaty Organization, CTBTO: number of countries having ratified 159	165	166	166
2. 2) UN Resolution 1540: number of countries having submitted the National Implementation Plan	175	192	31
3) Nuclear security assistance provided by IAEA: 82 countries	Assistance provided to up to 120 countries.	120 countries (focusing on countries for EU interest)	104 in 2017 (120 in 2016 – number of countries supported varies from year to year depending on need)
4) Arms Trade Treaty: number of ratifications Signed by 110 States in April 2013 NB: entered into force on 24/12/2014	Ratified by 100 States as Parties	130 States	89 (94 including Accessions, Acceptances and Approvals)

Main outputs in 2017:

Description	Indicator	Target date	Latest known results (situation on 31/12/2017)
Swift preparation and adoption of the Commission Financing Decisions after Council Decisions' adoption	Percentage of Commission Financing Decisions adopted within 1 month after Council Decision adoption.	90% by December 2017	77% (92% signed within 1 month and 2 days)
Swift contracting after Commission Financing	Percentage of Grants or Delegation Agreements	90% by December 2017	43% (71% signed within

¹⁰ The column should be deleted if only short-and medium term (less than 3 years) targets are set.

Decisions' adoption	with partner organisations signed within 1 month after Commission Financing Decision adoption.		37 days)
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19.04 – Election Observation Missions

Specific objective 1.5 : Support and consolidate democratic reforms in third countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, and improving the reliability of electoral processes, in particular by means of election observation missions.		Related to spending European Instrument for Democracy and Human Rights (EIDHR).	
<p>Result indicator: Number of electoral processes and democratic cycles supported, observed, and followed by means of Election Observation Missions, Election Assessment Teams and Election Experts Missions and Election Follow-up Missions proposing recommendations to the host country.</p> <p>Source of data: FPI5</p>			
Baseline	Interim Milestone	Target	Latest known results
average 2010-2013	2017	2020	2017
17	23	25	34
Main outputs in 2017:			
Policy-related outputs			
Preparation of the 2018 Election Observation programme	Adoption of the Annual Action Programme (AAP) for 2018 for EOM in cooperation with the EEAS	November	05/12/2017
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Organisation of EU Election Observation Missions (EOMs); EU Election Assessment Team Missions (EATs); and EU Election Expert Missions	Number of missions deployed.	23 by 31/12/2017	30: 7 EOM and 8 EEMs deployed, 4 studies and 11 ExMs carried out.
Organisation of Election Follow-Up Missions (EFMs)	Number of Election Follow-Up Missions deployed in countries after an Election Observation Mission to	4 by 31/12/2017	4 Follow-up Missions deployed

	assess the implementation of recommendations.		
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Activity 19.05 – Partnership Instrument

Specific objective 1.6: EU and partner countries have developed joint approaches and responses to challenges of global concern. Related to spending programme: Partnership Instrument (PI)

Result indicator: Progress made by key partner countries in the fight against climate change or in promoting the environmental standards of the Union as measured by the following 3 sub-indicators.

Sub indicator 1.6.1: Operating Emissions Trading Schemes for greenhouse gas mitigation (ETS) outside the EU/EEA (at city, regional, country or multi-country level)

Source of data: Data source: <https://icapcarbonaction.com> – International Carbon Action Partnership (ICAP), Status Report –annual report

Data for 2016 – <https://icapcarbonaction.com> – interactive map

Baseline	Interim Milestone	Target	Latest known results
2014 ¹¹	2016	2020	2017
15	20	26	20

Sub indicator 1.6.2: Share of renewables in total energy production in the 9 strategic partners

Source of data: <http://energyatlas.iea.org/?subject=-1076250891>

Baseline	Interim Milestone	Target	Latest known results
2014 ¹²	2017	2020	2015
Brazil: 44% Canada: 11% China: 13% India: 39% Japan: 80% Republic of Korea: 8% Mexico: 8% Russian Federation: 1% USA: 8%	Increase in % share	Increase in % share by at least 10% in each strategic partner country	Brazil: 43% Canada: 10% China: 10% India: 38% Japan: 76% Republic of Korea: 8% Mexico: 8% Russian Federation: 1% USA: 7%

¹¹ The baseline is different from that given in the Strategic Plan of 06/02/2015 as the reference year was 2014 yielding a result of 15 instead of 17.

¹² This is an update on the baseline figures given in the Strategic Plan in order to align with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation.

Data for baseline (2014) extracted on 27 January 2017. Last data available 2014	Data not yet available	Data not yet available	Data not yet available
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Sub indicator 1.6.3: CO2 emissions from fuel combustion in the 9 strategic partners

Source of data: <http://energyatlas.iea.org/?subject=1378539487>

Baseline	Interim Milestone	Target	Latest known results
2014 ¹³	2016	2020	2015
20979,55 Mt CO2	Reduction by 3%	Reduction by 6%	Reduction by 0.99%
Data for baseline (2014) extracted on 27 January 2017. Last data available 2014	Data not yet available	Data not yet available	20,728.3 Mt CO2

Sub indicator 1.6.4 : Number of local and regional authorities signing the Covenant of Mayors

Source of data: http://www.covenantofmayors.eu/index_en.html

Annual data provided directly by the Covenant of Mayors Office on 31/12

Baseline	Interim Milestone	Target	Latest known results
2014 ¹⁴	2016	2020	2017
6270	7000	4,000 cities in at least 30 countries have joined cooperation in sustainable energy (Global Covenant)	7774

Completed evaluations: none in 2016

Main outputs in 2017:

Policy-related outputs

Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2017)

¹³ This is an update on the baseline figures given in the Strategic Plan in order to align with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation.

¹⁴ There was a mistake in the Strategic Plan as the baseline should have been 2014 instead of 2015, yielding a result of 6270 as opposed to 6279. The corrected baseline figure is now aligned with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation.

Action documents under AAP 2016 contracted	% of action documents under AAP 2016 contracted by 31/12/2017	100%	100%
Action documents under AAP 2014 and 2015 implemented as planned	% of action documents under AAP 2014-2015 for which implementation is on track	75%	100%

Specific objective 1.7: Partner countries take up measures and actions towards the implementation of the international dimension of the EU 2020 strategy

Related to spending programme: Partnership Instrument (PI)

Result indicator: Uptake of the "Europe 2020" strategy by key partner countries – implementing the international dimension of the "Europe2020, A strategy for smart, sustainable and inclusive growth" - as measured by the following sub-indicators:

Sub indicator 1.7.1: Number of cities that have signed new bilateral or multilateral agreements on sustainable urban development

Source of data: FPI4

Baseline	Interim Milestone	Target	Latest known results
2014	2016	2020	2017
0	6	At least 84 cities in at least 7 strategic partners	0 ¹⁵

Sub indicator 1.7.2 : Number of regions that have signed new bilateral or multilateral agreements on innovation

Source of data: FPI4

Baseline	Interim Milestone	Target	Latest known results
2014	2016	2020	2017
0	0	At least 18 regions /provinces worldwide	0 ¹⁶

Sub indicator 1.7 .3: Number of international agreements on Migration and Mobility signed with the strategic partners

Source of data: <https://myintracomm.ec.europa.eu/dg/home/policy/legal/Pages/International-agreements.aspx>

¹⁵ No data available as implementation of the IUC project only started in 2017

¹⁶ Ibid.

Baseline ¹⁷	Interim Milestone	Target	Latest known results
2014	2016	2020	2017
15	15	20	15
Data extracted on 27 January 2017.			

Sub indicator 1.7 d: Average worldwide level of implementation of international safety standards in civil aviation			
Source of data: http://www.icao.int/safety/Documents/ICAO_SR%202016_final_13July.pdf			
A correction was made to rectify an error given for the baseline year in the Strategic Plan which referred to results for 2013 (61%) and not for 2014 (62%). The figure reported for 2015 was 63%.			
Baseline ¹⁸	Interim Milestone	Target	Latest known results
2014	2016	2020	2017
62%	62%	Increase at least by 5 %	64.7%
Completed evaluations: none in 2016			

Main outputs in 2017:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2017)
AAP 2017 will be adopted in two phases:	Adoption of AAP 2017 (part 1)	30/04/2017	22/05/2017
	Adoption of AAP 2017 (part 2)	31/10/2017	17/11/2017
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Action documents under AAP 2016 contracted	% of action documents under AAP2016 contracted by 31/12/2017	100%	100%
Action documents under	% of action documents	50%	100%

¹⁷ There was a mistake in the Strategic Plan as the baseline should have been 2014 instead of 06/02/2015. The corrected baseline figure is now aligned with the year of entry into force of the Partnership Instrument and Article 17.3 of the Common Implementing Regulation

¹⁸ Based on the assessment done by the Universal Safety Oversight Audit Programme (USOAP) available through International Civil Aviation Organization (ICAO) annual Safety Reports (Last data available for 31/12/2015 and extracted on 27 January 2016) Safety Report 2016

AAPs 2014 and 2015 implemented as planned	under AAP 2014-2015 for which implementation is on track/first results received		
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Specific objective 1.8: Understanding and visibility of the Union and its role on the world scene is enhanced and widened

Related to spending programme: Partnership Instrument (PI)

Result indicator: EU Visibility

Enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, people to people contacts, education/academic/think-tank cooperation and other outreach activities to promote the Union's values and interests

Source of data: 2015 Opinion poll (in 10 Strategic Partner countries – Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, Republic of Korea and USA) launched by FPI.4

Baseline ¹⁹	Interim Milestone	Target	Latest known results
2014	2017	2020	2016
Brazil – Visible 93%, Not 7% Canada – Visible 87%, Not 13% China – Visible 95%, Not 5% India – Visible 93%, Not 7% Japan – Visible 76%, Not 24% Mexico – Visible 97%, Not 3% Russia – Visible 93%, Not 7% South Africa – Visible 85%, Not 15% Republic of Korea – Visible 92%, Not 8% USA – Visible 88%, Not 12%	Maintain high visibility in SPC where EU highly visible and improve where less visible	Maintain high visibility in SPC where EU highly visible and improve where less visible	This indicator will not be measured annually. The figures for the baseline are taken from the study indicated below, published in 2015

Completed evaluations: 2015 Study "*Analysis of the perception of the EU and of EU's policies abroad*" containing details of results and methodology including the Opinion Poll.

http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm

¹⁹ This indicator will not be measured annually.

Main outputs in 2017:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2017)
AAP 2017 will be adopted in two phases:	Adoption of AAP 2017 (part 1)	30/04/2017	22/05/2017
	Adoption of AAP 2017 (part 2)	31/10/2017	17/11/2017
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Action documents under AAP 2016 contracted	% of action documents under AAP2016 contracted by 31/12/2017	100%	100%
Action documents under AAPs 2014 and 2015 implemented as planned	% of action documents under AAP 2014-2015 for which implementation is on track/first results received	50%	100%

Specific objective 1.9: Improved fulfilment of EU's economic interests (trade, investment and business)		Related to spending programme: Partnership Instrument (PI)	
<p>Result indicator: Improving access to partner country markets and boosting trade, investment and business opportunities for European companies, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation - as measured by the following sub-indicators:</p> <p>Sub indicator 1.9 a: EU share in foreign trade in goods and services of 9 Strategic Partners</p> <p>Source of data: http://ec.europa.eu/eurostat/web/international-trade/data/database COMEXT/IMF for trade in goods - first data published approximately in July of year n+1. WTO/EUROSTAT for trade in services - first WTO data published in April of year n+1, preliminary EUROSTAT data published approximately in June of year n+1 and complete EUROSTAT data published approximately in December of year n+1.</p>			
Baseline	Interim Milestone	Target	Latest known results
2013 ²⁰	2016	2020	2016

²⁰ EU share in Brazil, Mexico, US, Canada, Russian Federation, India, China, Japan and Republic of Korea total foreign trade in goods and services (imports + exports) (N.B.: these figures don't measure these countries' share in EU foreign trade). Data for all values extracted on 30 January 2017. As from 2010, the reporter is EU-28 for both trade in goods and trade in services. As from 2010, the data for both trade in goods and trade in services is calculated according to BMP6 (Balance of Payments and International Investment Position Manual) methodology.

2010: 18,1% 2011: 17,8% 2012: 17,4% 2013: 17,0% 2014: 17,7% ²¹	Maintain share	Overall increase in share	17.6% Data not yet available for 2017
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Sub indicator 1.9.2 : EU investments flows from/to 9 strategic partners			
Source of data: EUROSTAT			
http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign_direct_investment_statistics			
Preliminary data for selected countries published in June of year n+1; data with complete geographical breakdown are foreseen in December of year n+1.			
Baseline²²	Interim Milestone	Target	Latest known results
2013	2016	2020	2016
EU Foreign Direct Investment - Inward flows: 396.2 billion EUR - Outward flows: 406.5 billion EUR	Maintain FDI flows	Increase FDI flows in parallel with global economic growth	- Inward flows: 170.3 billion EUR - Outward flows: 37.5 billion EUR Data for 2017 not yet available

Main outputs in 2017:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2017)
AAP 2017 will be adopted in two phases:	Adoption of AAP 2017 (part 1)	30/04/2017	22/05/2017
	Adoption of AAP 2017 (part 2)	31/10/2017	17/11/2017
Actions documents under AAP 2016 contracted	% of action documents under AAP2016 contracted by 31/12/2017	100%	100%
Action documents under AAPs 2014 and 2015 implemented as	% of action documents under AAP 2014-2015 for	50%	100%

²¹ An update on baseline data and results from those given in the Strategic Plan.

²² Until 2012 the reporter was the EU-27 and the data were calculated according to BMP5 (Balance of Payments and International Investment Position Manual) methodology. The figures as from 2013 use the reporter of EU-28 and are calculated according to BPM6. Data for all values extracted on 29 January 2017.

planned	which implementation is on track/first results received		
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19.06 – Press and Information

Specific objective 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8 and 1.9: other important outputs		Related to all FPI instruments and operations	
		Unit in charge: FPI5	
Main outputs in 2017			
Description	Indicator	Target	Latest known results (situation on 31/12/2017)
Press & Information Annual Work Programme (AWP) 2018 adopted on time	Adoption of AWP 2018	December 2017	AWP adopted in February 2018 ²³

²³ The adoption of the AWP 2018 was postponed to integrate additional strategic actions on disinformation in line with the new Preparatory Action StratCom Plus and additional budget decided in November 2017 (Budget 2018).