



2018

Annual Activity Report

Annexes

**Service for
Foreign Policy
Instruments**

Table of Contents

ANNEX 1:	STATEMENT OF THE HEAD OF UNIT IN CHARGE OF RISK MANAGEMENT AND INTERNAL CONTROL	3
ANNEX 2:	REPORTING – HUMAN RESOURCES, BETTER REGULATION, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION	4
ANNEX 3:	DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS	14
ANNEX 4:	MATERIALITY CRITERIA	34
ANNEX 5:	RELEVANT CONTROL SYSTEM(S) FOR BUDGET IMPLEMENTATION (RCSs)	34
ANNEX 6:	IMPLEMENTATION THROUGH NATIONAL OR INTERNATIONAL PUBLIC-SECTOR BODIES AND BODIES GOVERNED BY PRIVATE LAW WITH A PUBLIC SECTOR MISSION (IF APPLICABLE)	58
ANNEX 7:	EAMR OF THE UNION DELEGATIONS (IF APPLICABLE)	60
ANNEX 8:	DECENTRALISED AGENCIES (IF APPLICABLE)	61
ANNEX 9:	EVALUATIONS AND OTHER STUDIES FINALISED OR CANCELLED DURING THE YEAR	62
ANNEX 10:	SPECIFIC ANNEXES RELATED TO "FINANCIAL MANAGEMENT"	63
ANNEX 11:	SPECIFIC ANNEXES RELATED TO "ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS"	70
ANNEX 12:	PERFORMANCE TABLES	71

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 the internal control framework**¹ I have reported my advice and recommendations on the overall state of internal control in the Service to the Head of Service.*

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

Date 29/03/2019

[signed]

Christian MEUNIER

Head of Unit FPI.1

and

Head of Unit in charge of Risk Management and Internal Control² of FPI

¹ C(2017)2373 of 19.04.2017.

² 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 (31/12/2018)	
20%	40% by 2019	40% ³	
Main outputs in 2018:			
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 ⁴	40%
FPI Regional Teams at their full potential	Enhanced quality of project design (taking into account geographical specificities); full control of FPI financial circuits and files	February 2019	100%
Most effective distribution of human resources to political priorities of FPI	Workload assessment of FPI workforce in Headquarters following the creation of the Regional Teams	End 2018	Assessment of resources carried out, leading to a small reorganisation, transfer of posts to reinforce sanctions team (FPI.5)
More appointments of promising young colleagues to	Newly appointed women in middle management	A further 20% by July 2019	Target met with the appointment of a newly appointed female HoU on 01/02/2019

³ 60% as of 1/02/2019

⁴ The FPI Management Plan 2018 did not include any specific target for 2018. One new female middle manager was appointed.

middle management positions with a particular focus on female appointments			
Well trained FPI staff	Implement Learning & Development Strategy for FPI	December 2018	An inventory of training needs has been undertaken and L&D priorities identified for 2019
OPSYS roll-out	Timely organisation of OPSYS training including participation in webinars	December 2018	First OPSYS release in July 2018 (Track 1), FPI.1 participated in eight roll-out webinars from September to December 2018
Improved staff project management skills in line with approach of FPI Manual	Timely organisation of training on FPI Manual		Training session on FPI Manual / Results Framework organised during FPI Days in April 2018
Improved staff knowledge of FPI Results Framework	Timely organisation of training on FPI Results Framework		
Improved staff knowledge of evaluation methodology via webinar and classroom training	Timely organization of training on EVAL module		Training session on Evaluation/EVAL module organised during FPI Days in April 2018; FPI colleagues regularly informed (via intranet) of EVAL trainings given by DEVCO training team
Internal Communication Strategy reinforcing FPI corporate identity including targeted staff engagement actions	Easily accessible and revamped intranet Completion of other staff engagement actions	December 2018	Key information available on the intranet (increase of staff page views by 61%). Regular information e-mails to all FPI staff (HQ + DEL) on matters of importance to them. Increased level of participation in 2018 Staff Survey. Development of collaborative platform

			for improved knowledge management.
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 (31/12/2018)
39%	Increase on baseline by 2020		58%
Main outputs in 2018:			
Description	Indicator	Target	2018 results
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	Resource allocation in line with priorities
Indicator 3: Staff Engagement Index			
Source of data: Commission staff survey			
Baseline (2014)	Target		Latest known results (31/12/2018)
59%	Increase on baseline by 2020		72%
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Employee Engagement Index	Percentage of staff who respond positively to Staff Survey	60% ⁵	72%

⁵ This result represents a tangible increase on 2014 (which was 59%) and with 72% is above the Commission average (of 69%).

Financial management

Objective 1:

Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions

Indicator 1

Source of data: Internal

Main outputs in 2018:

Output	Indicator	Target	Latest known results (situation on 31/12/2018)
Legality and regularity of the underlying transactions in FPI	Residual error rate (RER) of the underlying transactions for budget implementation	Residual error rate (RER) below 2% for budget implementation	1.38%
Legality and regularity of the underlying transactions in FPI	Estimated overall amount at risk for the year for the entire budget under the Service's responsibility	None ⁶	7.4 M€
Ex-post controls plan	Number of EPCs implemented	100%	100%
Effective cooperation with the IAS on the Audit on Partnership Instrument launched end 2017, and the IAS audit on EC-EEAS coordination	Respecting the deadlines indicated in the Mutual Expectation paper of the IAS for replies to Draft Report	100% compliance with deadlines	100%
Implementation of Mission Supervision Plan	Number of Supervision Missions conducted	100% by end-October 2018 (including the 4 RTs)	100%

⁶ The Service will aim to reduce the amount at risk through effective ex-ante and ex-post controls and corrections, if needed.

Objective 2: Effective and reliable internal control system in line with sound financial management			
Indicator 1			
Source of data: Internal			
Main outputs in 2018:			
Output	Indicator	Target	Latest known results (situation on 31/12/2018)
Control cost-effectiveness	Cost of controls / payments made	Positive conclusion on cost effectiveness of controls (cost/managed funds ratio to be maintained at the current level)	3.8 Positive conclusion
Risk-differentiated & cost-effective internal control systems	Review status of the control systems to differentiate the frequency and/or the intensity of the Service's controls	Reviewed with positive conclusion (no need to revise)	Positive conclusion
Implementation of the new Internal Control Framework (ICF)	Completion status of the implementation of the revised internal control framework	17 Principles	100%
Timely execution of payments	Percentage of payments made within the time limits	≥90%	91%
Open recommendations from European Court of Auditors (ECA)	<i>Number of critical recommendations from ECA overdue for more than 6 months</i>	None	None

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud			
Indicator 1: Implementation of the Anti-Fraud Strategy as planned in 2018 Source of data: FPI.1			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Implementation of the Anti-Fraud Strategy as planned in 2018	% of the implementation of the actions planned for 2017 in the anti-fraud strategy	100%	100%
Indicator 2: Increased anti-fraud awareness amongst FPI headquarters' staff (newcomers): Source of data: FPI.1			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Increased anti-fraud awareness amongst FPI headquarters' staff (newcomers):	% of newcomers attending the training course in 2018	100%	100%
Indicator 3: Use of Vademecum on financial and accounting procedures for CSDP Missions including specific chapters on anti-fraud internal control, ethics and integrity Source of data: FPI.1			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Use of Vademecum on financial and accounting procedures for CSDP Missions including specific chapters on anti-fraud internal control, ethics and integrity.	% of CSDP Missions using and implementing the Vademecum in 2018	100%	100%

Objective 4: 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 2: 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 filed⁷ (ratio)

Source of data: Hermes-Ares-Nomcom (HAN)⁸ statistics

Baseline (2014)	Target	Latest known results (31/12/2018)
15.02%	0% by 2020	5.2%

Main outputs in 2018:

Description	Indicator	Target	Latest known results
Important documents are registered	% of documents not filed	Improve on baseline (of 2014 (15.02%))	5.2%

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 (31/12/2018)
92.10%	95% by 2020	94.43%

Main outputs in 2018:

Description	Indicator	Target	Latest known results
Access to files by all Units	Number of readable HAN files	Improve on baseline (of 2014 (92.10%))	94.43%

Indicator 3: Number of HAN files shared with other DGs

Source of data: HAN statistics

Baseline (2014)	Target	Latest known results (31/12/2018)
23.77%	40% by 2020	14.27%

Main outputs in 2018:

Description	Indicator	Target	Latest known results
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⁷ 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.

⁸ Suite of tools designed to implement the [e-Domec policy rules](#).

Files shared with other DGS	Number of HAN files shared with other DGs	Improve on baseline (of 2014 (23.77%))	14.27%
Indicator 4: Business Continuity Plan			
Source of data: FPI HR Business Correspondent			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results (31/12/2018)
Business Continuity Plan	Update FPI business continuity plan including simulation exercise	December 2018	FPI results will be added as soon as available
Indicator 5: Electronic filing of registered documents in Ares			
Source of data: Ares			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results (31/12/2018)
Electronic filing of registered documents in Ares	Number of registered documents in Ares	100% of registered documents filed	94.8%
Indicator 6: Ensure full traceability of financial and contractual information for operational and ECA audit purposes in line with ICS 11			
Source of data: FPI1			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results (31/12/2018)
Ensure full traceability of financial and contractual information for operational and ECA audit purposes in line with ICS 11	Compliance with Internal Control Standard Nr 11 - Document Management	June 2018	100%

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 (31/12/2018)
Total	Positive image of the EU \geq 50%	43%

"Positive": 37% Neutral: 38 % Total "Negative": 23%			Positive 43% Neutral 36% Negative 20%
Indicator 2: Improved access to and information about EU institutions - Commission and EP - to 3rd country visitors under EUVP Source of data: FPI.5			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results (31/12/2018)
Improved access to and information about EU institutions - Commission and EP - to 3rd country visitors under EUVP	Number of visits facilitated under EUVP	110 visits	137
Indicator 3: Provision of full digital broadcasting service in Farsi through Euronews Source of data: FPI Communication officer			
Main outputs in 2018:			
Description	Indicator	Target	Latest known results (31/12/2018)
Provision of full digital broadcasting service in Farsi through Euronews	Number of calendar days of coverage	365 calendar days	365 calendar days

FPI external communication focused on how the EU budget contributes chiefly to the achievement of Juncker's Commission political priorities Nr. 9, 'A stronger global actor', as well as to several other of the Commission's political priorities, in particular but not exclusively those related to "A new boost for jobs, growth and investment", "A Resilient Energy Union with a Forward-Looking Climate Change Policy", "Trade: A balanced and progressive trade policy to harness globalisation", and "A New Policy on Migration". 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 140 EU Delegations throughout the world. Another large part of spending financed a transmission on the Euronews channel in the Farsi language via various digital platforms (website, social networks, Youtube) 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-1):	Target (Year n):	Total amount spent	Total of FTEs working on external communication
EUR 12 500 000	EUR 16 100 000	EUR 12 032 000	1

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG FPI - Financial Year 2018

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	9,51	8,78	92,26 %
	19 02	Instrument contributing to Stability and Peace (IcSP) - Crisis response, conflict prevention, peace-building and crisis preparedness	291,78	288,84	98,99 %
	19 03	Common foreign and security policy (CFSP)	385,92	369,98	95,87 %
	19 04	Election observation missions (EU EOMs)	41,85	41,85	100,00 %
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	125,74	124,4	98,93 %
	19 06	Information outreach on the Union's external relations	16,17	16,1	99,54 %
Total Title 19			870,98	849,94	97,58%
Total DG FPI			870,98	849,94	97,58 %

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

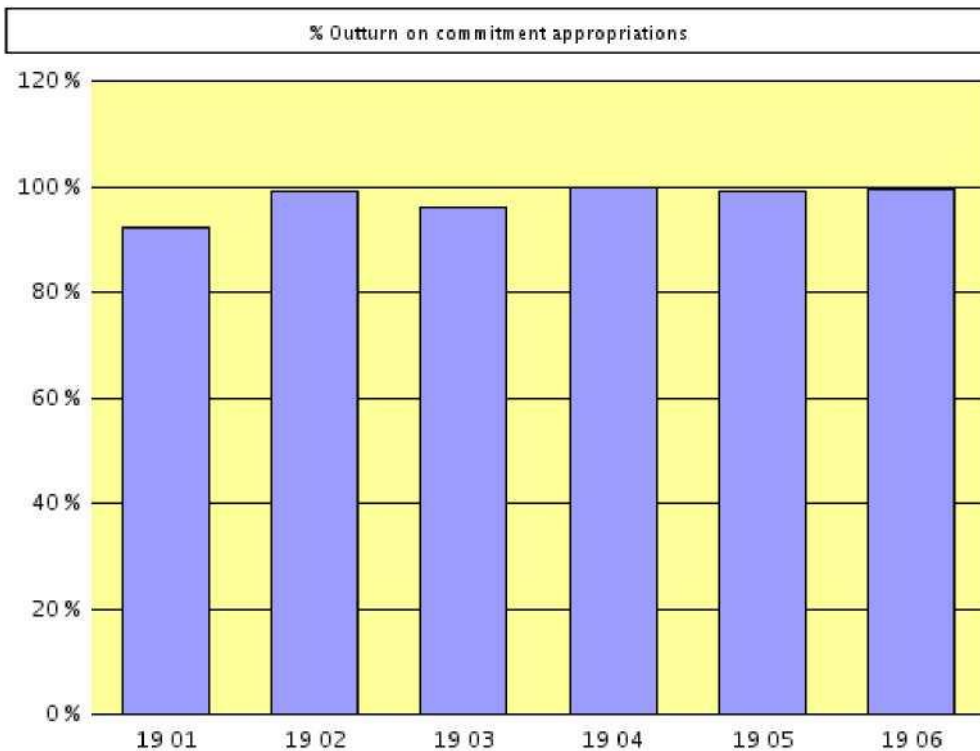


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)

Chapter		Payment appropriations authorised *	Payments made	%	
		1	2	3=2/1	
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	5,69	2,75	48,36 %
	19 02	Instrument contributing to Stability and Peace (IcSP) - Crisis response, conflict prevention, peace-building and crisis preparedness	261,37	261,28	99,97 %
	19 03	Common foreign and security policy (CFSP)	343,37	315,43	91,86 %
	19 04	Election observation missions (EU EOMs)	45,05	44,47	98,71 %
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	93,81	93,7	99,88 %
	19 06	Information outreach on the Union's external relations	16,28	16,28	100,00 %
Total Title 19			765,59	733,91	95,86%
Total DG FPI			765,59	733,91	95,86 %

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

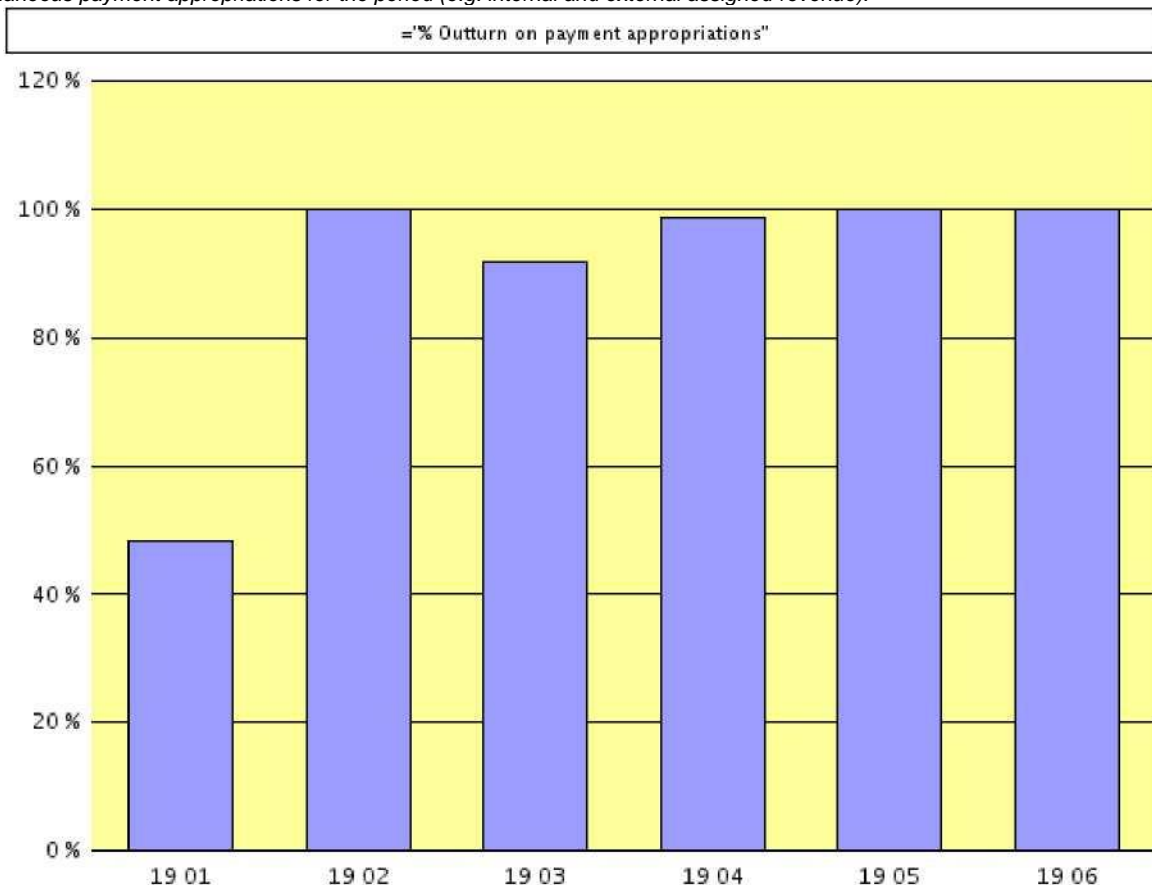


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)

Chapter			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 19: Foreign policy instruments									
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	8,43	6,72	1,71	20,26 %	0,00	1,71	2,52
	19 02	Instrument contributing to Stability and Peace (IcSP) - Crisis response, conflict prevention, peace-building and crisis preparedness	288,84	101,43	187,4	64,88 %	199,14	386,55	388,17
	19 03	Common foreign and security policy (CFSP)	369,98	236,04	133,94	36,20 %	131,87	265,82	242,79
	19 04	Election observation missions (EU EOMs)	41,85	29,08	12,77	30,51 %	21,63	34,40	40,55
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	124,4	4,40	120	96,46 %	231,40	351,40	322,55
	19 06	Information outreach on the Union's external relations	16,1	12,99	3,11	19,29 %	2,47	5,57	5,76
Total Title 19			849,6	390,67	458,93	54,02%	586,51	1.045,44	1.002,34
Total DG FPI			849,6	390,67	458,93	54,02 %	586,51	1.045,44	1.002,34

"Breakdown of Commitments remaining to be settled (in Mio EUR)"

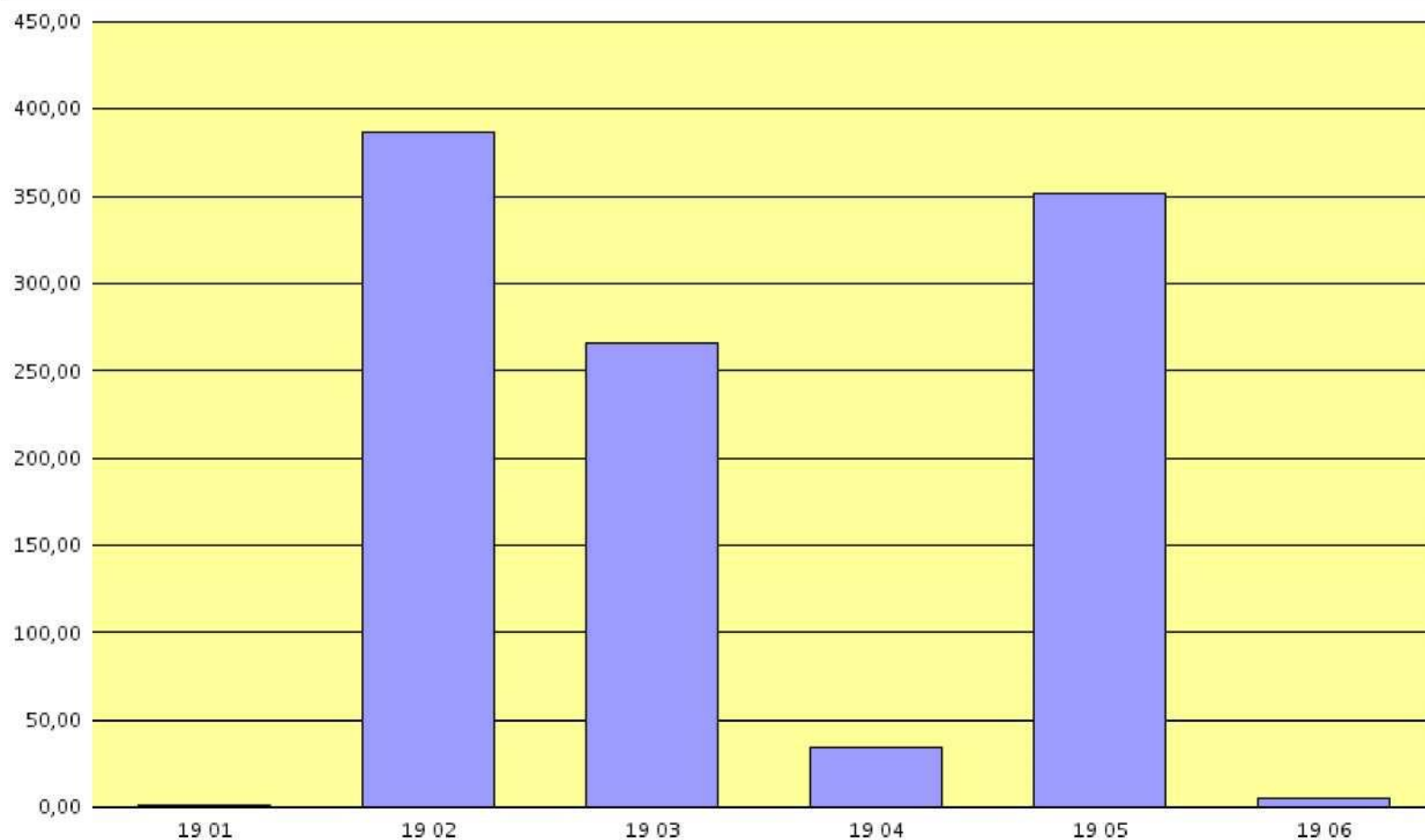


TABLE 4 : BALANCE SHEET FPI

BALANCE SHEET	2018	2017
A.I. NON CURRENT ASSETS	55.415.667,12	0
A.I.5. Non-Current Pre-Financing	55.415.667,12	
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab		0,00
A.II. CURRENT ASSETS	343.730.333,49	254.915.929,29
A.II.2. Current Pre-Financing	353.780.533,05	261.065.390,25
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	-10.050.199,56	-6.890.468,21
A.II.4. Inventories	0,00	741.007,25
ASSETS	399.146.000,61	254.915.929,29
P.I. NON CURRENT LIABILITIES	44.889	44.889
P.I.3. Non-Current Financial Liabilities	44.889,00	44.889,00
P.II. CURRENT LIABILITIES	-76.902.825,7	-86.988.828,2
P.II.4. Current Payables	-14.522.898,06	-10.242.453,23
P.II.5. Current Accrued Charges & Defrd Income	-62.379.927,64	-76.746.374,97
LIABILITIES	-76.857.936,7	-86.943.939,2
NET ASSETS (ASSETS less LIABILITIES)	322.288.063,91	167.971.990,09
P.III.2. Accumulated Surplus/Deficit	2.527.575.528,06	2.009.209.173,66
Non-allocated central (surplus)/deficit*	-2.849.863.591,97	-2.177.181.163,75
TOTAL	0,00	0,00

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

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

TABLE 5bis : OFF BALANCE SHEET FPI

STATEMENT OF FINANCIAL PERFORMANCE	2018	2017
II.1 REVENUES	-361.252,06	-926.033,26
II.1.1. NON-EXCHANGE REVENUES	-1.038.329,94	-915.050,05
II.1.1.5. RECOVERY OF EXPENSES	-130.119,97	-99.850,94
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-908.209,97	-815.199,11
II.1.2. EXCHANGE REVENUES	677.077,88	-10.983,21
II.1.2.1. FINANCIAL INCOME	-83.950,23	-127.501,22
II.1.2.2. OTHER EXCHANGE REVENUE	761.028,11	116.518,01
II.2. EXPENSES	538.074.222,43	519.292.387,66
II.2. EXPENSES	538.074.222,43	519.292.387,66
II.2.10. OTHER EXPENSES	14.585.411,31	10.368.997,61
II.2.2. EXP IMPL BY COMMISS&EX.AGENC	204.029.893,75	228.782.115,83
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES	6.629.236,58	3.838.483,13
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM	106.344.672,91	92.701.468,23
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	206.466.354,21	183.596.567,08
II.2.8. FINANCE COSTS	18.653,67	4.755,78
STATEMENT OF FINANCIAL PERFORMANCE	537.712.970,37	518.366.354,40

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TABLE 5bis : OFF BALANCE SHEET FPI

OFF BALANCE	2018	2017
OB.1. Contingent Assets	72.908.365,39	60.580.649,02
GR for performance		0,00
GR for pre-financing	72.908.365,39	60.580.649,02
OB.2. Contingent Liabilities	-512.788,49	-512.788,49
OB.2.7. CL Legal cases OTHER	-512.788,49	-512.788,49
OB.3. Other Significant Disclosures	-957.500.364,47	-906.302.904,98
OB.3.2. Comm against app. not yet consumei	-957.500.364,47	-906.302.904,98
OB.4. Balancing Accounts	885.104.787,57	846.235.044,45
OB.4. Balancing Accounts	885.104.787,57	846.235.044,45
OFF BALANCE	0,00	0,00

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

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2018 - DG FPI

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	299	276	92,31 %	14,88	23	7,69 %	50
45	2	1	50,00 %	30	1	50,00 %	70
60	312	280	89,74 %	39,45	32	10,26 %	71,92
90	141	128	90,78 %	44,05	13	9,22 %	120,96
Total Number of Payments	754	685	90,85 %		69	9,15 %	
Average Net Payment Time	34,37			30,4			73,82
Average Gross Payment Time	53,53			47,02			118,11

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	41	223	29,58 %	754	115.330.047,72	16,11 %	715.845.858,81

Late Interest paid in 2018			
DG	GL Account	Description	Amount (Eur)
FPI	65010000	Interest expense on late payment of charges	2 843,50
FPI	65010100	Interest on late payment of charges New FR	15 810,17
			18 653,67

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2018

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
40	MISCELLANEOUS TAXES AND DEDUCTIONS	908.209,97	0	908.209,97	908.209,97	0	908.209,97	0
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	75.519,97	4.544	80.063,97	70.281,32	4.544	74.825,32	5.238,65
55	REVENUE FROM THE PROCEEDS OF SERVICES SUPPLIED AND WORK CARRIED OUT	298.471,91	11.310,34	309.782,25	298.471,91	11.310,34	309.782,25	0
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	6.827,13	272.745,94	279.573,07	6.827,13	0	6.827,13	272.745,94
66	OTHER CONTRIBUTIONS AND REFUNDS	34.898.334,06	1.502.354,85	36.400.688,91	33.165.155,46	783.792,63	33.948.948,09	2.451.740,82
90	MISCELLANEOUS REVENUE	44.462,43	0	44.462,43	44.462,43	0	44.462,43	0
Total DG FPI		36.231.825,47	1.790.955,13	38.022.780,6	34.493.408,22	799.646,97	35.293.055,19	2.729.725,41

TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2018	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Year of Origin (commitment)								
2006					3	1.131.391,03		
2007					2	110.142,86		
2009					1	3.921,84		
2010					2	278.126,42		
2011	3	45.262,44	3	45.262,44	3	45.262,44	100,00%	100,00%
2012	2	20.336,54	2	20.336,54	8	4.287.086,56	25,00%	0,47%
2013	1	2.172	1	2.172	4	993.117,75	25,00%	0,22%
2014	1	1.487	1	1.487	13	4.316.619,44	7,69%	0,03%
2015	4	47.875,4	4	47.875,4	33	6.540.037,81	12,12%	0,73%
2016					14	11.548.143,31		
2017					34	5.465.694,91		
2018					1	1.800.000		
No Link					12	366.644,79		
Sub-Total	11	117.133,38	11	117.133,38	130	36.886.189,16	8,46%	0,32%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	1	52.000	24	493.657,33	5	570.840,44	30	1.116.497,77	37	1.791.266,54	81,08%	62,33%
CREDIT NOTES	2	2.886,07	30	631.099,32			32	633.985,39	58	1.314.194,81	55,17%	48,24%
Sub-Total	3	54.886,07	54	1.124.756,65	5	570.840,44	62	1.750.483,16	95	3.105.461,35	65,26%	56,37%

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context.

GRAND TOTAL	3	54.886,07	65	1.241.890,03	5	570.840,44	73	1.867.616,54	225	39.991.650,51	32,44%	4,67%
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2017.

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2018 FOR FPI

	Number 1/01/2018	at	Number 31/12/2018	at	Evolution	Open Amount (Eur) at 1/01/2018	Open Amount (Eur) at 31/12/2018	Evolution
2005		1		1	0,00 %	695,39	695,39	0,00 %
2008		1		1	0,00 %	272.745,94	272.745,94	0,00 %
2010		1			-100,00 %	91.498,37		-100,00 %
2011		1		1	0,00 %	20.075,03	20.075,03	0,00 %
2012		1			-100,00 %	235.053,60		-100,00 %
2015		4		4	0,00 %	538.692,57	538.692,57	0,00 %
2016		2		1	-50,00 %	223.000,26	112.706,26	-49,46 %
2017		10		1	-90,00 %	476.621,54	113.820,54	-76,12 %
2018				7			1.738.417,25	
		21		16	-23,81 %	1.858.382,70	2.797.152,98	50,52 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2018 >= EUR 60.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
1	3233180112	3241604623	-110.294,00	Private Companies		
2	3233180171	3241004657	-91.498,37	Private Companies		
3	3233180192	3241211783	-235.053,60	Private Companies		

Total DG FPI	-436.845,97
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Number of RO waivers	3
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There are 3 waivers below 60 000 € for a total amount of -27.094,85

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG FPI - 2018**External Procedures > € 20,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights (technical monopoly, captive market)	3	186.450,00
Annex 1 - 11.1 (c) - Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	138.352,00
Annex 1 - 39.1 (a) - Services entrusted to public-sector bodies or non-profit institutions or organisations	1	150.000,00
Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights	5	248.204,00
Art. 266.1(a) (External Actions - Service) Reasons of extreme urgency	5	15.815.367,00
Total	15	16.538.373,00

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(b) (Without prior publication) Technical or artistic reasons, or reasons connected with the protection of exclusive rights	2	212.788,23
Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights	1	304.800,00
Total	3	517.588,23

TABLE 12 : SUMMARY OF PROCEDURES OF DG FPI EXCLUDING BUILDING CONTRACTS

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	5	248.204,00
(Ext. act) Service - Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	5	15.815.367,00
(Ext. act) Service - International Restricted Procedure with prior publication (Art. 265.1(a)(1) & 2 RAP)	17	53.013.791,50
Negotiated procedure without prior publication (Annex 1 - 11.1)	4	324.802,00
Negotiated procedure with single tender (Annex 1 - 39.1)	1	150.000,00
Total	32	69.552.164,50

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	3	517.588,23
Total	3	517.588,23

The 18 negotiated procedures (NPS) represent 51% of the total procedures in 2018. Of these 18 NPs, 9 refer to employment contracts in Election Observation Missions (EOM) who need to be recruited as special advisors in line with the Commission Implementing Decision of 29.10.2014 (C(2014)7782 final) adopting the Implementing Arrangements for Election Observation Missions whose Recital 6 states: "In order to ensure deputy chief observers of the highest professional quality, capable where necessary of exercising discretionary powers on behalf of the Commission and the chief observer, while complying with Article 63 of the Financial Regulation, this function should be filled by special advisors."

Without these 9 NPs, the final number of NPs would amount to 9 which is equivalent to 34% of procedures (9/26).

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

LC Responsible Organi	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	Description	Amount (€)
FPI	Direct	24/10/2018	Annex 1 - 11.1 (i) - Secret contract or contract requiring special security measures	SI2.665859	DLA PIPER UK LLP*DLA	PROVISION OF TECHNICAL ADVICE ON THE SETTING UP OF A SPECIAL PURPOSE VEHICLE	15.000,00
				1			15.000,00

TABLE 15 : FPA duration exceeds 4 years - FPI

None of your FPA (if any) exceeds 4 years

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

RCS 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 of 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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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-	Representative sample: annual ex-post control plan sufficiently representative to draw valid management conclusions. Selection based on comprehensive risk assessment. Risk-based sample: special	Effectiveness: detected error rate. Residual error rate. Number of supervisory control failures. Number of projects with errors; amount of the errors detected.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>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>purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Efficiency: total (average) annual cost of audits in EPC plan + special purpose audits compared with benefits (ratio).</p> <p>Economy: 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.</p>
	<p>Supervision 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>Efficiency: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments managed.</p> <p>Economy: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission/ Benefits: non-quantifiable.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<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 as to give guidance and advice on IfS/IcSP and ICI/PI systems and procedures)</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 and payments.</p>	<p>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.</p> <p>Efficiency: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments verified.</p> <p>Economy: 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.</p>

B - Implementing results from ex-post audits/controls

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

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>. Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary</p>	<p>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: Time-to-recovery (not yet determined). Economy: Loss value of such ROs which are 'waived' or have to be cancelled/ Benefits: value of the</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			errors, detected by ex-post controls, which have actually been corrected (offset or recovered).

RCS 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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E’s)
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	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.	Effectiveness: Number of verification missions; number of internal control and other compliance findings; amount of the errors concerned. Efficiency Indicators: Cost/benefit ratio.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
negatively on the Commission's governance reputation and quality of accountability reporting.			Economy: 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.

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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.	Delegation agreement/ Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements.	Coverage: 100% of the contribution payments (for ex-ante OV and FV. Verification missions of international organisations included in annual ex-post control plan (conducted	Effectiveness: Number of verification missions; number of internal control and other compliance findings; amount of the errors concerned.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	Ex-ante OV and FV. Carry out (mid-term) verification missions of international organisations under joint management. <u>If appropriate/needed:</u> suspension or interruption of payments	after 1 st year of operations or before signature of new contribution agreement).	Efficiency Indicators: Cost/benefit ratio. Economy: 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. The total amount entrusted to the entity, possibly at 100% if significant (legal, management, accounting, fraud, reporting) errors would otherwise be detected.

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<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. 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 beneficiary. 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. Risk-based sample: special purpose audits aimed at projects where problems are anticipated or have already been identified.</p>	<p>Effectiveness: detected error rate. Residual error rate. Amount of budget of errors concerned. 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> <p>Economy: cost of the external audit firms for the controls of IfS beneficiaries. Average cost per audit (for all management modes combined)/ Benefits: value of the errors detected by the auditors.</p>

RCS 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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E’s)
<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.</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).</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</p>	<p>Effectiveness: Quality of the legal work – Council Decision. Number of initially negative ISC opinions. Number of contracts not signed. Economy: estimation of cost of staff involved in the preparation, adoption and selection work/ Benefits: non-financial qualitative benefits (clear contracts, less disputes,</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The Commission does not play a programming role nor does it have a final say in decisions. The 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.</p>	<p>Hierarchical validation within the authorising department. Inter-service consultation, including all relevant DGs. Adoption by the Commission.</p>	<p>funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>	<p>time saved during the implementation phase, reputational). Financial benefits: approved budget lower than initially proposed, improved implementation of the budget.</p>

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs</p>	<p><u>Ex-ante assessment, conditional to granting budget autonomy</u></p> <p>Hierarchical validation 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>Coverage/frequency: 100% of entrusted entities/initial and follow-up assessments</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>Effectiveness: Number of art. 60 assessments</p> <p>Efficiency Indicators: Number of exceptions reported by the missions/EUSRs. Number of interventions by FPI.</p> <p>Economy: estimation of cost of staff involved in the ex-ante assessment process (which may include missions, if applicable). Cost of externalised assessments/ 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,</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			more efficient due to application of correct procedures. Less support to be provided by FPI.

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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 to notified issues by mitigating them or by making a reservation for	Delegation Act/ Contribution agreement/etc specifying the control, accounting, audit, publication, and other related requirements and the reporting . Monitoring or supervision of the entrusted entity (e.g. 'regular' monitoring meetings at operational level; <u>review of reported</u>	Coverage: 100% of the entities are monitored/supervised. Frequency: monthly, quarterly interim reports are immediately carefully scrutinised. At least one monitoring mission per year/entity is carried out. <u>In case of</u> operational and/or financial issues, measures are being	Effectiveness: number of reports scrutinised, problems detected, number of regular monitoring actions (missions), number of serious IAS and ECA findings. Efficiency Indicators: Cost/benefit ratio. Cost of monitoring and support missions, provision

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>them – which may reflect negatively upon the Commission's governance reputation and quality of accountability reporting.</p>	<p><u>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>reinforced.</p> <p>The depth: full control of the entity's internal control and management systems and actions.</p>	<p>of additional expert support.</p> <p>Economy:</p> <p>estimation of cost of staff involved in the actual (regular or reinforced) monitoring of the entrusted entities (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>

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).

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 <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E’s)
<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. 	<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</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> <p>Economy: estimation of cost of staff involved in the coordination and execution of the own ex-post controls and audits (which may include missions, if</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF 	internal control information.	<p>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>

RCS 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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<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>Effectiveness: Ex ante verification results</p> <p>Efficiency: Ex ante verification results</p> <p>Economy: Benefits: Amount of irregularities, errors and overpayments prevented by the controls</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	Coverage, frequency and depth of controls*	Cost-Effectiveness indicators (three E's)
<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>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> <p>Economy: cost of the external audit firms for the controls of IfS/IcSP and ICI/PI beneficiaries. Average cost per audit (for all</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls*	Cost-Effectiveness indicators (three E's)
			management modes combined)/ Benefits: value of the errors detected by the auditors.

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<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>Effectiveness: detected error rate. Residual error rate. Number of supervisory control failures. 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>Economy: 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.</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>Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			managed. Economy: mission cost of the controls of EU Delegations conducted by FPI staff (cost of staff not included). Average cost per mission/ Benefits: non-quantifiable.
<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 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)</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) Depth: review of underlying checklists and documents relating to IfS commitments and payments.</p>	<p>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.</p> <p>Efficiency Indicators: total (average) mission cost of supervisors compared with benefits (ratio). Average mission cost per million EUR of payments verified.</p> <p>Economy:</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			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.

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	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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	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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			<p>error. Number of occurrences per category of error detected.</p> <p>Efficiency Indicators: Time-to-recovery (not yet determined).</p> <p>Economy: Loss value of such ROs which are 'waived' or have to be cancelled/ Benefits: value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p>

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 2018, 41 delegation agreements under indirect management were signed for a total amount of EUR 145.1 million.

The majority of the delegation agreements was signed with UN agencies (29 delegation agreements for a total amount of EUR 87.1 million). Six delegation agreements were signed with International Organization for Migration (EUR 37.8 million) and remaining 6 (EUR 20.2 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 10 million in 2018. 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).

Program	Project ID	Amount	User Reference	LC Project Duration	LE Acronym	LE Official Name	Justification of the selection of the bodies (identity, selection criteria, possible)	Summary description of the implementing tasks entrusted to these bodies	Justification of the recourse to indirect management
Common foreign and security policy	SG.780584	4.594.752,00	CFSP2018/05/CTBTO VII - CD	24	CTBTO	THE	Specific expertise	This project aims at	The organisation
Common foreign and security policy	SG.788638	2.748.472,96	CFSP2018/22/EU PROJECT IN	6	UNOPS	UNITED NATIONS	Specific expertise	This Art. 28 TEU	The organisation
Common foreign and security policy	SG.793749	4.002.587,52	CFSP2018/27/SEESAC ROADMAP	36	UNDP PNJUD	UNITED NATIONS	Specific expertise	This project provides	The organisation
Common foreign and security policy	SG.797393	3.496.978,84	CD (CFSP) 2018/1939 OF	36	UNODC	UNITED NATIONS	Specific expertise	This project provides	The organisation
Common foreign and security policy	SG.797445	1.499.985,92	CD (CFSP) 2018/1939 OF	36	UNO ONU	UNITED NATIONS	Specific expertise	This project provides	The organisation
Cooperation with third countries under	SCR.CTR.398408.02	2.000.000,00	PI2018/398-408-STRENGTHENING	24	IOM	INTERNATIONAL	Specific expertise	This project aims to	IOM complies with
Cooperation with third countries under	SCR.CTR.398476.01	3.264.380,00	PI2018/398-476-RESPONSIBLE	48	OECD OCDE	ORGANISATION	Specific expertise	The overarching	OECD complies with
Cooperation with third countries under	SCR.CTR.398518.01	6.235.620,00	PI2018/398-518-RESPONSIBLE	48	ILO OIT	INTERNATIONAL	Specific expertise	The overarching	ILO complies with
Cooperation with third countries under	SCR.CTR.403248.01	8.500.000,00	PI2018/403-248-PROMOTING	48	UNEP PNJUE	UNITED NATIONS	Specific expertise	This action aims to	UNEP complies with
Instrument contributing to Stability and	SCR.CTR.389483.01	1.999.948,00	ICSP2017/389-483-INTER-	18	UNDP PNJUD	UNITED NATIONS	Continuation of an	The Action aims to	The organisation
Instrument contributing to Stability and	SCR.CTR.389808.01	4.000.000,00	ICSP2017/389-808-	18	UNICEF	UNITED NATIONS	Specific expertise	Mitigate the impact of	The organisation
Instrument contributing to Stability and	SCR.CTR.391452.01	2.000.000,00	ICSP2018/391-452-RAPID CITY	18	UN-HABITAT	UNITED NATIONS	Specific expertise	The Overall	The organisation
Instrument contributing to Stability and	SCR.CTR.394750.01	1.000.000,00	ICSP2017/394-750-	12	UNDP PNJUD	UNITED NATIONS	Optimisation of donor	This action	The organisation
Instrument contributing to Stability and	SCR.CTR.395127.01	500.000,00	ICSP2018/395-127-PROJET D'APPU	12	UNDP PNJUD	UNITED NATIONS	Neutrality/security	L'objectif général de	The organisation
Instrument contributing to Stability and	SCR.CTR.395667.01	5.000.000,00	ICSP2018/395-667-PROMOTING	18	UNDP PNJUD	UNITED NATIONS	Optimisation of donor	The action aims to	The organisation
Instrument contributing to Stability and	SCR.CTR.395681.01	7.000.000,00	ICSP2018/395-884-STABILIZATION	18	UNDP PNJUD	UNITED NATIONS	Optimisation of donor	The Stabilization	The organisation
Instrument contributing to Stability and	SCR.CTR.395963.01	200.000,00	ICSP2018/395-963-EU SUPPORT TO	18	UNDP PNJUD	UNITED NATIONS	Specific expertise	The Action aims at	The organisation
Instrument contributing to Stability and	SCR.CTR.395995.01	1.000.000,00	ICSP2018/395-995-YOUTH	18	UNESCO	UNITED NATIONS	Specific expertise	The aim of the action	The organisation
Instrument contributing to Stability and	SCR.CTR.396237.01	6.500.000,00	ICSP2018/396-237-UPGRADING	18	IOM	INTERNATIONAL	Logistical and	The interventions	The organisation
Instrument contributing to Stability and	SCR.CTR.396581.01	3.200.000,00	ICSP2018/396-581-SOMALI	18	UNOPS	UNITED NATIONS	Logistical and	The project aims to	The organisation
Instrument contributing to Stability and	SCR.CTR.396833.01	896.690,00	ICSP2018/396-833-CHILD RELEASE	12	UNICEF	UNITED NATIONS	Specific expertise	Children affected by	The organisation
Instrument contributing to Stability and	SCR.CTR.397311.01	5.000.000,00	ICSP2018/397-311-SUPPORT TO	18	UNHCR HCR	UNITED NATIONS	Specific expertise	The overall objective	The organisation
Instrument contributing to Stability and	SCR.CTR.397460.01	1.000.000,00	ICSP2018/397-460-JUDICIAL AND	18	OHCHR	UNITED NATIONS	Specific expertise	To support	The organisation
Instrument contributing to Stability and	SCR.CTR.397598.01	15.300.000,00	ICSP2018/397-598-RÉDUCTION DE	36	IOM	INTERNATIONAL	Experience in the	Le projet a pour	The organisation
Instrument contributing to Stability and	SCR.CTR.397726.01	2.997.504,00	ICSP2018/397-726-SOUTIEN AUX	18	UNO ONU	UNITED NATIONS	Specific expertise	Cette action a pour	The organisation
Instrument contributing to Stability and	SCR.CTR.397929.01	1.500.000,00	ICSP2018/397-929-SUPPORTING	18	OHCHR	UNITED NATIONS	Specific expertise	The Overall	The organisation
Instrument contributing to Stability and	SCR.CTR.398178.01	3.500.000,00	ICSP2018/398-178-REINFORCING	18	ICMPD	THE	Specific expertise	The Overall	The organisation
Instrument contributing to Stability and	SCR.CTR.398556.01	500.000,00	ICSP2018/398-556-ADDENDUM NO.	12	UNDP PNJUD	UNITED NATIONS	Continuation of an	The specific	The organisation
Instrument contributing to Stability and	SCR.CTR.398761.01	5.000.000,00	ICSP2018/398-761-SUPPORT THE	18	UNHCR HCR	UNITED NATIONS	Specific expertise	Support the	The organisation
Instrument contributing to Stability and	SCR.CTR.398950.01	3.000.000,00	ICSP2018/398-950-PREVENTING	18	UNDP PNJUD	UNITED NATIONS	Specific expertise	This project aims at	The organisation
Instrument contributing to Stability and	SCR.CTR.398964.01	8.000.000,00	ICSP2018/398-964-STABILISATION	18	IOM	INTERNATIONAL	Experience in the	The overarching	The organisation
Instrument contributing to Stability and	SCR.CTR.399193.01	3.500.000,00	ICSP2018/399-193-PROJET DE	18	UNOPS	UNITED NATIONS	Logistical and	Le projet prévoit de	The organisation
Instrument contributing to Stability and	SCR.CTR.399227.02	3.000.000,00	ICSP2018/399-227-LIFE AFTER	18	IOM	INTERNATIONAL	Experience in the	Community-based	The organisation
Instrument contributing to Stability and	SCR.CTR.399632.01	3.000.000,00	ICSP2018/399-632-	18	IOM	INTERNATIONAL	Experience in the	This project will be a	The organisation
Instrument contributing to Stability and	SCR.CTR.399655.01	600.000,00	ICSP2018/399-655-SUPPORT THE	18	AU	AFRICAN	International	Support the peace	The organisation
Instrument contributing to Stability and	SCR.CTR.400661.01	2.000.000,00	ICSP2018/400-661-PROTECTION	18	OCR ICRC	COMITE	Specific expertise	Ensure that the	The organisation
Instrument contributing to Stability and	SCR.CTR.401906.01	1.100.000,00	ICSP2018/401-906-	12	UNDP PNJUD	UNITED NATIONS	Specific expertise	Renforcement de la	The organisation
Instrument contributing to Stability and	SCR.CTR.402266.01	2.496.460,00	ICSP2018/402-266-PREVENTING	36	UNO ONU	UNITED NATIONS	Specific expertise	The project aims to	The organisation
Instrument contributing to Stability and	SCR.CTR.402585.01	2.500.000,00	ICSP2018/402-585-A DOLESCENTS	18	UNICEF	UNITED NATIONS	Specific expertise	the project aims to	The organisation
Instrument contributing to Stability and	SCR.CTR.402845.01	2.000.000,00	ICSP2018/402-845-PROJET	12	UNDP PNJUD	UNITED NATIONS	International	Projet conjoint	The organisation
Instrument contributing to Stability and	SCR.CTR.403895.01	9.538.269,31	ICSP2018/403-895-SUPPORTING	13	UNRWA	UNITED NATIONS	International	To enhance	The organisation

ANNEX 7: EAMR of the Union Delegations (if applicable)

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 2018, 69 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

	Title	Reason ¹	Scope ²	Type ³	Associated DGs	Comments ⁴	Reference ⁵
I. Evaluations finalised or cancelled in 2018							
a. Evaluations finalised in 2018							
	Evaluation of ICSP actions on Migration crisis response in the Middle East and Turkey - 2017/383-993	FR	Article 3 of ICSP Regulation (EU) No 230/2014	E	NEAR		
	Evaluation du projet de renforcement du contrôle des frontières lacustres et fluviales afin de promouvoir la sécurité des populations et des activités socio-économiques face aux activités criminelles et à la menace terroriste au Tchad	FR	Article 3 of ICSP Regulation (EU) No 230/2014	E			
	Evaluation on Haiti and the Dominican Republic - 'Support to address the mixed migration crisis on the Island of Hispaniola' (ICSP)	FR	Article 3 of ICSP Regulation (EU) No 230/2014	E	DEVCO		
	Final evaluation of the IfS/ICSP support under Article 3 to Mine Action in beneficiary countries	FR	Article 3 of ICSP Regulation (EU) No 230/2014	E	DEVCO	The evaluation assessed the IfS/ICSP projects relating to Mine Action in beneficiary countries.	
	Evaluation of the Partnership Instrument Policy Support Facility actions on market access, and trade & investment agreement negotiation and implementation	FR	Partnership Instrument Regulation (EU) No 234/2014	E	TRADE	The evaluation was foreseen in the Partnership Instrument - Policy Support Facility for trade action fiche. Its objective was to assess the policy relevance of the PSF-TRADE actions.	
	Clean Energy Cooperation with India (CECI) – Mid-term review	FR	Partnership Instrument Regulation (EU) No 234/2014	E	ENER		
	Final evaluation of the IfS/ICSP support under Article 3 to Migration in beneficiary countries (2007-2016) 2017/383-399	FR	Article 3 of ICSP Regulation (EU) No 230/2014	E			
	Final evaluation of the IfS/ICSP support under Articles 3 and 4 to Counter-terrorism and Preventing Violent Extremism (CT/PVE) in beneficiary countries (2007-2016) 2017/383-393	FR	Article 4 of ICSP Regulation (EU) No 230/2014	E			
	Mid-term assessment of the EU's International Urban Cooperation (IUC) programme	FR	Partnership Instrument Regulation (EU) No 234/2014	E	CLIMA, GROW, REGIO, RTD	The aim of the evaluation was to assess mid-term results and to feed into a possible second phase.	
	Evaluation of ICSP Financed Mediation and Peacebuilding Initiatives in Libya (2015-2018) Contract 2018/398-995	FR	Article 4 of ICSP Regulation (EU) No 230/2014	E			
	Evaluation of ICSP actions on Counter-Terrorism and Countering Violent Extremism in the Middle East and North Africa (MENA) - ICSP/2017/383-991	FR	Article 4 of ICSP Regulation (EU) No 230/2014	E			
	Midterm evaluation of 2015/358-830 "Building and Consolidating National Capacities for Conflict Prevention" 2017/389-215	FR	Article 4 of ICSP Regulation (EU) No 230/2014	E			
b. Evaluations cancelled in 2018							
II. Other studies finalised or cancelled in 2018							
a. Other studies finalised in 2018							
	Formulation of risk assessment, monitoring and evaluation procedures/modifies for interventions under Capacity Building in Support of Security for Development (CBSD)	FR	Article 4 of ICSP Regulation (EU) No 230/2014	Study			
	Impact Assessment for the proposal of establishing the Neighbourhood, Development and International Cooperation Instrument	LMFF	Proposal for a Regulation establishing the Neighbourhood, Development and International Cooperation Instrument COM(2018) 460 final of 14 June 2018	IA	DEVCO, NEAR, EEAS, ECHO, ECFIN, Cyprus Settlement Support team		SWD(2018) 337 final - https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018S0337&from=EN
b. Other studies cancelled in 2018							
¹ Reason why the evaluation/other study was carried out, please align with Annex 3 of the MP 2016. The individual symbols used have the following meaning: L - legal act, LMFF - legal base of MF instrument, FR - financial regulation, REFT, REFT/L, CWP - 'evaluate first', O - other (please specify in Comments)							
² specify what programme/regulatory measure/initiative/policy area etc. has been covered							
³ IC - fitness check, E - expenditure programme/measure, R - regulatory measure (not recognised as a FC), C - communication activity, I - Internal Commission activity, O - other - please specify in the Comments							
⁴ Allow to provide any comments related to the item (in particular changes compared to the planning). When relevant, the reasons for cancelling evaluations/other studies also needs to be explained in this column.							
⁵ For evaluations the references should be 1) number of its Evaluation Staff Working Document and number of the SWD's executive summary; 2) link to the supportive study of the SWD in EU bookshop. For other studies the references should be the link to EU bookshop or other reference where the 'other study' is published via							

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 (ICI beneficiaries).

This action plan provides a detailed breakdown of measures taken during **2016-18** to address the weaknesses in the financial management of ICI projects as highlighted in the 2015 AAR. They were taken as the basis for **reporting** in the 2018 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.

Table Y Overview of the estimated cost of controls at Commission (EC) level:

Common Foreign and Security Policy (CFSP)							
Ex ante controls			Ex post controls			Total**	
EC total costs (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
940 968	315 428 783	0.30%	353 291	22 956 912	1.54%	1 294 259	0.41%
Instrument contributing to Stability and Peace (IcSP)							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
1 036 175	258 799 533	0.40%	439 788	23 509 473	1.87%	1 475 963	0.57%
Partnership Instrument (PI)							
Ex ante controls			Ex post controls			Total**	
EC total cost	funds	Ratio (%)*:	EC total costs	total value	Ratio (%):	EC total	Ratio (%)*:

(in EUR)	managed (in EUR)*	<i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	(in EUR)	verified and/or audited (in EUR)	<i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	estimated cost of controls (in EUR)	<i>Total cost of controls ÷ funds managed</i>
551 238	93 003 423	0.59%	366 741	16 622 218	2.21%	917 978	0.99%
Election Observation Missions (EOMs)							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
275 641	44 467 753	0.62%	302 114	3 239 279	9.33%	577 756	1.30%
OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
2 804 023	733 908 870	0.38%	1 155 721	66 375 441	1.74%	3 959 744	0.54%

* ratio possibly "Not Applicable (N/A)" if a RCS specifically covers an Internal Control Objective

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 Japan 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>

<p><i>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).</i></p> <ul style="list-style-type: none"> • For ICI : 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><i>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.</i></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: 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). 	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.</p>
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<p><i>Action plan n°5: Identify synergies between supervision missions and potential monitoring missions to beneficiaries with a focus on financial aspects (i.e. combine the two where feasible).</i></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. 	<p>Q4 2016</p>	<p>FPI.4/FPI.1</p>	<p>Implemented Implemented</p>	<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>
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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	Interim Milestone	Target	Latest known results
2014	2020	2030	2017
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: 0.5% To LDCs: 0.12%

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	Interim Milestone	Target	Latest known results
2012	2017	2020	2018
2011-2013: 69% ⁹	65%	75%	82%
Main outputs in 2018:			
Policy-related outputs			

⁹ 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

Description	Indicator	Target	Latest known results (situation on 31/12/2018)
<p>Swift adoption of short-term crisis response measures¹⁰ 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 31/12/2018	82%

Main expenditure outputs

Description	Indicator	Description	Indicator
The IcSP component "crisis response" is not programmable and no fixed number of outputs can be determined. However, based on previous experience, some 32 response actions are launched per year.	Number of estimated response measures in situations of crisis or emerging crisis in a given budgetary year.	The IcSP component "crisis response" is not programmable and no fixed number of outputs can be determined. However, based on previous experience, some 32 response actions are launched per year.	Number of estimated response measures in situations of crisis or emerging crisis in a given budgetary year.

Completed evaluations:

Evaluation of IcSP actions on Migration crisis response in the Middle East and Turkey;
 Evaluation on Haiti and the Dominican Republic - 'Support to address the mixed migration crisis on the Island of Hispaniola';
 Final evaluation of the IfS/IcSP support under Articles 3 and 4 to Counter-terrorism and Preventing Violent Extremism (CT/PVE) in beneficiary countries (2007-2016)

Other evaluations: <https://webgate.ec.testa.eu/publications/studiesdb/Home.xhtml>

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: Number of processes and entities with strengthened capacity of EU and beneficiaries attributable to IcSP funding to prevent conflicts, address pre and post conflict situations and to build peace

¹⁰ Exceptional Assistance Measures – Article 3 of the IcSP Regulation

The indicator measures the strengthened capacity of EU and beneficiaries of EU assistance to prevent conflicts, address pre-and post-conflict situations and to build peace			
Source of data: FPI2			
Baseline 2012	Interim Milestone	Target	Latest known results
	2017	2020	2018
1183 ¹¹ (number of processes and entities)	1200	1500	1592 Processes 994 Entities 598
Completed evaluations:			
Evaluation of the IcSP project to strengthen the control of lake and river borders to promote the security of populations and socio-economic activities in the face of criminal activities and the terrorist threat in Chad; Final evaluation of the Ifs/IcSP support under Article 3 to Mine Action in beneficiary countries; Evaluation of IcSP financed Mediation and Peacebuilding Initiatives in Libya (2015-2018); Evaluation of IcSP actions on Counter-Terrorism and Countering Violent Extremism in the Middle East and North Africa (MENA); ICSP/2017/ 389-215 Midterm evaluation of 2015/358-830 "Building and Consolidating National Capacities for Conflict Prevention"			
Other evaluations: https://webgate.ec.testa.eu/publications/studiesdb/Home.xhtml			

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2018)
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	July 2018	July 2018
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
With the funding programmed under the IcSP Regulation, 9 % of the envelope is foreseen to finance an estimated number of 5 actions per	Number of estimated actions launched under the Annual Action Programme.	5 on 31/12/2018	6

¹¹ The indicator measures the strengthened capacity of EU and beneficiaries of EU assistance to prevent conflicts, address pre and post conflict situations and to build peace. It refers to the number of processes (mediation processes, internal political dialogues) and entities benefiting from strengthened capacity, attributable to IcSP funding in conflict prevention, crisis preparedness and peace-building through the so-called "Peace Building Partnership". In 2011 – the baseline given in the Strategic Plan – the figure was 952. In 2012, following a revised compilation methodology, the figure was 1183 processes and entities (734 processes and 449 entities) with strengthened capacity attributable to IcSP funding with a budget of EUR 22 Million.

year.			
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ta Specific objective 1.1, 1.2: other important outputs			Related to spending programme Instrument contributing to Stability and Peace (IcSP)
Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
Proposal(s) for the next generation of programmes (under the next MFF) in the area of IcSP	Adoption by the Commission	2018	June 2018 ¹²
Project- and sector evaluations finalised in line with guidance provided in the FPI Manual	Number of final evaluation reports completed	7 by 31 December 2018	13
New CBD indicators for inclusion in Programme Statement for DB 2019	Update of the Programme Statement Draft Budget 2019 with CBD indicators	April 2018	April 2018
Theories of Change integrated into design of IcSP actions, specifically on SO 1.1 and SO 1.2 (in the Concept Note of each action)	% of action documents with explicit Theories of Change	100%	85%
Web-based communication tools developed and rolled-out (show-cases; information sheets; photo gallery)	Number of web-based communication products developed	5 showcases 8-10 information sheets 8-10 projects - photo galleries	0 showcases 0 information sheets 8 projects - photo galleries

¹² Proposal of 14 June 2018 for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument ([COM \(2018\)460, Procedure 2018/0243/COD](#))

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

It measures the actual implementation of the deployment (versus the operational plan) of the CSDP civilian missions under the respective responsibilities of:

- 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.)

The indicator monitors the effectiveness of the on-going civilian CSDP missions' deployment but also the level of cooperation between the HR/VP'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.

Source of data: Civilian Planning and Conduct Capability (CPCC) quarterly update on staff

Baseline	Interim Milestone	Target	Latest known results
2012	2017	2020	2018
84%	86%	90%	88%

Main outputs in 2018:

Description	Indicator	Target date	Latest known results (situation on 31/12/2018)
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 2018	95%
Swift contracting after Commission Financing Decision adoption	Percentage of Delegation Agreements with EUSRs & civilian CDSP missions signed within 1 month after Commission Financing Decision adoption.	90% by December 2018	95%

Specific objective 1.4: Support the implementation and promotion of:

Related to spending

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;
 3) EU's policies in the field of conventional arms exports, in particular on the basis of Common Position CFSP/944/2008.

programme(s) Common foreign and security policy (CFSP)

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 2012	Interim Milestone ¹³	Target	Latest known results
	2017	2020	2018
1) Comprehensive Nuclear-Test-Ban Treaty Organization, CTBTO: number of countries having ratified 159	165	166	167
2) UN Resolution 1540: number of countries having submitted the National Implementation Plan	175	192	180
3) Nuclear security assistance provided by IAEA: 82 countries	Assistance provided to up to 120 countries.	120 countries (focusing on countries for EU interest)	53 in 2018 (104 in 2017 – 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	101 (159 including Accessions, Acceptances and Approvals)

Main outputs in 2018:

Description	Indicator	Target date	Latest known results
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¹³ The column should be deleted if only short-and medium term (less than 3 years) targets are set.

			(situation on 31/12/2018)
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 2018	95%
Swift contracting after Commission Financing Decisions' adoption	Percentage of Grants or Delegation Agreements with partner organisations signed within 1 month after Commission Financing Decision adoption.	90% by December 2018	87.5%

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).	
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.			
Source of data: FPI5			
Baseline	Interim Milestone	Target	Latest known results
average 2010-2013	2017	2020	2018
17	23	25	33
Main outputs in 2018:			
Policy-related outputs			
Preparation of the 2019 Election Observation programme	Adoption of the Annual Action Programme (AAP) for 2019 for EOM in cooperation with the EEAS	November 2018	December 2018
Timely launch and adoption of Multiannual Indicative Programme 2018-20 in cooperation with the EEAS	Adoption of the MIP 2018-20	April 2018	October 2018

Follow-up of Evaluation of EU Election Observation Activities recommendation: Improvement of the instrument's flexibility	Review of the toolbox	End-December 2018	Ongoing
Proposal(s) for the next generation of programmes (under the next MFF) in the area of Election Observation activities	Adoption by the Commission	July 2018	June 2018 ¹⁴
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
Organisation of EU Election Observation Missions (EOMs); EU Election Assessment Team Missions (EATs); and EU Election Expert Missions	Number of missions deployed.	18 by 31/12/2018	19 (9 EOMs and 10 EEMs deployed, 0 EATs)
Organisation of Election Follow-Up Missions (EFMs)	Number of Election Follow-Up Missions deployed in countries after an Election Observation Mission to assess the implementation of recommendations.	5 by 31/12/2018	4 Follow-up Missions deployed

¹⁴ Proposal of 14 June 2018 for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument ([COM \(2018\)460, Procedure 2018/0243/COD](#))

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)	
<p>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.</p> <p>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)</p> <p>Source of data: Data source: https://icapcarbonaction.com – International Carbon Action Partnership (ICAP), Status Report – annual report</p>			
Baseline	Interim Milestone	Target	Latest known results
2014 ¹⁵	2017	2020	2018
15	21	26	24
<p>Sub indicator 1.6.2: Share of renewables in total energy production in the 9 strategic partners</p> <p>Source of data: http://energyatlas.iea.org</p>			
Baseline	Interim Milestone	Target	Latest known results
2014 ¹⁶	2017	2020	2016
Brazil: 45% Canada: 10% China: 10% India: 38% Japan: 72% 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: 11% India: 37% Japan: 60% Republic of Korea: 8% Mexico: 9% Russian Federation: 1% USA: 8%

¹⁵ 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.

¹⁶ 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.

Sub indicator 1.6.3: CO2 emissions from fuel combustion in the 9 strategic partners			
Source of data: http://energyatlas.iea.org			
Baseline	Interim Milestone	Target	Latest known results
2014 ¹⁷	2016	2020	2016
20979,55 Mt CO2	Reduction by 3%	Reduction by 6%	Reduction by 2.37% (20492.2 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 ¹⁸	2018	2020	2018
6270	8100	4,000 cities in at least 30 countries have joined cooperation in sustainable energy (Global Covenant)	7755 ¹⁹
Completed evaluations: Mid-term evaluation of the PI funded programme concerning International Urban Cooperation (IUC)			

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2018)
Action documents under AAP 2017 contracted	% of action documents under AAP 2017 contracted by 31/12/2018	100%	100%
AAP 2018 in two phases adopted on time	Adoption of AAP 2018 (part 1)	May 2018	4 July 2018
	Adoption of AAP 2018 (part 2)	November 2018	27 November 2018

¹⁷ 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.

¹⁸ 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.

¹⁹ FPI expects that, through support under the Partnership Instrument, 4000 new local and regional authorities will have signed the Covenant of Mayors between 2014 and 2020.

Action documents under AAPs 2014 to 2016 implemented as planned	% of action documents under AAPs 2014-2016 for which implementation is on track	90%	100%
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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	2018	2020	2018
0	60	At least 84 cities in at least 7 strategic partners	60 ²⁰

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	2018	2020	2018
0	13	At least 18 regions / provinces worldwide	13 ²¹

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#anchor2>

²⁰ This indicator is on good course to reach the target of 84 cities signing agreements on sustainable urban development.

²¹ This indicator is on good course to reach and likely surpass the target of 18 regions signing agreements on innovation.

Baseline ²²	Interim Milestone	Target	Latest known results
2014	2018	2020	2018
15	17	20	15 ²³

Sub indicator 1.7.4: Average worldwide level of implementation of international safety standards in civil aviation			
Source of data: http://www.icao.int/safety/Documents/ICAO_SR_2018_30082018.pdf			
Baseline ²⁴	Interim Milestone	Target	Latest known results
2014	2016	2020	2018
62%	62%	Increase at least by 5%	65.5%
Completed evaluations: none in 2018			

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2018)
AAP 2018 in two phases adopted on time	Adoption of AAP 2018 (part 1)	May 2018	04/07/2018
	Adoption of AAP 2018 (part 2)	November 2018	27/11/2018
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
Action documents under AAP 2017 contracted	% of action documents under AAP 2017 contracted by 31/12/2018	100%	100%
Action documents under AAPs 2014 to 2016	% of action documents under AAP 2014-2016	75%	100%

²² 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.

²³ This indicator is still on course to reach the target of 20 international agreements signed with strategic partners by 2020.

²⁴ 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

implemented as planned	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 ²⁵	Interim Milestone	Target	Latest known results
2014	2017	2020	2015
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: Public Diplomacy under the Partnership Instrument

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2018)
AAP 2018 in two phases	Adoption of AAP 2018	May 2018	04/07/2018

²⁵ This indicator will not be measured annually.

adopted on time	(part 1) Adoption of AAP 2018 (part 2)	November 2018	27/11/2018
Main expenditure outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
Action documents under AAP 2017 contracted	% of action documents under AAP 2017 contracted by 31/12/2018	100%	100%
Action documents under AAPs 2014 to 2016 implemented as planned	% of action documents under AAP 2014-2016 for which implementation is on track/first results received	75%	100%

Specific objective 1.9: Improved fulfilment of EU's economic interests (trade, investment and business)

Related to spending programme: Partnership Instrument (PI)

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:

Sub indicator 1.9.1: EU share in foreign trade in goods and services of 9 Strategic Partners

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.

Baseline 2013 ²⁶	Interim Milestone	Target	Latest known results
	2018	2020	2017
2010: 18,1% 2011: 17,8% 2012: 17,4% 2013: 17,0% 2014: 16,7% ²⁷	Possible increase in share	Overall increase in share	17.7% ²⁸

²⁶ 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 do not 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.

²⁷ An update on baseline data and results from those given in the Strategic Plan.

²⁸ This indicator is on good course to reach its target.

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.			
Baseline²⁹	Interim Milestone	Target	Latest known results
2013	2018	2020	2017
EU Foreign Direct Investment - Inward flows: 442 billion EUR - Outward flows: 421.6 billion EUR	Possible increase in FDI flows	Increase FDI flows in parallel with global economic growth	- Inward flows: -142.6 billion EUR ³⁰ - Outward flows: 109 billion EUR

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target	Latest known results (situation on 31/12/2018)
AAP 2018 in two phases adopted on time	Adoption of AAP 2018 (part 1)	May 2018	04/07/2018
	Adoption of AAP 2018 (part 2)	November 2018	27/11/2018
Actions documents under AAP 2017 contracted	% of action documents under AAP 2017 contracted by 31/12/2018	100%	100%
Action documents under AAPs 2014 to 2016 implemented as planned	% of action documents under AAP 2014-2016 for which implementation is on track/first results received	75%	100%

²⁹ 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.

³⁰ Foreign direct investment (FDI) flows are highly volatile.

Specific objective 1.6, 1.7, 1.8 and 1.9: other important outputs			Related to spending programme Instrument contributing to Stability and Peace (IcSP)
Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
Timely launch and adoption of Multiannual Indicative Programme 2018-20 in cooperation with the EEAS	Adoption of the MIP 2018-20	May 2018	22/10/2018
Proposal(s) for the next generation of programmes (under the next MFF) in the area of Partnership Instrument	Adoption by the Commission	July 2018	June 2018 ³¹

19.06 –Information Outreach

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 2018			
Description	Indicator	Target	Latest known results (situation on 31/12/2018)
Information Outreach Annual Work Programme (AWP) 2019 adopted on time	Adoption of AWP 2019	December 2018	AWP adopted on 07/02/2019 ³²

³¹ Proposal of 14 June 2018 for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument ([COM \(2018\)460, Procedure 2018/0243/COD](#))

³² The adoption of the AWP 2018 was postponed to integrate additional strategic actions on disinformation in line with the renewed Preparatory Action StratCom Plus and additional budget decided in December 2018 with the adopted Budget 2019.