



2017

Annual Activity Report

Annexes

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

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ANNEXES

ANNEX 1: Statement of the Resources Director

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

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

1. Human Resources Management

Objective:

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

Indicator 1 : Percentage of female representation in middle management: 40% by 2019

Source of data: SEC(2017)505

Baseline 2016 (January)	Target 2019	Latest known results for 2017
38%	40%	32%

Main outputs in 2017:

Description	Indicator	Target	Latest known result
Increase in female representation in middle management positions	Percentage of women in middle management	38% by end 2017 (This indicative sub-target by DG has been repealed by the College in light of a new decision focussing on first-time appointments of women to management as a means of reaching the overall 40% target)	At end of 2017 the representation rate of female management was 32%. Instead of using this indicative sub-target as a benchmark, DG NEAR now has a target of 2 female first time appointments to make before the end of 2019. One was appointed in 2017.
Increase number of women appointed to first time middle management functions.	Number of first time appointments	Appoint 1 woman to first time management position by end 2017	Completed in September 2017

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

Source of data: Commission staff survey

Baseline	Target	Latest known result For 2016
January 2014 :	Target: Commission Average (35%) in 2016 Two percentage points above Commission	24% in 2016 Staff

32%	Average (37%) in 2018 In relation to the indicator 2 on staff well-being, DG NEAR set the target for this indicator in 2016 at the level of Commission Average (35%) for 2016 and at 2 percentage points above the Commission average in the 2018 staff survey ¹ .	Survey. No data for 2017 Next staff survey in 2018
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Main outputs in 2017:

Description	Indicator	Target	Latest known result
Promote an appropriate work life balance for staff	Staff request appropriate working conditions (part-time, flexitime and teleworking) to match their particular work life balance considerations	12% of colleagues in HQ teleworking by end 2017 (compared to 10% in 2016) 100% of eligible requests for part-time working validated	In 2017 32.6% of DG NEAR staff in HQ teleworked (of which 9.7% were structural teleworkers)

Indicator 3 : Staff engagement index

Source of data: Commission staff survey

Baseline 2014	Target 2016/2018	Latest known result For 2016
2014 : DG NEAR Staff engagement index =64 (NB Data for DG ELARG - not comparable with NEAR as a whole)	Commission Average (65%) in 2016 Two percentage points above Commission Average (67%) in 2018 DG NEAR sets the target for this indicator in 2018 at 2 percentage points above the Commission average in the 2018 staff survey ² .	58% (64% in HQ and 53% in EU Delegations) in 2016. No data for 2017 Next Staff Survey in 2018

Main outputs in 2017:

Description	Indicator	Target	Latest known result
Roll out the 2017 Staff Engagement Action Plan tackling the staff engagement issues raised in the 2016 Staff survey namely: <ul style="list-style-type: none"> Shared DG NEAR vision and purpose Effective internal 	Adoption of the 2017 Action Plan by DG NEAR Senior Management	Adoption of Action Plan foreseen for April 2017	The adoption of the action plan was replaced by a more participatory method of engaging with staff, namely through the work of the Our Near group in 2017. The Group set up in July 2016 promotes the creation of a DG NEAR common identity– using the approach of participatory

¹ This is based on the recommendations of the DG NEAR Staff Engagement Working Group, which was established following the results of the 2014 survey. The target was approved by senior management.

² This is based on the recommendations of a DG NEAR Staff Engagement Working Group established following the results of the 2014 survey, and approved by senior management of the DG

<p>communication</p> <ul style="list-style-type: none"> • Managing Performance • Enhancing 'people' management skills • Working conditions & work /life balance • Career advice, career paths, opportunities & mobility • Training & training budget. <p>Take 'temperature' mid-year on the 7 areas contributing to overall staff engagement</p>			<p>leadership.</p> <p>In 2017, DG NEAR invested extensively in teambuilding activities in all Directorates with the active participation of the Group, culminating in an all DG event in June 2017 which focussed on achieving a more open and collaborative DG and how to improve staff engagement and internal communication.</p> <p>There were also three staff forums (June, October and December) with the participation of all staff and management, which helped reinforce team spirit and two-way communication with top management.</p> <p>Efforts were also made to improve staff engagement in the delegations where individual action plans for implementation at local level are being developed in addition to corporate and inter-institutional endeavours.</p>
<p>Promote awareness of fit@ work campaign including mental and physical health & wellbeing activities</p>	<p>Staff attend and participate in activities which increase staff understanding of the importance of mental and physical health to their overall wellbeing</p>	<p>Organise minimum 6 fit@work workshops on:</p> <ul style="list-style-type: none"> • Ergonomics • Physical health • Nutrition • Social-psychological issues • Mental Health 	<p>Events were organised as follows:</p> <ul style="list-style-type: none"> - Visits for assessing office ergonomics were organized in all three NEAR buildings in July 2017. Health and Wellbeing Week January 2017 - Zero waste session June 2017 - Aromatherapy sessions in November, 2017 - A wide-range of

			regular well-being activities such as Meditation, Yoga Stretch, Swing and Smove, Mindfulness and Running in the park are organised on a weekly basis. Further trainings and workshops are in preparation.
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2. Better Regulation

DG NEAR does not manage regulatory acquis. Information about ongoing evaluations is provided in Part 1.

3. Information management aspects

Objective: Information and knowledge in the DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.			
Indicator 1: Percentage of registered documents that are not filed			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline (2015)	Target (2017)	Latest known result (2017)	
4.73%	0%	1.58%	
Main outputs in 2017:			
Description	Indicator	Target	Latest known results
Electronic filing of registered documents in Ares	Number of registered and filed documents in Ares	100%	98,42%
Indicator 2: Number of HAN files readable/accessible by all units in the DG			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline (2015)	Target (2017)	Latest known result (2017)	
93.39%	93%	95.17%	
Main outputs in 2017:			
Description	Indicator	Target	Latest known result
Full electronic signatory in ARES	Number of purely e-signatories in Ares	50% i.e. all internal notes (up to two pages)	72% - ahead of target for introducing paperless office
Indicator 3: Number of HAN files shared with other DGs			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline (2015)	Target (2017)	Latest known result (2017)	
4.15%	20%	4.36%	
Main outputs in 2017:			
Description	Indicator	Target	Latest known result

Single decision and contract files created with shared access for HQ and Delegations	Proportion of shared files	100% of non-confidential files	4.36%. The implementation of this policy is delayed due to workload and reduction in size of the DMO/logistics team. The target will be achieved during 2018
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4. External communication activities

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

Definition: Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution

Source of data: Standard Eurobarometer (DG COMM budget) [*monitored by DG COMM*]

Baseline November 2014	Target 2020	Latest known results 30/11/2017
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Total "Positive": 40% Neutral: 37% "Negative": 21%

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

Main outputs in 2017:

Description	Indicator	Target	Latest known results
Press trips for EU journalists to neighbourhood regions	Number of participants	55	27
	Number of participants who declare the event met their expectations	>60% participants	of 100%
	Useful contacts made	>40% participants	of 75%
	Likelihood to share the info	>50% participants	of 91%
	Better understanding of the policy/related funding	>50% participants	of 80%
Training seminars on EU visibility and communication for beneficiaries in the	Number of participants	115	88
	Event met expectations	>65% participants	of 80%

neighbourhood region	Likelihood to share the info	>50% participants	of 95%
Neighbourhood Regional Communication Programme (OPEN): campaigns, events and polling to improve perceptions of the EU in Neighbourhood countries	Number of visits to EU Neighbours website	>480,000	480,000
	Number of people reached on Facebook (average reach per post)	East: 9,000 South: 5,000	East: 13,000 South: 15,000
	Number of impressions – Twitter (monthly)	30,000	60,000
	Fan engagement rate	Facebook East: 5% Facebook South: 10% Twitter: 3%	Facebook East: 2% Facebook South: 2% Twitter: 2%
	Number of subscribers to news alerts	>7,600	8,500
	Number of people reached through events	>1,500	4,500
	Number of young people becoming part of Young European Neighbours network	>130	2,500

Objective 2 - To increase knowledge and understanding of the enlargement policy, including the use and objectives of EU pre-accession funds

Main outputs in 2017:

Description	Indicator	Target	Latest known results
Press trips for EU journalists to the enlargement regions	Number of participants	85	78
	Number of participants who declare the event met their expectations	>60% participants	of 94%
	Useful contacts made	>40% participants	of 99%
	Likelihood to share the info	>50% participants	of 89%
	Better understanding of the policy/related funding	>50% participants	of 87%
Training seminars on EU visibility and communication for beneficiaries in the enlargement region	Number of participants	115	carried forward to 2018
	Event met expectations	>65% participants	of -
	Likelihood to share the info	>50% participants	of -
Youth Conference during the WB6 summit in Italy	Number of participants	150	130
	Event met expectations	>60% participants	of 98%
	Useful contacts made	>50% participants	of 95%
	Likelihood to share the info	>50% participants	of 95%
	Better understanding of the policy/related funding	>50% participants	of 95%
	Better opinion of the EU/its institutions	>35% participants	of 90%
EU - Western Balkans	Number of participants	250	250

Media Days	Event met expectations	> 60% participants	of	80%
	Useful contacts made	> 50% participants	of	95%
	Likelihood to share the info	> 50% participants	of	80%
	Better understanding of the policy/related funding	> 50% participants	of	71%
	Better opinion of the EU/its institutions	> 35% participants	of	90%
Partnership events in the EU Member States on the enlargement policy with think-tanks, academia and other stakeholders	Number of participants	500		1100
	Event met expectations	> 60% participants	of	95%
	Likelihood to share the info	> 25% participants	of	90%
	Better understanding of the policy/related funding	> 50% participants	of	90%
	Better opinion of the EU/its institutions	> 20% participants	of	65%
Study visits of EU stakeholders to enlargement region	Number of participants	50		12
	Event met expectations	> 50% participants	of	90%
	Useful contacts made	> 40% participants	of	84%
	Likelihood to share the info	> 50% participants	of	84%
	Better understanding of the policy/related funding	> 40% participants	of	84%
	Better opinion of the EU/its institutions	> 25% participants	of	66%

Objective 3 - Dissemination of information through DG NEAR website and social media

Main outputs in 2017:

Description	Indicator	Target	Latest known results
DG NEAR website*	Number of visits	600,000	771,583
	Number of unique visitors	400,000	545,698
	Number of page views	1,200,000	1,419,702
	Top pages viewed by users	n/a	n/a
	Pages per visit	n/a	n/a
DG NEAR social media (Facebook and Twitter)	Number of people reached	Facebook: average reach by post: 60,000	Overall: 16,011,754 Average reach by post: 122,150
	Number of impressions	Twitter: 1,000,000 (overall)	6,847,238
	Fan engagement rate:	Facebook: 3% Twitter: 1% (average number of engagements by post Facebook: 1450 / Twitter: 36)	Facebook: 7.1% Twitter: 4.3% Average number of engagements by post: Facebook: 2200 Twitter: 65

*Online surveys are foreseen in the future after the digital transformation project has been finalised.

Annual communication spending (based on estimated commitments):				
Baseline (Year 2016):	(Year	Target (Year 2017):	Total amount spent	Total of FTEs working on external communication
EUR 22,950,000		EUR 7,100,000 ³	EUR 7,100,000 ⁴	15

For 2017, the estimated commitments for Delegations were EUR 20 million with about two thirds dedicated to the IPA zone and one third to the ENI zone.

³ External Communication activities managed by HQ and excluding funds for communication activities implemented by EU Delegations/Offices in the enlargement and neighbourhood regions.

⁴ External Communication activities managed by HQ and excluding funds for communication activities implemented by EU Delegations/Offices in the enlargement and neighbourhood regions.

ANNEX 3: Draft annual accounts and financial reports

Table 1 : Commitments
Table 2 : Payments
Table 3 : Commitments to be settled
Table 4 : Balance Sheet
Table 5 : Statement of Financial Performance
Table 5 Bis: Off Balance Sheet
Table 6 : Average Payment Times
Table 7 : Income
Table 8 : Recovery of undue Payments
Table 9 : Ageing Balance of Recovery Orders
Table 10 : Waivers of Recovery Orders
Table 11 : Negotiated Procedures (excluding Building Contracts)
Table 12 : Summary of Procedures (excluding Building Contracts)
Table 13 : Building Contracts
Table 14 : Contracts declared Secret

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio EUR)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 07 Environment					
07	07 02	Environmental policy at Union and international level	0.2	0.2	100.00 %
Total Title 07			0.2	0.2	100.00%
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	1.10161899	1	90.78 %
Total Title 19			1.10161899	1	90.78%
Title 21 International cooperation and development					
21	21 08	Development and cooperation worldwide	5.7	5.7	100.00 %
Total Title 21			5.7	5.7	100.00%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	66.39171583	50.5404887	76.12 %
	22 02	Enlargement process and strategy	1803.01157	1794.76301	99.54 %
	22 04	European Neighbourhood Instrument (ENI)	2495.331305	2481.4292	99.44 %
Total Title 22			4364.734591	4326.7327	99.13%
Total DG NEAR			4371.73621	4333.6327	99.13 %

* 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).

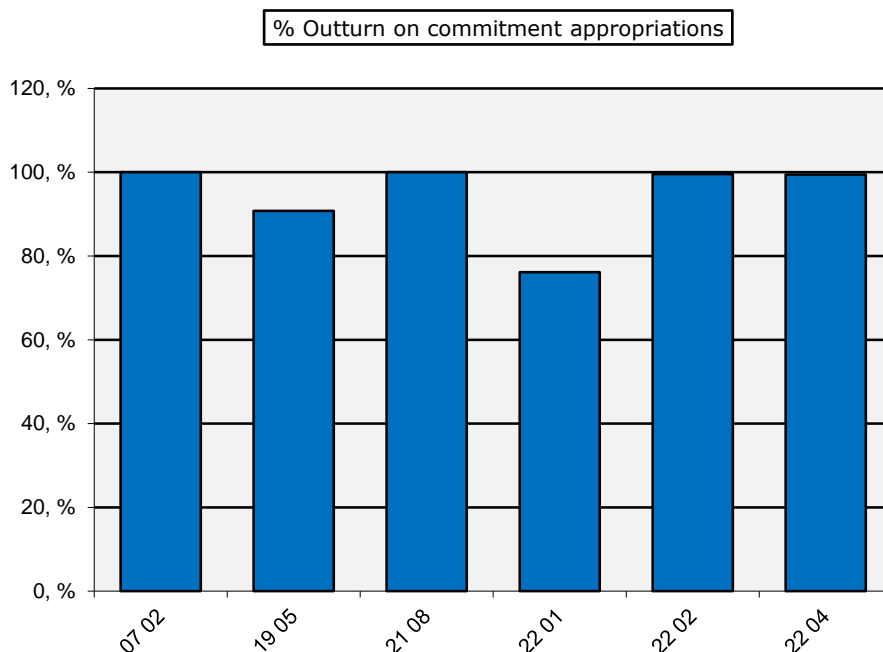


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio EUR)

Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0.57847399	0.32424833	56.05 %
Total Title 19			0.57847399	0.32424833	56.05%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	63.96761333	7.01948919	10.97 %
	22 02	Enlargement process and strategy	1374.480607	1205.349031	87.69 %
	22 04	European Neighbourhood Instrument (ENI)	1894.659392	1874.734629	98.95 %
Total Title 22			3333.107612	3087.103149	92.62%
Total DG NEAR			3333.686086	3087.427398	92.61 %

* 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).

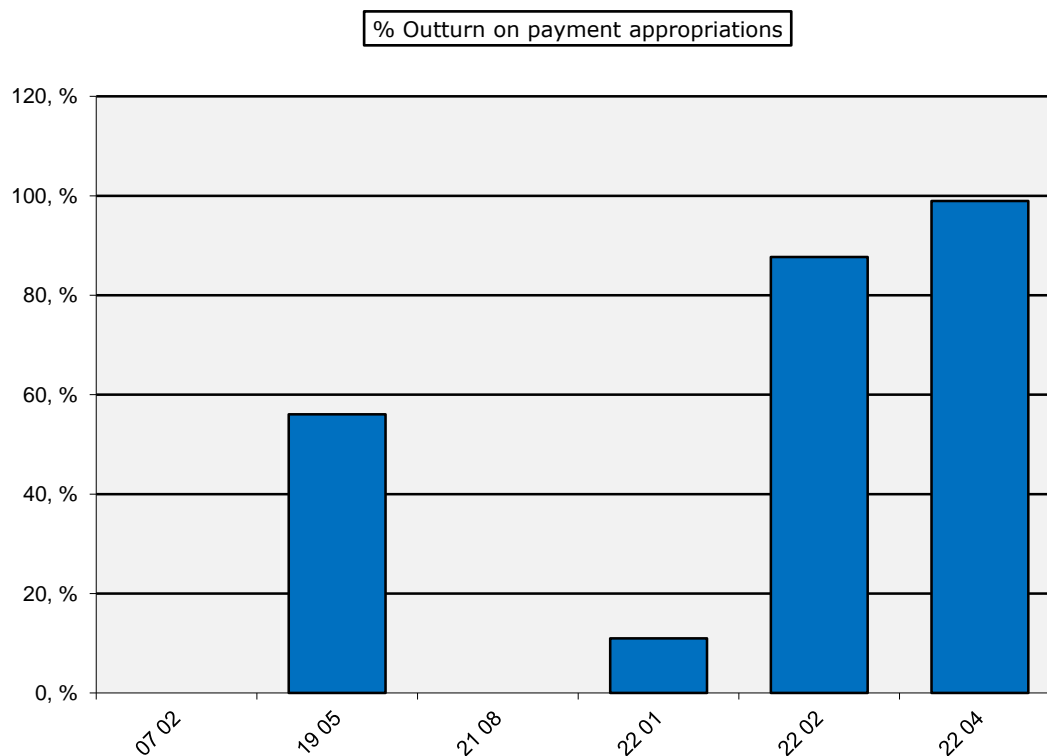


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio EUR)

			2017 Commitments to be settled				Commitments to be settled from financial years previous to 2017	Total of commitments to be settled at end of financial year 2017	Total of commitments to be settled at end of financial year 2016
Chapter			Commitments 2017	Payments 2017	RAL 2017	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 07 : Environment									
07	0702	Environmental policy at Union and international level	0.2	0.00	0.2	100.00 %	0.00	0.20	0.00
Total Title 07			0.2	0.00	0.2	100.00%	0	0.2	0
Title 19 : Foreign policy instruments									
19	1905	Cooperation with third countries under the Partnership Instrument (PI)	1	0.00	1	100.00 %	0.90	1.90	1.23
Total Title 19			1	0.00	1	100.00%	0.90086668	1.90086668	1.22511501
Title 21 : International cooperation and development									
21	2108	Development and cooperation worldwide	5.7	0.00	5.7	100.00 %	0.00	5.70	0.00
Total Title 21			5.7	0.00	5.7	100.00%	0	5.7	0
Title 22 : Neighbourhood and enlargement negotiations									
22	2201	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	50.53753129	43.86	6.67271172	13.20 %	0.01	6.68	5.50

22 02	Enlargement process and strategy	1794.763014	123.14	1671.626528	93.14 %	4,211.26	5,882.88	5321.26
22 04	European Neighbourhood Instrument (ENI)	2481.4292	272.28	2209.149988	89.03 %	5,486.11	7,695.26	7258.74
Total Title 22		4326.729745	439.28	3887.449227	89.85%	9697.372848	13584.82208	12585.5009
Total DG NEAR		4333.629745	439.28	3894.349227	89.86 %	9698.273715	13592.62294	12586.726

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

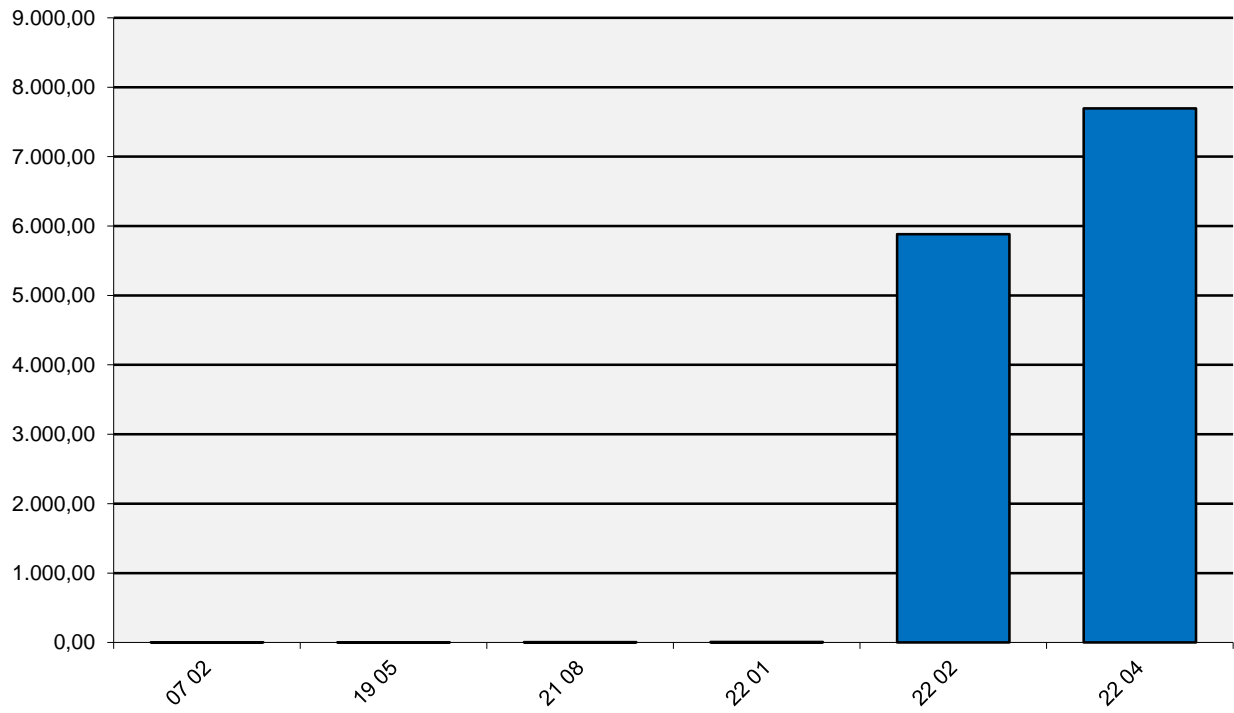


TABLE 4 : BALANCE SHEET NEAR

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	602,964,519.30	732,558,982.24
A.I.4. Non-Current Financial Assets	362,774,416.53	384,221,295.53
A.I.5. Non-Current Pre-Financing	239,069,229.77	347,837,686.71
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverables	1,120,873.00	500,000.00
A.II. CURRENT ASSETS	1,941,075,000.90	1,692,100,411.57
A.II.1. Current Financial Assets	48,968,398.60	38,332,281.60
A.II.2. Current Pre-Financing	1,580,985,822.64	1,410,331,552.89
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	46,654,741.23	20,290,117.74
A.II.6. Cash and Cash Equivalents	264,466,038.43	223,146,459.34
ASSETS	2,544,039,520.20	2,424,659,393.81
P.I. NON CURRENT LIABILITIES	-9,819,833.00	-1,582,010.00
P.I.2. Non-Current Provisions	-8,042,957.00	-1,582,010.00
P.I.3. Non-Current Financial Liabilities	-1,776,876.00	0.00
P.III. NET ASSETS/LIABILITIES	-55,545,686.83	-56,721,562.83
P.III.1. Reserves	-55,545,686.83	-56,721,562.83
P.II. CURRENT LIABILITIES	-1,039,856,063.95	-911,269,466.30
P.II.2. Current Provisions	-26,558,321.00	-19,639,163.00
P.II.4. Current Payables	-140,660,699.13	-107,097,735.40
P.II.5. Current Accrued Charges & Defrd Income	-872,637,043.82	-784,532,567.90
LIABILITIES	-1,105,221,583.78	-969,573,039.13
NET ASSETS (ASSETS less LIABILITIES)	1,438,817,936.42	1,455,086,354.68
P.III.2. Accumulated Surplus/Deficit	6,956,111,046.86	4,697,450,707.28
Non-allocated central (surplus)/deficit*	-8,394,928,983.28	-6,152,537,061.96
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 5 : STATEMENT OF FINANCIAL PERFORMANCE NEAR

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
II.1 REVENUES	-41,444,029.97	-33,257,092.56
II.1.1. NON-EXCHANGE REVENUES	-15,289,091.05	-11,367,784.90
II.1.1.5. RECOVERY OF EXPENSES	-15,251,285.66	-6,665,467.98
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-37,805.39	-4,702,316.92
II.1.2. EXCHANGE REVENUES	-26,154,938.92	-21,889,307.66
II.1.2.1. FINANCIAL INCOME	-15,800,437.82	-19,048,552.80
II.1.2.2. OTHER EXCHANGE REVENUE	-10,354,501.10	-2,840,754.86
II.2. EXPENSES	3,109,655,672.17	2,291,917,432.14
II.2. EXPENSES	3,109,655,672.17	2,291,917,432.14
II.2.10. OTHER EXPENSES	45,051,586.98	24,568,114.58
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	167,868,105.44	139,541,073.14
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	1,606,430,828.91	1,305,329,512.27
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	-96,208.06	338,348.22
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	1,005,395,982.10	653,632,257.35
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	267,009,004.74	148,481,228.19
II.2.6. STAFF AND PENSION COSTS		383,690.60
II.2.8. FINANCE COSTS	17,996,372.06	19,643,207.79
STATEMENT OF FINANCIAL PERFORMANCE	3,068,211,642.20	2,258,660,339.58

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TABLE 5bis : OFF BALANCE SHEET NEAR

OFF BALANCE	2017	2016
OB.1. Contingent Assets	193,586,177.35	203,605,305.5
GR for other	12,000.00	
GR for performance	38,466,400.08	50,312,649.68
GR for pre-financing	136,590,386.97	133,418,792.23
OB.1.4. CA Other	18,517,390.30	19,873,863.55
OB.2. Contingent Liabilities	-32,327,543.75	-1,900,000.00
OB.2.1. Guarantees given for EU FI	-28,192,679.00	-300,000.00
OB.2.7. CL Amounts relating to legal cases	-4,134,864.75	-1,600,000.00
OB.3. Other Significant Disclosures	-12,707,325,875.51	-11,816,667,670.19
OB.3.1. Undrawn commitments	0.00	0.00
OB.3.2. Comm against app. not yet consumed	-12,707,325,875.51	-11,816,667,670.19
OB.4. Balancing Accounts	12,546,067,241.91	11,614,962,364.73
OB.4. Balancing Accounts	12,546,067,241.91	11,614,962,364.73
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 2017 - DG NEAR

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
6	1	1	100.00 %	5			
30	1490	1363	91.48 %	13.71024359	127	8.52 %	45.39821747
45	492	357	72.56 %	25.52197879	135	27.44 %	76.17748901
50	2	2	100.00 %	42.5			
56	1				1	100.00 %	167
60	1726	1533	88.82 %	31.45498483	193	11.18 %	81.16126064
90	1056	982	92.99 %	46.94657089	74	7.01 %	106.7341737
120	1	1	100.00 %	41			

Total Number of Payments	4769	4239	88.89 %		530	11.11 %	
Average Net Payment Time	33.97576422			28.83968691			75.05469206
Average Gross Payment Time	54.55703043			47.6086237			110.131174

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
2	48	1749	36.67 %	4769	867,677,170.08	30.14 %	2,879,209,263.43

Late Interest paid in 2017			
DG	GL Account	Description	Amount (Eur)
NEAR	65010000	Interest expense on late payment of charges	3 130.47
NEAR	65010100	Interest on late payment of charges New FR	33 820.30
			36 950.77

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017

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	7=3-6
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	2251011.24	264753.00	2515764.24	2251011.24	262769.80	2513781.04	1983.20
63	CONTRIBUTIONS UNDER SPECIFIC AGREEMENTS	9894760.34	0.00	9894760.34	8393623.23	0.00	8393623.23	1501137.11
66	OTHER CONTRIBUTIONS AND REFUNDS	49315488.58	26454646.28	75770134.86	38079191.14	4662931.55	42742122.69	33028012.17
81	LOANS GRANTED BY THE COMMISSION	32079808.37	4589446.01	36669254.38	16998430.19	4589446.01	21587876.20	15081378.18
90	MISCELLANEOUS REVENUE	-3627345.63	3904099.53	276753.90	-3627345.63	3627345.63	0.00	276753.90
Total DG NEAR		89913722.90	35212944.82	125126667.72	62094910.17	13142492.99	75237403.16	49889264.56

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2017	Error		Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2002			1	1907561.78			1	1907561.78	1	1907561.78	100.00%	100.00%
2003			2	1249419.04			2	1249419.04	2	1249419.04	100.00%	100.00%
2005			1	756339.78			1	756339.78	2	762079.78	50.00%	99.25%
2006					2	3542620.24	2	3542620.24	4	8052365.97	50.00%	43.99%
2008			1	512.95	1	118861.65	2	119374.60	4	3178964.21	50.00%	3.76%
2009	2	4031.04	6	408997.28			8	413028.32	13	5047481.84	61.54%	8.18%
2010			15	906379.60	1	4000.00	16	910379.60	31	6768251.68	51.61%	13.45%
2011			14	2281628.99	1	116834.24	15	2398463.23	30	2768803.29	50.00%	86.62%
2012	1	1404.93	28	2557071.91			29	2558476.84	61	5321380.13	47.54%	48.08%
2013			25	655541.73			25	655541.73	63	5908552.51	39.68%	11.09%
2014			20	557018.85			20	557018.85	65	5637284.80	30.77%	9.88%
2015			5	98537.71			5	98537.71	23	1610070.23	21.74%	6.12%
2016			1	6998.23			1	6998.23	7	151936.42	14.29%	4.61%
2017									2	136586.87		
No Link			3	2195543.35			3	2195543.35	26	44623022.75	11.54%	4.92%
Sub-Total	3	5435.97	122	13581551.20	5	3782316.13	130	17369303.30	334	93123761.30	38.92%	18.65%

EXPENSES BUDGET	Error	Irregularity	OLAF Notified	Total undue payments recovered	Total transactions in recovery context(incl. non-qualified)	% Qualified/Total RC
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	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	90	24121543.72	188	129490710.59			278	153612254.31	342	177,696,402.63	81.29%	86.45%
CREDIT NOTES	67	2962594.61	205	4161349.50	1	132300	273	7256244.11	333	7,887,492.72	81.98%	92.00%
Sub-Total	157	27084138.33	393	133652060.09	1	132300	551	160868498.42	675	185583895.35	81.63%	86.68%
GRAND TOTAL	160	27089574.3	515	147233611.29	6	3914616.13	681	178237801.72	1009	278707656.65	67.49%	63.95%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2017 FOR NEAR

	Number at 01/01/2017	Number at 31/12/2017	Evolution	Open Amount (Eur) at 01/01/2017	Open Amount (Eur) at 31/12/2017	Evolution
2002	1	1	0.00 %	129,024.98	129,024.98	0.00 %
2005	2	2	0.00 %	267,184.00	267,184.00	0.00 %
2006	2	2	0.00 %	771,200.00	771,200.00	0.00 %
2007	6	6	0.00 %	681,183.07	681,183.07	0.00 %
2008	3	2	-33.33 %	244,734.53	108,498.53	-55.67 %
2009	4	2	-50.00 %	3,951,430.11	96,466.00	-97.56 %
2010	4	2	-50.00 %	206,058.05	150,352.30	-27.03 %
2011	8	8	0.00 %	1,900,609.29	1,900,609.29	0.00 %
2012	12	11	-8.33 %	1,320,258.37	1,316,772.19	-0.26 %
2013	18	14	-22.22 %	3,235,687.35	3,089,196.82	-4.53 %
2014	25	23	-8.00 %	2,866,333.66	2,575,779.31	-10.14 %
2015	30	24	-20.00 %	7,356,201.91	6,867,859.94	-6.64 %
2016	77	26	-66.23 %	12,724,848.79	4,401,507.38	-65.41 %
2017		85			27,818,812.73	
	192	208	8.33 %	35,654,754.11	50,174,446.54	40.72 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
1	3233170046	3230811736	-136,236.00			

Total DG NEAR	- 136,236.0 0
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Number of RO waivers	1
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG NEAR - 2017**External Procedures > EUR 20,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 266.1(a) (External Actions) - Service entrusted to public sector bodies or non-profit institutions or associations	8	7,932,818.00
Art. 266.1(b) (External Actions - Service) Service entrusted to public sector bodies or non-profit institutions or associations	6	2,862,000.00
Art. 266.1(c) (External Actions - Service) Extension of service already started	8	5,952,300.00
Art. 266.1(d) (External Actions - Service) Tender procedure unsuccessful	2	196,000.00
Art. 266.1(f) (External Actions - Service) Technical reasons connected with the protection of exclusive rights	1	118,800.00
Art. 268.1(c) (External Actions - supply) Additional deliveries by the original supplier	1	126,500.00
Art. 268.1(d) (External Actions - supply) Tender procedure unsuccessful	6	2,498,414.96
Art. 268.1(h) (External Actions - supply) Early termination of existing contract	3	1,951,637.00
Art. 270.1(b) (External Actions - works) Additional works which, though unforeseen circumstances, have become necessary	1	180,000.00
Art. 270.1(c) (External Actions - works) Tender procedure unsuccessful	1	39,530.50
Total	37	21,858,000.46

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	1	189,255.00
Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights	1	256,850.00
Art. 134.1(c) (Without prior publication) Reasons of extreme urgency	1	1,089,936.00
Art. 134.1(e) (Without prior publication) Additional services and works which, through unforeseen circumstances, have become necessary	1	3,777,210.00
Art. 134.1(e) (Without prior publication) New services or works consisting in the repetition of similar services or works	2	144,982.00
Total	6	5,458,233.00

TABLE 12 : SUMMARY OF PROCEDURES OF DG NEAR EXCLUDING BUILDING CONTRACTS**External Procedures > € 20,000**

Procedure Legal base	Number of Procedures	Amount (€)
(Ext. act) Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	8	7,932,818.00
(Ext. act) Service - Competitive Negotiated Procedure with at least three candidates without pub. (Art. 265.1(b) & 3 RAP)	49	7,292,992.21
(Ext. act) Service - Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	18	9,179,100.00
(Ext. act) Service - International Open Procedure with prior publication (Art. 265(1)(a)(ii) RAP)	1	1,389,000.00
(Ext. act) Service - International Restricted Procedure with prior publication (Art. 265.1(a)(i) & 2 RAP)	79	155,625,985.29
(Ext. act) Supply - Competitive Negotiated Procedure with at least three candidates without pub. (Art. 267.1(b)(ii) & 2 RAP)	2	123,589.00
(Ext. act) Supply - Exceptional Negotiated Procedure with a single offer (Art. 268 RAP)	10	4,576,551.96
(Ext. act) Supply - International Open Procedure after publication of a contract notice (Art. 267.1(a) RAP)	16	13,556,948.61
(Ext. act) Supply - Local open procedure with prior publication (Art. 267.1(b)(i) RAP)	4	427,852.00
(Ext. act) Works - Competitive Negotiated Procedure with at least three candidates without pub. (Art. 269.1(c) & 2 RAP)	3	742,539.30
(Ext. act) Works - Exceptional Negotiated Procedure with a single offer (Art. 270 RAP)	2	219,530.50
(Ext. act) Works - International Open Procedure with prior publication (Art. 269(1) (a) (i) RAP)	2	4,459,944.63
(Ext. act) Works - International Restricted Procedure with prior publication (Art. 269.1(a)(i) RAP)	1	2,716,087.90
(Ext. act) Works - Local Open Procedure with prior publication (Art.269.1(b) RAP)	9	20,427,700.41
(Ext. act) Works - Local Open Procedure with prior publication (Art.269(1) (b) RAP)	4	2,027,383.16
Total	208	230,698,022.97

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	6	5,458,233.00
Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP)	2	215,905.00
Total	8	5,674,138.00

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (EUR)
Art. 134.1(g) (Without prior publication) for building contracts	SCR.LCM.385474.01	OSNAP DOO DRUSTVO ZA PROJEKTOVANJE,	SCR.LCM.385474.01 - QUALITY CONTROL OF THE DESIGN DOCUMENTATION FOR PRISONS' INFRASTRUCTURE PROJECTS	0.00
	1			0.00

TABLE 14 : CONTRACTS DECLARED SECRET

Legal base	Contract Number	Contractor Name	Description	Amount (€)

ANNEX 4: Materiality criteria

The criteria used by DG NEAR to determine the materiality of potential weaknesses have been established in line with the Standing Instructions for the 2017 AAR. These instructions propose a standard quantitative materiality threshold of maximum 2% for the authorized payments of the reporting year, but also allow a multi-annual approach. Because of their multiannual nature, the effectiveness of DG NEAR's control strategy can only be fully measured and assessed once all audits, checks and controls have been fully implemented and systematic errors have been detected and corrected.

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

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

In quantitative terms:

DG NEAR ensures that the RER, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the management cycle. DG NEAR considers that a weakness is quantitatively significant and deserves to be disclosed as a reservation to the Declaration when the value of the transactions affected by this weakness represents more than 2% of all the transactions of the same nature (instrument, management mode) closed during the period under review (01/09/2016 – 31/08/2017).

In qualitative terms:

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

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

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

I – Direct Management - Grants

Stage 1: Prior to Contracting

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

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.	Quality Review	100%	<ul style="list-style-type: none"> - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements 	Estimated cost of controls of grant operations up to the identification and formulation divided by total amount of grants contracted.

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

Main control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The annual work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p>	<p>Hierarchical validation within the authorising department</p> <p>Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>Centralised checklist-based verification</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions identified.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls of grant preparation adoption and publication divided by total amount of grants contracted.</p>

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.	Assignment of staff (e.g. programme officers) and/or Selection and appointment of expert assessors Redress procedure	100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) 100% of contested decisions are analysed by AOSD services	- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements	Estimated cost of controls of grant selection divided by total amount of grants contracted.

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>Project Officers implement evaluators' recommendations, including elimination of ineligible costs and arithmetical errors in budgets in a dialogue with the selected applicants during the contract preparation stage. Hierarchical validation of proposed adjustments.</p> <p>Validation of beneficiaries (operational and financial viability).</p> <p>Signature of the grant agreement by the AO.</p> <p>In-depth financial verification and taking appropriate measures for high risk beneficiaries.</p> <p>Reinforce financial and contractual circuits.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth may be determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls related to contracting of implementation divided by total amount of grants contracted.</p>

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits. Transaction authorisation by the AO For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For high risk operations, reinforced monitoring Risk assessment to identify potential ROM, evaluations and on-the-spot (OV and/or FV) monitoring visit. Earmark projects for <i>risk-based</i> system audits (during the first phase of implementation of the project) and financial audits (after receiving at least one interim payment or at the end of the project) : (see below</p>	<p>100% of the projects are controlled, including only value-adding checks. Riskier operations subject to in-depth and/or on-site controls. The depth depends on risk criteria.</p> <p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, Early Detection and Exclusion System (EDES), etc.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls related to monitoring of implementation divided by total amount of payments made under grant contracts</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
	<i>annual control plans)</i>			
	If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring grant to OLAF	Depth: depends from results of controls.		
	Expenditure verification accompanying <ul style="list-style-type: none"> • Any request for payment of the balance in the case of grants of more than EUR 100,000; • Any request for pre-financing payments per financial year in case of grants of EUR 5.000,000 or more. 	Coverage: > 10% of ongoing or "recently" closed operations	<ul style="list-style-type: none"> - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements 	Estimated cost of controls related to audits and verifications of implementation divided by total amount of grant contracts

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
	Annual Control Plans: Audits and expenditure verifications are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified or audited are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.			

Stage 4 - Ex-Post controls and Follow-up

A - Reviews, audits and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries).</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of the pyramid of controls put in place by the DG.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of RER controls of grant operations divided by total amount of expenditure under grant operations in the year.</p>
	<p>Supervision missions to Delegations by independent staff not involved in the operational and financial</p>	<p>Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited</p>	<p>Staff costs of controls including mission costs</p>	<p>Estimated cost of supervision missions</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
	circuits	Delegations.		

B - Implementing results from ex-post audits/controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>. Findings of systemic errors are considered for corrections of non-audited projects by the same beneficiary, taken into account for future projects.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of follow up of financial recommendations on grant operations divided by total amount of expenditure under grant operations in the year.</p>

II – Direct Management - Procurement

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

Stage 1: Prior to Contracting

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.	Quality Review	100%	<ul style="list-style-type: none"> - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements 	Estimated cost of controls of procurement operations up to the identification and formulation divided by total amount of procurement contracts concluded in the year.

B - Planning the procurement

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives</p> <p>Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process)</p>	<p>Validation by AO(S)D of justification (economic , operation) for launching a procurement process.</p> <p>Publication of intended procurements</p>	<p>100% of the forecast procurements</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls of the planning of procurement operations divided by total amount of procurement contracts concluded in the year.</p>

C - Needs assessment & definition of needs

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The best offer/s are not submitted due to the poor definition of the tender specifications</p>	<p>AOSD supervision and approval of specifications</p> <hr/> <p>Call for tenders which are technically complex are elaborated by external experts contracted through service contracts and then verified by Commission staff.</p>	<p>100% of the calls for tenders including the technical specifications are verified ex-ante by Commission staff</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls of the supervision of specifications divided by total amount of procurement contracts concluded in the year.</p>

D – Selection of the offer & evaluation

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls (those in bold are strongly recommended)	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	Formal evaluation process: Opening committee and Evaluation committee	100% of the offers analysed. and all documents transmitted	- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios	Estimated cost of controls of procurement selection divided by total amount of procurements contracted.
	Opening and Evaluation Committees' declaration of absence of conflict of interests	100% of the members of the opening committee and the evaluation committee		
	Exclusion decisions documented	100% checked and required documents provided are consistent		

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The contractor lacks operational and/or financial capacity to carry out the actions. Procedures do not comply with regulatory framework.</p>	<p>Validation of substantiating documents provided by contractors Signature of contracts by the AO. Reinforce financial and contractual circuits.</p>	<p>100% of tenders are scrutinized.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p>	<p>Estimated cost of controls related to contracting divided by total amount of procurements contracted</p>

Stage 3 – Monitoring Implementation / Financial transactions

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The products/services/works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>Business discontinues because contractor fails to deliver</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Transaction authorisation by the AOSD</p> <p>For riskier operations, ex-ante in-depth and/or on-site verification.</p> <hr/> <p>For high risk operations, reinforced monitoring</p> <p>Risk assessment to identify potential ROM, evaluations and on-the-spot (OV and/or FV) monitoring visit. Earmark projects for <i>risk-based</i> system audits (during the first phase of implementation of the project) and financial audits (after receiving at least one interim payment or at the end of the project) : (see below <i>annual control plans</i>)</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>Riskier operations subject to in-depth and/or on-site controls.</p> <p>The depth depends on risk criteria.</p> <hr/> <p>High risk operations identified by risk criteria.</p> <p>Red flags: delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, Early Detection and Exclusion System (EDES), etc.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls related to monitoring of implementation divided by total amount of payments made under procurement contracts</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
	If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring procurement contract to OLAF	Depth: depends from results of controls.		
	Expenditure verification accompanying most service interim and final invoices (following contractual conditions); acceptance certificates for supplies; role of supervisor un works monitoring; Annual Control Plans: Audits and expenditure verifications are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified or audited are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.	Coverage: > 10% of ongoing or "recently" closed operations	<ul style="list-style-type: none"> - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements 	Estimated cost of controls related to audits and verifications of implementation divided by total amount of procurement contracts

Stage 4 – Ex-Post controls

A - Reviews, audits and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by contractors).</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of the pyramid of controls put in place by the DG.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of RER controls of procurement operations divided by total amount of expenditure under procurement operations in the year.</p>
	<p>Supervision missions to Delegations by independent staff not involved in the</p>	<p>Size and composition of sample are determined in accordance with the cooperation portfolios</p>	<p>Staff costs of controls including mission costs</p>	<p>Estimated cost of supervision missions</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
	operational and financial circuits	managed by the visited Delegations.		

B - Implementing results from ex-post audits/controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>. Findings of systemic errors are considered for corrections of non-audited projects by the same contractor, taken into account for future projects.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of follow up of financial recommendations on procurement operations divided by total amount of expenditure under procurement operations in the year.</p>

III – Direct Management - Budgetary support

Stage 1: Identification and formulation

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>1.- The Commission supports partner countries which do not meet the criteria on fundamental values and/or the 4 eligibility criteria</p> <p>2.- The programme is wrongly formulated to meet the general objectives for budget support programmes.</p> <p>3.- The programme's</p>	Quality Review in HQ to analyse the identification fiche of the project (FIP).	100% of BS FIP	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls of identification and formulation divided by total amount of expenditure under budget support operations in the year.</p>
	Quality Review in HQ to analyse the action document of the project and the draft Financing agreement (FA).	100 % of BS FAs		
	DG NEAR step by step financial circuit for level one commitments in budget support operations.	100 % of BS FAs		

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>specific objectives are not aligned with partner countries own development policies, are not coordinated with other aligned donors and are not consistent with EU development policy.</p>	<p>RISK assessment framework for budget support operations: Implemented by the Delegation and reviewed in the FAST⁵ for substantial or high risk BS programmes. Political dialogue with partner countries authorities donor coordination by EU Delegation, internal coordination inside the Commission (Delegation, DG NEAR, Line DGs) and involvement of EEAS.</p>	<p>Substantial or high risk BS FAs</p>		

⁵ Financial Assistance Steering Committee.

Stage 2 – Contracting.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
Important parameters relevant for disbursements under budget support operations are wrongly encoded.	DG NEAR step by step financial circuit for level two commitments in budget support operations.	100% of parameters	- staff costs of control are estimated using approximations based on analyses of the organigramme, job and programme/project portfolios	Estimated cost of controls of staff verifying the main parameters divided by total amount of expenditure under budget support operations in the year.

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>1. The Commissions fails to identify a significant deterioration of fundamental values and/or wrong assessment on the 4 eligibility criteria before BS payments are released.</p> <p>2. The Commission makes a wrong calculation of the amount to be disbursed for the variable tranches</p> <p>3.- Risk that transfer of funds into the Treasury account has not respected the terms of the financing Agreement on exchange rate and treasury credit delay</p>	<p>Policy structured dialogue On eligibility, risk assessment framework and policy performance framework;</p> <p>DG NEAR step by step financial circuit for payments in BS operations;</p> <p>Clear and unambiguous calculation formulas for variable tranches are introduced in the financing agreements (e.g. policy matrix).</p> <p>RISK assessment framework Implemented by the Delegation and reviewed in the FAST for substantial or high risk BS programmes</p>	<p>100% of BS payments</p> <p>100% of BS payments</p> <p>Substantial or high risks BS payments</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls of monitoring divided by total amount of expenditure under budget support operations in the year.</p>

Stage 4 – Ex post controls

A – Ex-post controls and follow-up

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
The ex- ante controls fail to prevent, detect and correct erroneous disbursements or fraud.	Residual error rate study.	BS payments are included in the scope of the RER study (MUS sample).	- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions, programme/project portfolios and staff mission costs. - external costs of control are based on values of respective contracts and related disbursements	Estimated cost of RER controls of procurement operations divided by total amount of expenditure under procuremen operations in the year. t Estimated cost of supervision missions
	Review of sample transactions during supervision missions to Delegations.	Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.		

B - Implementing results from ex-post audits/controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The deficiencies, errors, and irregularities detected through ex-post controls are not addressed (timely).</p>	<p>Systematic registration of ex-post control outcomes to be implemented. Authorisation by AOSD.</p>	<p>Coverage: 100% of ex-post control outcomes <i>with a financial impact</i>. Findings of systemic errors might be extended to non-audited projects by the same country partner.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of follow up of findings divided by total amount of expenditure under Budget Support operations in the year.</p>

IV Indirect Management by beneficiary countries (IMBC) under IPA⁶

Stage 1 – Programming, evaluation and selection of proposals

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
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⁶ Please note that the mode of implementation for IMBC has different modalities under IPA and ENI. The implementation modalities referred to here are the ones of IPA.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Decision(s) do not adequately reflect the policy objectives, priorities;</p> <p>For IPA, the establishment (or prolongation) of the mandate of the beneficiary country is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity);</p>	<p>Hierarchical validation within the authorising department;</p> <p>Inter-service consultation, including all relevant DGs;</p> <p>Adoption by the Commission</p> <p>Systems audits (indirect management under IPA)</p> <p>Recommended:</p> <p>(1) Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>(2) Use of standardised checklist-based verification</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklists includes a list of the necessary requirements</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organisational chart, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Systems audit findings - Corrective measures - Consumption rate of commitment credits <p>Efficiency: Cost of control for the programming phase over the total cost of control and its evolution.</p>

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

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the Decisions and subsequent calls for proposals/tenders.</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers;</p>	<p>Assignment of staff (e.g. Task Managers)</p> <p>Use of standardised checklist-based verification</p>	<p>100%⁷</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organisational chart, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Effectiveness:</p> <p>-Relevant rejection rates</p> <p>Efficiency Indicators:</p> <p>Cost of control for the evaluation phase over the total cost of control and its evolution.</p>

⁷ With regard to de-centralised management: the Conferral of Management decisions in place for the reporting period stipulate ex ante control of 100% of transactions prepared by the National Authorities in the beneficiary countries up to the contract signature. In the case of Turkey a progressive drawing down of exante controls has started to be implemented.

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The recipient /contractor does not meet eligibility criteria or lack financial capacity to carry out the actions</p>	<p>Assignment of staff (e.g. Task Managers)</p> <p>Use of standardised checklist-based verification</p>	<p>100% of the selected proposals / offers and recipients / candidates are scrutinised.</p> <p>Coverage: 100% of draft grant agreements / contracts.</p> <p>NB: the contracting authority is the relevant national authority, so process does not include contract signature by Commission</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organisational chart, job descriptions and programme/project portfolios</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Rejection Rates⁸ - Derogations, prior approvals and other exceptions authorised <p>Efficiency indicators:</p> <p>Cost of control for the contracting phase over the total cost of control and its evolution.</p>

⁸ Ratio between the number of rejections of tender, evaluation, and contracts documents submitted by National Implementing Agencies (IAs) for the Commission's ex ante control and the absolute number of submissions of documents for approval in the reporting year.

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

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).</p>	<p>Operational monitoring in accordance with the responsibilities of the Commission For high/very high projects this may include on the spot missions</p>	<p>100% of the projects are monitored; Systems audits (indirect management) implemented according to systems audit programme; Riskier operations subject to in-depth and/or on-site controls; The depth depends on risk assessment.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organisational chart, job descriptions and programme/project portfolios</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Systems audit findings - Corrective measures - Irregularities reported by the National authorities; <p>Efficiency Indicators: Cost of control for the monitoring phase over the total cost of control and its evolution.</p>
	<p>If needed: application of Suspension/interruption of payments, Penalties or</p>	<p>High risk operations identified by risk assessment</p>		

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	liquidated damages. Referring grant to OLAF	Depth: depends on results of ex ante controls / risk assessment.		

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Specific statistically representative RER study for IMBC</p> <p>Carry out ex post control audits of a representative sample of operations to identify errors, recovery unduly paid amounts, and establish the residual error rates</p> <p>Validate audit results with beneficiary</p> <p>If needed: refer case to OLAF</p>	<p>Methodology developed by an external auditor. 2016 coverage was 80% in value.</p> <p>Representative sample: sample sufficiently representative to draw valid management conclusions</p> <p>Risk-based sample, determined in accordance with the selected criteria</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of contracts with audit firms for the outsourced audits.</p> <p>External costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of RER, other audits and staff controls of IPA IMBC operations divided by total amount of expenditure under IPA IMBC operations in the year.</p>
<p>The audit strategy focus on the detection of external errors (e.g. made by recipients) and do not consider any internal errors made by</p>	<p>Establish an audit strategy, performed by independent staff not involved in the operational and financial circuits</p> <p>Identification of appropriate</p>	<p>ideally, the sample will be representative to enable drawing valid management conclusions about the entire population</p>	<p>Staff costs of controls including mission costs</p>	<p>Estimated cost of control missions</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
staff or embedded systematically in the own organisation	procedures (including update of existing procedures) after identification of systemic deficiencies.	during the programme's lifecycle.		

B - Implementing results from ex-post audits/controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by the relevant AOSD	Coverage: Final audit results <i>with a financial impact</i> . Findings of systemic errors might be extended to non-audited projects by the same recipient	Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of contracts with audit firms for the outsourced audits. external costs of control are based on values of respective contracts and related	Effectiveness: - Total recovery orders issued - Corrective measures

V - Indirect management with International Organisations and Member States Agencies

Stage 1 – Prior to Contracting

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p>	<p><u>Ex-ante assessment, conditional to granting budget autonomy</u> Hierarchical validation within the authorising department Requiring justification and prior consent for any deviating financial rules Postponing the budget autonomy Obligation to notify any subsequent changes embedded in Board proceedings</p>	<p>Coverage/frequency: 100% of entrusted entities/once Depth may be determined after considering the <u>type or nature</u> of the entrusted entity (e.g. other international organisation with a specific framework agreement with the Commission, EIB/EIF, PPPs, CFSP persons, etc) and/or the <u>value</u> of the budget concerned.</p>	<p>Costs of control: - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>(1) Overall cost of controls implemented by DG NEAR staff divided by the annual amount delegated (excluding remuneration paid). (2) Remuneration and/or fees paid to entrusted entities divided by the annual amount delegated (excluding remuneration paid).</p>

B - Identification and formulation

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The instrument and/or implementation modality is not well suited to work towards the identified objectives and/or lead to a substantial increase of implementation risks.</p>	<p>Quality Review</p>	<p>100%</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls in the identification and formulation phases divided by total amount of contracts concluded in the year.</p>

Stage 2 – Contracting (i.e. 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).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p>	<p>The establishment of the delegated acts concerned (PAGODA, previously IMDA, Delegation Agreements and Contribution Agreements) is submitted to hierarchical validation within the authorising department and to Inter-service consultation, including all relevant DGs.</p>	<p>Coverage: 100% Frequency: once</p> <p>If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>	<p>Costs of control: - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p>	<p>Estimated cost of controls of the mandate divided by total amount of contracts concluded in the year.</p>
<p>The Commission has not sufficient information from independent sources on the entity’s management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the</p>	<p>Agreements specify the control, accounting, audit, publication, etc related requirements</p> <ul style="list-style-type: none"> -ad hoc clauses in framework administrative agreements (FAFA) - potential escalation of any major governance-related issues with entrusted entities 	<p>Coverage: 100%</p>		

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
Commission's governance reputation and quality of reporting.	- referral to OLAF			

Stage 3 – Monitoring the implementation

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>Due to weak "modalities of cooperation, supervision & reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>Agreement specifying the control, accounting, audit, publication, etc related requirements – <u>incl. the modalities on reporting back relevant and reliable control results</u></p> <p>Monitoring or supervision of the entrusted entity (e.g. 'regular' monitoring meetings at operational level; <u>review of reported control results and any underlying mngt/audit reports</u>; representation and intervention at the board, scrutiny of annual report, etc).</p> <p>Management review of the supervision results.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - reinforced monitoring of operational and/or 	<p>Coverage: 100% of the entities are monitored / supervised.</p> <p>Frequency: meetings take place regularly depending on the delegated activities and delegated entities, reports submitted at least annually (depending of contractual provisions).</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<p>Costs of control:</p> <ul style="list-style-type: none"> - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements 	<p>Estimated cost of controls of monitoring divided by total amount of expenditure under IMEE operations in the year.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	financial aspects of the entity - intervention, e.g. via own audits on-the-spot, by IAS - potential escalation of any major governance-related issues with entrusted entities - referral to OLAF			
	Annual Control Plans: Verification of expenditure are planned annually for ongoing and closed operations of DG NEAR overall portfolio. The operations to be verified are determined through risk analyses. These controls can take place before or after disbursements recognizing expenditure.	Coverage: > 10% of ongoing or "recently" closed operations	- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements	Estimated cost of controls related to verifications of implementation divided by total amount of IMEE's contracts

B – Commission contribution: payment or suspension/interruption.

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Agreement specifying the control, accounting, audit, publication, etc related requirements – <i>incl. reporting back</i> Management review of the supervision results. Ex-ante OV and FV, 'in-depth' if need be Hierarchical validation of contribution payment and recovery of non-used operating budget subsidy <u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p>Coverage: 100% of the contribution payments. Frequency: usually annually but can be more frequent depending on the contractual provisions. The depth depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<p>Costs of control: - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of controls related to verifications of implementation divided by total amount of IMEE's contracts</p>

Stage 4 - Ex-Post controls and Follow-up

A - Reviews, audits, verifications and monitoring

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by organisations) and do not consider any internal errors made by staff or embedded systematically in the own organisation</p>	<p>Through a residual error rate (RER) study a representative sample of closed operations is reviewed in order to determine the effectiveness of ex-ante controls.</p> <p>Findings are validated with fund recipients, used for possible ex-post corrections (i.e. recoveries), taken into consideration for improvements of ex-ante controls, and referred to OLAF where needed.</p>	<p>MUS sample sufficiently representative to draw valid management conclusions.</p>	<p>- staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios</p> <p>- external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of RER controls of IMEE's operations divided by total amount of expenditure in the year.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	Supervision missions to Delegations by independent staff not involved in the operational and financial circuits	Size and composition of sample are determined in accordance with the cooperation portfolios managed by the visited Delegations.	Staff costs of controls including mission costs	Estimated cost of supervision missions

B - Implementing results from ex-post controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs of controls	Possible control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>. Findings of systemic errors are considered for corrections of other projects by the same organisation, taken into account for future projects</p>	<p>Costs of control: - staff costs of control are estimated using approximations based on analyses of the organigramme, job descriptions and programme/project portfolios - external costs of control are based on values of respective contracts and related disbursements</p>	<p>Estimated cost of follow up of recommendations on IMEE's operations divided by total amount of expenditure in the year.</p>

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

Selection criteria

Financial Year: 2017

Remarks

This report is generated to comply with DG BUDG's standing instructions for the Annual Activity Report. Annex 6 of the Annual Activity Report should include information about implementing tasks entrusted to national or international public sector bodies and bodies governed by private law with a public sector mission. At least the following information is required for each entity which implemented programmes in the reporting year: programmes concerned, annual budgetary amount entrusted, duration of the delegation, justification of the recourse to indirect centralised management, justification of the selection of the bodies and a summary description of the implementing tasks entrusted to these bodies.

The BO report thus extracts the list of delegation agreements given primarily by NEAR in the reporting year. Such contracts (or contract amendments) are identified based on their Budget Management Type (indirect management) and through the organizations implementing the programmes (Implemented By Code), which may be public law bodies (PL), private law bodies with a public sector mission (PM) or public law bodies implementing public-private partnerships (PP).

The report combines financial information originating from ABAC and operational information from CRIS to meet the requirements of the BUDG. Justifications and descriptions are not available in the datawarehouse and should be collected from the concerned units.

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area	Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	Original contract EC Signature Date	Original Contract Contractor Signature Date	Authorizing Officer Signature Date (latest in the year)	Start date	End date	Com L2 Accepted Amount (Eur)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.383673.01	383673	Tatweer / Strengthening Governance structures in Syria	BGUE	ENI	NEAR B 01	Syria	Syria			IM	PL	Public law bodies	6000005056	UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND			14.12.2017	01.01.2018	31.12.2019	10 000 000,00	The contractor has better access to information from the ground and a stronger capacity as concerns management of governance projects. Indirect management mode therefore makes use of those capacities while reducing the risk for the contracting authority.	DFID is a member state ministerial department closely overseeing the UK governance response in Syria.	No tasks directly implemented by DFID, implementation tasks fully delegated to Blumont, the sub-contracted firm.
SCR.CTR.384624.01	384624	Projet d'appui à la réforme du secteur de la formation professionnelle - Contrat PAGODA (British Council et AECID)	BGUE	ENI	NEAR B 03	Morocco	Morocco	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000069973	THE BRITISH COUNCIL ROYAL CHARTER	12.07.2017	11.08.2017	12.07.2017	11.08.2017	10.08.2020	2 400 000,00	Indirect management in accordance with Article 58 (1) c) of Regulation (EU, Euratom) N° 966/2012 is used as it allows a deeper impact at local level, favour networking and sharing of experiences.	The selection of British Council is justified by the fact that this organisation has a long experience working closely with associations dealing with employment and vocational training. The selection of AECID is due to the fact that this organisation has a comparative advantage having worked for several years in these domains, particularly in the North of the country, and enjoys privileged relations with local institutions and associations.	The action will consist in testing in a pilot region the establishment of local labour market observation mechanisms and rationalizing actors and actions in progress; this action will also consist in actions to promote local employability of disadvantaged young people through apprenticeship and skills training.
SCR.CTR.385257.01	385257	QARARUN A-Support to Civil Society for Democratic Governance	BGUE	ENI	NEAR B 01	Jordan	Jordan	DAG	Delegation agreement	IM	PL	Public law bodies	6000567846	AGENCIA ESPANOLA DE COOPERACION INTERNACIONAL PARA EL DESARROLLO	27.04.2017	11.05.2017	27.04.2017	11.05.2017	10.05.2021	2 000 000,00	A part of this action may be implemented in indirect management with Agencia Española de Cooperación Internacional para el Desarrollo (AECID) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails component 4 of the action – deepening the role of civil society in contributing to democratic governance.	This implementation is justified because AECID is a well-established EU Member State agency in Jordan whose objectives and fields of intervention in the country coincide with those of this action, namely supporting democratic governance and enhancing the role and capacities of civil society. AECID will also co-finance the action.	The entrusted entity would carry out the following budget-implementation tasks: management of procurement and grant award procedures and of contracts.
SCR.CTR.385537.02	385537	Support to the National Council for Human Rights (NCHR)	BGUE	ENI	NEAR B 01	Egypt	Egypt	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01.06.2017	30.06.2017	01.06.2017	30.06.2017	29.01.2020	2 500 000,00	This action to be implemented in indirect management with GIZ through a Grant -direct award in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012. The action has specific characteristics requiring a specific type of beneficiary for its technical competence and specialisation.	GIZ was selected due to the specific nature of the targeted intervention. The direct award is justified given the political sensitivity of the support to the National Council for Human Rights and the need to apply a prudent cooperation with trusted partners. Over the last years GIZ and has established a relationship based on mutual trust with the Council through long-term support to NCHR. GIZ supported NCHR in the field of institutional strengthening, operational development and all aspects related to communication.	The entrusted entity would carry out the following budget-implementation tasks: provision of technical assistance, contracting of services and supplies.

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area	Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	Original contract EC Signature Date	Original Contractor Signature Date	Authorizing Officer Signature Date (latest in the year)	Start date	End date	Com L2 Accepted Amount (Eur)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.387797.01	387797	Projet d'aménagement de la boucle centrale et du pôle d'échanges de la place de Barcelone	BGUE	ENI	NEAR B 03	Tunisia	Mediterranean Region	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPEMENT	18.12.2017	26.12.2017	18.12.2017	26.12.2017	25.10.2023	6 448 000,00	Indirect centralised management is the standard modality for projects adopted in the framework of the Neighbourhood Investment Facility (NIF); a European financial institution presents a project to the NIF board together with a Tunisian promoter.	AFD is the European promoter of this NIF project. AFD has the technical expertise needed for this type of interventions (integrated urban development and transport) where technical competencies and expertises are needed.	The overall objective of the action is to sustainably improve the urban environment, daily living conditions, as well as the access to employment and amenities, of the population of the Greater Tunis. More specifically, the action will: A. Improve the accessibility, urban quality, and economic appeal of the city centre area around the Barcelona square. B. Improve the collective urban transport network. C. Fight against negative externalities linked to the use of private vehicles in Tunis. D. Through the action, underline a proactive policy to fight against discrimination and violence against women in public transport.
SCR.CTR.388425.01	388425	Education for all in times of crisis II	BGUE	IPA2	NEAR A 05	Turkey	Turkey	DAG	Delegation agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FÜR WIEDERAUFBAU	17.08.2017	17.08.2017	26.12.2017	05.12.2016	04.07.2021	205 000 000,00	The swift implementation of the project due to the crisis situation in the context of the massive refugee flow from Syria required the intervention of a body with the technical and human capacities to responsibly proceed with the construction of schools as soon as possible. This was only feasible through indirect centralised management and following the 2016 needs assessment jointly elaborated by the European Commission and Turkey.	KfW is a longstanding EU implementing partner in Turkey. They have got the experience and the knowledge of the country's institutions and functioning; a solid structure on the field (which has been even strengthened); and they excel in the field of education infrastructure. The first "Education for all in times of crisis" project is already being implemented by KfW.	The overall objective of the Action is to cater longer-term development needs to displaced persons, in particular education for children. The specific objectives of the Action are: 1) To increase the access to inclusive quality primary and secondary education opportunities for Turkish and Syrian children and youth / Construction of approx. 70 schools, including school furniture and equipment; 2) To strengthen the implementation and management capacity of MoNE with regard to the construction of schools.
SCR.CTR.388443.01	388443	EU FOR SERBIA - Rehabilitation of the Golubac Fortress	BGUE	IPA2	NEAR D 02	Serbia	Serbia	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000298306	AUSTRIAN DEVELOPMENT AGENCY GMBH	23.08.2017	28.08.2017	23.08.2017	01.09.2017	31.10.2018	2 100 000,00	The Action Programme IPA 2016 defines entrustment of budget-implementation tasks under indirect management to ADA.	ADA has been selected to implement Result 2, which focusses on the rehabilitation of the medieval fortress in Golubac. A first phase of the rehabilitation, financed through IPA, has been implemented by ADA. ADA is familiar with the conditions in Serbia and is acquainted with its regulatory framework and the EU accession context. It has established excellent relationships with all relevant stakeholders at national, regional and local level.	Following Art 58.1 and 60 of the Financial Regulation, ADA has been selected to perform the budgetary implementation tasks as an Entrusted Entity, as it can offer an integrated programme approach towards high impact and cost/benefit outcomes.

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area	Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	Original contract EC Signature Date	Original Contractor Signature Date	Authorizing Officer Signature Date (Latest in the year)	Start date	End date	Com L2 Accepted Amount (Eur)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.389564.01	389564	Construction of a State Hospital in Hatay	BGUE	IPA2	NEAR A 05	Turkey	Turkey	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	21.12.2017	21.12.2017	21.12.2017	01.01.2018	30.06.2021	32 030 652,50	The swift implementation of the project due to the crisis situation in the context of the massive refugee flow from Syria required the intervention of a body with the technical and human capacities to responsibly proceed with the construction of an hospital as soon as possible. This was only feasible through indirect centralised management and following the 2016 needs assessment jointly elaborated by the European Commission and Turkey.	It was decided to reallocate funds under the 3rd Special Measure in July 2016, when we realised that some of the initially foreseen projects were not feasible. Knowing about this availability of funds, the Turkish authorities requested it to be allocated to the field of Health infrastructure. AFD was the ideal implementing partner since they had been in contact and in negotiations with the Turkish authorities for the construction of hospitals since the beginning of 2017.	Construction of a 250-bed hospital to facilitate access to health care for Syrian refugees and host communities in Hatay, while alleviating the pressure on existing health infrastructure and services.
SCR.CTR.389728.01	389728	Social and Economic Cohesion through Vocational Education	BGUE	IPA2	NEAR A 05	Turkey	Turkey	DAG	Delegation agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FUR WIEDERAUFBAU	09.11.2017	14.11.2017	22.12.2017	14.11.2017	13.06.2021	50 000 000,00	The swift implementation of the project due to the crisis situation in the context of the massive refugee flow from Syria required the intervention of a body with the technical and human capacities to respond as soon as possible. This was only feasible through indirect centralised management and following the 2016 needs assessment jointly elaborated by the European Commission and Turkey.	KfW is a longstanding EU implementing partner in Turkey. They have got the experience and the knowledge of the country's institutions and functioning; a solid structure on the field (which has been even strengthened); and they excel in the field of socio-economic support.	Improving the employability of Syrian Refugees and host communities through the renewal and modernisation of existing workshops on Technical and Vocational Education (TVET)
SCR.CTR.389802.01	389802	Rehabilitation of Alexandrias Rami Tram	BGUE	ENI	NEAR B 01	Egypt	Egypt	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	13.12.2017	19.12.2017	13.12.2017	31.01.2018	30.01.2025	8 300 000,00	Indirect centralised management is the standard modality for projects adopted in the framework of the Neighbourhood Investment Facility (NIF), a European financial institution presents a project to the NIF board together with an Egyptian promoter.	AFD is the European promoter of this NIF project. AFD has the technical expertise needed for this type of intervention (rehabilitation of transport network transport) where technical competencies and expertise are needed.	The entrusted budget-implementation tasks consist in the implementation of procurement, grants and payments. The entrusted organisation shall also monitor and evaluate the project and report on it. The entrusted budget-implementation tasks shall be carried out according to the rules assessed and approved by the Lead Finance Institution.
SCR.CTR.389857.01	389857	Increasing the competitiveness of the agri-food sector through integration to domestic and global value chains and Strengthening the water supply and sanitation infrastructure in rural areas focusing on safe wastewater disposal	BGUE	ENI	NEAR C 01	Moldova	Moldova	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000298306	AUSTRIAN DEVELOPMENT AGENCY GMBH	01.12.2017	07.12.2017	01.12.2017	07.12.2017	06.12.2021	8 200 000,00	Indirect centralized management with development agencies of EU Member States was chosen given the nature and risks of the tasks (public procurement, granting award procedures, payments to third parties); the procurement procedures of the EUMS agency is better suited than the direct management and it rationalizes the wider division of labour process with a better cost- benefit/impact ratio	Activity 3: ADA's development experience and standing in Moldova, as well as access to expertise in the public sector. Activity 5.2: ADA has developed in Moldova extensive competences in working on infrastructure projects and has developed cooperation and secured the commitment of local authorities for the implementation of the project.	Running the public procurement, grant award procedures; concluding and managing the resulting contracts, including making of the related payments

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area	Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	Original contract EC Signature Date	Original Contract Contractor Signature Date	Authorizing Officer Signature Date (Latest in the year)	Start date	End date	Com L2 Accepted Amount (Eur)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.389939.01	389939	EU Scheme for Young Professionals in the Western Balkans	BGUE	IPA2	NEAR D 05	Headquarters	Region IPA instrument	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000069973	THE BRITISH COUNCIL ROYAL CHARTER	15.11.2017	20.11.2017	15.11.2017	27.09.2017	26.09.2019	1 799 764,00	The action is implemented in indirect management with the British Council in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.	The implementation of the part of the action (EU Scheme on Young Civil Servants in the WB) has been entrusted to the British Council building on its mandate, strengths, presence and valuable previous expertise in the Western Balkans, particularly in implementing a similar scheme, the Young Cells Scheme in Kosovo. The British Council has also implemented the pilot phase of the scheme in 2016-2017. The British Council is pillar assessed.	The British Council will be responsible for the organisation of a regional executive programme and exchange component for young civil servants from the Western Balkans (5 from each IPA II beneficiary). The 30 candidates will jointly participate in a tailor-made 3-4 week long executive programme covering key public administration areas such as policy formulation and analysis. The British Council will be responsible for the management, procurement and implementation of the programme
SCR.CTR.390360.01	390360	Programme to strengthen the primary health care sector in Syria	BGUE	ENI	NEAR B 01	Syria	Syria	DAG	Delegation agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	27.11.2017	01.12.2017	27.11.2017	01.08.2017	31.07.2019	11 877 103,00	Given the current situation in Syria, contracting in indirect mode provides a transfer of risks from the donor to the implementing partner.	EF is an EU MS Agency engaged in Syria since the outbreak of the conflict. They have shown competence and professionalism and have established trust with local partners inside Syria	EF with their partner UOSSM will support the rehabilitation of Primary Health Care centers/facilities while UOSSM will provide quality medical services, plus further trainings.
SCR.CTR.390534.01	390534	Culture bridges	BGUE	ENI	NEAR SGUA	Ukraine	Ukraine	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000069973	THE BRITISH COUNCIL ROYAL CHARTER	30.10.2017	03.11.2017	30.10.2017	03.11.2017	02.11.2020	1 300 000,00	Supporting culture is politically sensitive and requires a well-established and recognized network in the country. It could not be so efficient if the tasks would be entrusted to external consultants. Moreover the British Council possesses the necessary technical competence and high degree of specialisation and has confirmed its willingness to co-fund the actions.	British Council has been operating in Ukraine since 1992, and is one of the largest and most well-established European cultural relations institutes in the country. The British Council is also a founding member of the EUNIC cluster in Kyiv, and lead the consortium implementing the related EU-EAP Culture Programme II.	Procurement and grant award procedures and management of corresponding contracts and payments.
SCR.CTR.390659.01	390659	Extension of the Georgian Transmission Network	BGUE	ENI	NEAR C 01	Georgia	Georgia	DAG	Delegation agreement	IM	PL	Public law bodies	6000075251	KREDITANSTALT FÜR WIEDERAUFBAU	05.12.2017	15.12.2017	04.12.2017	15.12.2017	14.12.2021	10 360 000,00	Project implemented under NIP, approved by Commission Decisions C(2016) 3436 and C(2017) 2835	KfW is an eligible EFI under NIP, with long term experience in energy infrastructure investments in Georgia and well-established cooperation with the beneficiary	Investments (NIF grant blending) and related technical assistance (preparation, supervision, environmental and social impact mitigation, capacity building) for extension of electricity transmission network
SCR.CTR.390746.01	390746	Programme de Relance de l'investissement et de Modernisation des Exploitations Agricoles (PRIMEA)	BGUE	ENI	NEAR B 03	Tunisia	Tunisia	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	18.12.2017	26.12.2017	18.12.2017	26.12.2017	25.12.2022	10 300 000,00	Indirect centralised management is the standard modality for projects adopted in the framework of the Neighbourhood investment Facility (NIF): a European financial institution presents a project to the NIF board together with a Tunisian promoter.	AFD is the European promoter of this NIF project. AFD has the technical expertise needed for this type of interventions (agriculture, private sector and rural development) where technical competencies and expertise are needed.	The action aims to contribute to revive investments in agriculture by leveraging the national budget through co-financing of banks and farmers contributions. The action will allow the modernisation of about 60,500 farms and the improvement of the grant and credit provision process. More specifically, the action will: A. Improve the access of Tunisian farms to the financing of their productive investments, through the support to the agricultural aspects of the Tunisian investment policy established following the adoption of the new investment code. B. Improve the quality of projects aimed at modernising and enhancing the productivity of farms, through an effective and generalised economic and technical advisory mechanism. C. Improve the agricultural investment environment in Tunisia, notably for a better consideration of gender issues and farm typology.

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SCR.CTR.390764.01	390764	PRAVO-JUSTICE: Support to Justice-related Reforms in Ukraine	BGUE	ENI	NEAR SGUA	Ukraine	Ukraine	DAG	Delegation agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	06.12.2017	07.12.2017	06.12.2017	07.12.2017	06.12.2020	15 000 000,00	Justice sector reform is a complex undertaking, entailing multiple political sensitivities among other challenges. Therefore, it can only be effectively supported by a EU MS entity, such as Expertise France, which ensures mobilization of EU human (e.g. providing services of serving EU MS judges and prosecutors) and material resources necessary to meet particular needs of the Ukrainian beneficiary entities in their approximation to European standards and practices. Besides, while implementing projects EF provides the full range of activities done by the delegated entity under indirect management: procurements, technical assistance and management of expertise, call for proposals and grants to third parties, sub-delegations, procurement of different goods, works or services, emergency procedures etc.	This action implemented by Expertise France (EF) because it possesses necessary thematic expertise and recently implemented several judicial reforms, police and law enforcement support projects world wide. National capacity development is supported by EF in more than 80 countries.	Procurement and grant award procedures and management of corresponding contracts and payments.
SCR.CTR.390963.01	390963	Countering Serious Crime in the Western Balkans	BGUE	IPA2	NEAR D05	Headquarters	Region IPA Instrument	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	18.12.2017	20.12.2017	18.12.2017	20.12.2017	19.12.2019	13 000 000,00	The action is implemented in indirect management with the GIZ in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012, in order to maximize the EU impact and visibility by combining EU and Member States efforts.	The action supports the introduction of the IISG model by supporting its Pillar II – Western Balkan Counter-Serious Crime Initiative (WBSCCI), whose coordination, as well as the inter-pillar coordination, monitoring and evaluation will be the task of the IISG. The planning and implementation of the WBSCCI requires a full involvement of relevant action partners. GIZ has already managed the preceding project International Cooperation in Criminal Justice – Prosecutors' Network in the Western Balkans. In the performance of the activities, GIZ will cooperate with implementing partners, in particular the Italian Ministry of Interior, the Center for International Legal Cooperation, other EU MS agencies and the Police Cooperation Convention secretariat for South East Europe.	Considering the Framework Administrative Agreement between the Commission and among others GIZ will carry out budget implementation tasks: procurement and grant award procedures and management of corresponding contracts and payments as well as directly implement activities. GIZ will be also in charge of outfitting the monitoring function and ensure that implementing partners understand respective requirements and investments to be made.
SCR.CTR.391454.01	391454	Supporting Inclusive Consultation Processes among Local Actors in Syria	BGUE	ENI	NEAR B01	Syria	Syria	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	01.12.2017	11.12.2017	12.12.2017	01.10.2017	30.04.2019	4 500 000,00	Given the current situation in Syria, contracting in indirect mode provides a transfer of risks from the donors to the implementing partner.	GIZ is an EU MS Agency engaged in Syria since the outbreak of the conflict. They have shown competence and professionalism and have established trust with local partners inside Syria	The local consultations project provides for dialogue between several stakeholders in order to foster common agendas at the local levels, as well to clarify roles and responsibilities in the provision of basic services

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SCR.CTR.391480.01	391480	Construction of Water Supply and Sanitation infrastructure as well as Energy Efficiency in Public buildings	BGUE	ENI	NEAR C 01	Moldova	Moldova	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	06.12.2017	12.12.2017	06.12.2017	12.12.2017	11.03.2021	39 800 000,00	Indirect centralized management with development agencies of EU Member States was chosen given the nature and risks of the tasks (public procurement, granting award procedures, payments to third parties): the procurement procedures of the EUMS agency is better suited than the direct management and it rationalizes the wider division of labour process with a better cost- benefit/impact ratio	GIZ has recognised competencies in the areas of Water and Energy Efficiency and has developed these last years in Moldova extensive competencies in working with the Ministry of Regional Development and Construction, the Regional Development Agencies on the preparation of infrastructure projects in the sectors of intervention.	Running the public procurement, grant award procedures; concluding and managing the resulting contracts, including making of the related payments
SCR.CTR.392333.01	392333	Convention de Délégation avec l'AFD - Initiative Pilote de Développement local Intégré	BGUE	ENI	NEAR B 03	Tunisia	Tunisia	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	13.12.2017	20.12.2017	13.12.2017	01.01.2018	30.06.2022	39 500 000,00	This action is implemented in indirect management with the AFD in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No. 966/2012	In addition to the experience with the "rehabilitation and integration of poor areas" programme which financed basic infrastructures, the AFD is also implementing programmes in Tunisia to expand urban sanitation services as well as to build the technical and organisational capacities of the National Sanitation Office (ONAS). Moreover, the AFD has a sub-delegation experience with the "Caisse des prêts et de soutien des collectivités locales" (loan and support fund for local collectivities). In sum, the AFD has the technical and financial expertise required to execute this EU-funded programme in Tunisia.	The overall objective of the action is to support Tunisia's efforts to strengthen territorial development and the reduction of regional and local disparities in the framework of its decentralisation process. More specifically, the action will pursue the following goals: 1. Improve the living conditions and access to local public services of inhabitants, especially those living in isolated areas, of 26 new municipalities in the Gafsa, Jendouba, Kasserine, Kebili, and Tataouine governorates (support to local investments and infrastructures). 2. Empower the municipalities participating in the programme to exercise their role in the framework of the decentralisation process (capacity-building).
SCR.CTR.392714.01	392714	Preparedness and Response to natural and man-made Disasters, Region South, Phase III	BGUE	ENI	NEAR B 02	Headquarters	Region Neighbourhood	DAG	Delegation agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	04.12.2017	12.12.2017	04.12.2017	01.02.2018	31.01.2021	5 000 000,00	indirect management with Member State agencies in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012	The entrusted entity will be selected after negotiations resulting from a call for manifestation of interest addressed to all EU Member States agencies eligible for indirect management (from the list of the pillar-assessed agencies).	This implementation entails capacity building, technical assistance, training, exchange of experts but also launching call for proposals for the implementation of joint exercises, prevention and preparedness projects.
SCR.CTR.392719.01	392719	Irrigated Agriculture Development in Ararat and Armavir Marzes	BGUE	ENI	NEAR C 02	Armenia	Eastern Europe Region	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPPEMENT	12.12.2017	19.12.2017	12.12.2017	19.12.2017	18.12.2021	10 376 000,00	The contract was signed in the context of blending operations under the Neighbourhood Investment Facility. Blending operations are implemented in accordance with Article 58(c) of FR 966/2012 as applicable and with respect to Article 40 of Reg 2015/323 (2) i.e. via indirect management.	The entrusted entity was selected during the selection process within the framework of the Neighbourhood Investment Facility. AFD is the European promoter of this NIF project. AFD has the technical expertise needed for this type of interventions in the field of improvement of water storage, rehabilitation and modernization of irrigation infrastructures where specific technical competencies are needed. In 2016, AFD granted to the Republic of Armenia a € 75m loan for the construction of water reservoir in Vedi (Ararat Marz) and the rehabilitation/extension of irrigation networks supplied by the reservoir.	The entrusted entity would carry out the budget-implementation tasks - including the contract-management steps of the project cycle - for the provision of expertise and accompanying studies enabling the establishment of a legislative, institutional and communication framework for the irrigation sector through capacity building activities at central and local levels; as well as for developing innovative sustainable mechanisms in irrigated agriculture and for accompanying investments.

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SCR.CTR.392792.01	392792	Strengthening Financial Inclusion and Banking Supervision in Egypt	BGUE	ENI	NEAR B 01	Egypt	Egypt			IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH			19.12.2017	01.01.2018	31.12.2020	3 200 000,00	This action to be implemented in indirect management with GIZ through a Grant -direct award in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012. The action has specific characteristics requiring a specific type of beneficiary for its technical competence and specialisation.	GIZ was selected due to the specific nature of the targeted intervention in relation to the "Support to CBE on Banking Supervision", where a peer-to-peer support approach is deemed particularly relevant. GIZ has a successful track record in implementing delegated agreements with the EU and has the adequate experience and capacity to implement the project.	The entrusted entity would carry out the following budget-implementation tasks: provision of technical assistance, contracting of services and supplies, contracting of expertise from EU public bodies (including Member State Central Banks).
SCR.CTR.393033.01	393033	EU Monitoring System in Area C (2nd phase)	BGUE	ENI	NEAR B 01	West Bank and Gaza Strip	West Bank and Gaza Strip	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000083259	BELGISCHE TECHNISCHE COÖPERATIE NV	22.12.2017	27.12.2017	22.12.2017	01.02.2018	31.01.2021	500 000,00	The action has specific characteristics requiring a specific type of beneficiary for its technical competence and specialisation which cannot be found via a competitive procedure on the market.	The selection of BTC is justified because BTC is actually managing the project "Final design, establishment and operation of a comprehensive EU project monitoring system for Area C" financed by EU. Therefore, to operate the monitoring system, this is the best option recommended in terms of efficiency and efficacy, as well as in terms of lesson learned.	BTC would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement (services and supplies), contracting, paying, reporting and evaluation. BTC will use its own staff as implementing partner and it will recruit additional temporary staff for specific positions in IT field.
SCR.CTR.393187.01	393187	EU Support to Integrated Water Management (EUSIWM)	BGUE	IPA2	NEAR D 04	Albania	Albania	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000298306	AUSTRIAN DEVELOPMENT AGENCY GMBH	21.12.2017	21.12.2017	21.12.2017	01.02.2018	31.01.2022	1 600 000,00	This implementation modality has been selected to increase donors' coordination and aid effectiveness and benefit from donors' comparative advantage and expertise developed in the sector	The reason for choosing a Member State body is that the beneficiary needs hands on support from a peer institutional partner with relevant project management experience in the sector. The selection criteria were (i) international mandate of the potential delegatee entity; (ii) presence and experience of the potential delegatee entity in the water sector, in particular in Albania; (iii) technical expertise, logistical & management capacities of potential delegatee entity, including at the local level; (iv) impact, results, leverage effect of cooperation with other entities/donors, also covering effectiveness of the delegation of tasks, included in Albania; (v) added value of actions in the water sector under implementation by the potential delegatee entity or planned in the near future, and synergies envisaged or proposed with the IPA2016 project; and (vi) reduced transaction costs level by the potential delegatee entity.	The entrusted will be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme

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SCR.CTR.393193.01	393193	EU Support to Waste Water Management (EUSWAM)	BGUE	IPA2	NEAR D 04	Albania	Albania	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	21.12.2017	21.12.2017	21.12.2017	01.03.2018	28.02.2021	2 400 000,00	This implementation modality has been selected to increase donors' coordination and aid effectiveness and benefit from donors' comparative advantage and expertise developed in the sectors as well as from performance based approaches universally recognised as successful in the wastewater sector management in Albania.	The reason for choosing a Member State body is that the beneficiary needs hands-on support from a peer institutional partner with relevant project management experience in the sector. The selection criteria were (i) international mandate of the potential delegatee entity; (ii) presence and experience of the potential delegatee entity in the water sector, in particular in Albania (iii) technical expertise, logistical & management capacities of potential delegatee entity, including at the local level; (iv) impact, results, leverage effect of cooperation with other entities/donors, also covering effectiveness of the delegation of tasks, included in Albania; (v) added value of actions in the water sector under implementation by the potential delegatee entity or planned in the near future, and synergies envisaged or proposed with the IPA2016 project; and (vi) reduced transaction costs level by the potential delegatee entity.	The entrusted entity shall be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme
SCR.CTR.393380.01	393380	Joint comprehensive EU framework for cross-border operations in Syria phase II - EF Rapid reaction mechanism	BGUE	ENI	NEAR B 01	Syria	Syria			IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE			21.12.2017	10.05.2018	09.06.2019	4 500 000,00	Given the current situation in Syria, contracting in indirect mode provides a transfer of risks from the donor to the implementing partner.	EF is an EU MS Agency engaged in Syria since the outbreak of the conflict. They have shown competence and professionalism and have established trust with local partners inside Syria	This contract is the first one where EF run the Rapid Response Mechanism not in a consortium mode with GIZ. EF will focus the quick response in the livelihood area.
SCR.CTR.393385.01	393385	Joint comprehensive EU framework for cross-border operations in Syria phase II - GIZ Rapid Reaction mechanism	BGUE	ENI	NEAR B 01	Syria	Syria			IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH			22.12.2017	10.05.2018	09.06.2019	8 440 000,00	Given the current situation in Syria, contracting in indirect mode provides a transfer of risks from the donors to the implementing partner.	GIZ is an EU MS Agency engaged in Syria since the outbreak of the conflict. They have shown competence and professionalism and have established trust with local partners inside Syria	As for the EF RRM contract, GIZ is implementing the contract in a complementary manner, mostly in the areas of education, health, energy and solid waste management.

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SCR.CTR.393856.01	393856	SUNREF PALESTINE : Sustainable Use of Natural Resources and Energy Finance	BGUE	ENI	NEAR B 01	West Bank and Gaza Strip	Mediterranean Region	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPEMENT	22.12.2017	27.12.2017	22.12.2017	27.12.2017	26.12.2023	8 350 000,00	Indirect centralised management is the standard modality for projects adopted in the framework of the Neighbourhood Investment Facility (NIF); a European financial institution presents a project to the NIF board together with a Palestinian promoter.	AFD is the European promoter of this NIF project. AFD has the technical expertise needed for this type of intervention (Investments in energy efficiency and renewable energy) where technical competencies and expertise are needed in addition to financial markets expertise.	AFD would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement (services) according to its own procedures, reporting and evaluation.
SCR.CTR.393971.01	393971	Local development strategies	BGUE	IPA2	NEAR D 04	Bosnia and Herzegovina	Bosnia and Herzegovina	DAG	Delegation agreement	IM	PM	Private law bodies with a public service mission	6000057485	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	13.12.2017	15.12.2017	13.12.2017	01.04.2018	31.03.2022	15 000 000,00	The main justification for choosing indirect management is the significant amount of EU funds involved as well as the nature and the complexity of the Action (core activity being the management of a Grant Fund Facility to channel a high number of sub-grants to final beneficiaries in different areas of interventions, i.e. MSME competitiveness, tourism and agricultural development).	The delegated entity was pre-selected on the basis of the invitation to the International Organisations and Member States bodies for expression of interest. The partnership of GIZ, UNDP and ILO has demonstrated the best technical and professional capacity for managing similar interventions and the long-standing experience in the sector.	GIZ, as the Lead Organisation, will ensure coordination with the Co-Delegates in the implementation of the Action. It will act as an intermediary for all communications between the Co-Delegates and the Contracting Authority, and will be responsible for the provision of all documents and information to the Contracting Authority which shall be required under this Agreement. As Co-Delegates, UNDP and ILO will be responsible for the implementation of the activities they are assigned to in accordance with this Description of the Action and the terms and conditions of the Co-Delegation Agreement as well as the envisaged Partnership Agreement with GIZ, working in close coordination with GIZ and each other.
SCR.CTR.394426.01	394426	Construction of a State Hospital in Hatay (part II - final instalment)	BGUE	IPA2	NEAR A 05	Turkey	Turkey	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPEMENT	21.12.2017	21.12.2017	21.12.2017	01.01.2018	30.06.2021	7 969 347,50	The swift implementation of the project due to the crisis situation in the context of the massive refugee flow from Syria required the intervention of a body with the technical and human capacities to responsibly proceed with the construction of an hospital as soon as possible. This was only feasible through indirect centralised management and following the 2016 needs assessment jointly elaborated by the European Commission and Turkey.	It was decided to reallocate funds under the 3rd Special Measure in July 2016, when we realised that some of the initially foreseen projects were not feasible. Knowing about this availability of funds, the Turkish authorities requested it to be allocated to the field of Health infrastructure. AFD was the ideal implementing partner since they had been in contact and in negotiations with the Turkish authorities for the construction of hospitals since the beginning of 2017.	Construction of a 250-bed hospital to facilitate access to health care for Syrian refugees and host communities in Hatay, while alleviating the pressure on existing health infrastructure and services.
SCR.CTR.394566.01	394566	EU Support to the National Solid Waste Management Strategy - Infrastructures and Capacity building component (AFD)	BGUE	ENI	NEAR B 01	Jordan	Jordan	DAG	Delegation agreement	IM	PL	Public law bodies	6000095503	AGENCE FRANCAISE DE DEVELOPEMENT	20.12.2017	19.12.2017	19.12.2017	20.12.2017	19.12.2024	55 300 000,00	A part of this action may be implemented in indirect management with Agence Française de Développement (AFD) in accordance with Article 58(1)(c) of [26] Regulation (EU, Euratom) No 966/2012. This implementation entails the construction of new facilities and the provision of technical assistance to the Ministries of Municipal Affairs and of Environment.	This implementation is justified because of AFD's experience with co-managing infrastructure programmes with the Ministry of Municipal Affairs and its technical expertise in the area of solid waste management.	The entrusted entity would carry out the following budget-implementation tasks: support to the implementation of the first and second specific objective, i.e. provide technical and financial resources to the Project Management Unit (see 5.7) and supervise its operations; award of contracts and payments for the provision of services; perform due diligence on works (legal, technical, financial, environmental and social) and supplies (technical and financial) contracts awarded by the Project Management Unit; supervise the construction of facilities.

Com L2 Local Key	Contract Number	Contract Title	Financial Management Area	Programmes concerned (Instrument)	Entity in Charge	Delegation in Charge	Benefitting zone	LC Type	LC Type description	BMT	Implemented by Code	Implemented by	LEF	Complete Name	Original contract EC Signature Date	Original Contractor Signature Date	Authorizing Officer Signature Date (latest in the year)	Start date	End date	Com L2 Accepted Amount (Eur)	Justification of the recourse to indirect centralised management	Justification of the selection of the bodies	Summary description of the implementing tasks entrusted to these bodies
SCR.CTR.394871.01	394871	« Appui à l'intégration de la population migrante dans les services d'assistance sociale et d'alphabetisation du Royaume du Maroc »	BGUE	ENI	NEAR B 02	Morocco	Morocco			IM	PL	Public law bodies	6000567846	AGENCIA ESPANOLA DE COOPERACION INTERNACIONAL PARA EL DESARROLLO			26.12.2017	01.06.2018	31.05.2021	1 500 000,00	Indirect management in accordance with Article 58 (1) c) of Regulation (EU, Euratom) N° 966/2012 is justified by the desire to benefit from the proven experience and expertise of this body in the field of migration in Morocco, by its legitimacy as an important political partner of Morocco in the field of migration, and by the pre-existence of quality cooperation between this body and the Moroccan institutions benefiting from the targeted actions. The delegated body has demonstrated its ability to mobilize relevant expertise for the targeted sectors, as well as its ability to dialogue and mobilize institutional actors in these areas.	AECID has extensive bilateral work experience and a good knowledge of local institutions in the areas of social protection and vocational training. In its multilateral programme, Spain has supported various programmes with the International Organisation for Migration in Morocco in relation to the purpose of the project (voluntary return programme). The work developed by AECID is complemented by that of the Ministry of Employment and Migration of Spain (through its representation at the Embassy) which is working actively with the Moroccan relevant ministry in strengthening the training of civil servants in the field of public policies related to migration and voluntary return. AECID has a significant presence in Morocco through its Technical Cooperation Office.	The component delegated to AECID (social assistance and voluntary return) will aim to strengthen the institutional capacity of Entraide Nationale in close coordination with the Ministry in charge of social development for accompanying vulnerable migrants, as well as to develop two literacy programmes for regularized migrants and Moroccans living abroad and to implement the institutional mechanism for monitoring the voluntary return programme. It will develop and implement a system for collecting information on social assistance activities for migrants and thus improve the management of assistance to vulnerable migrants by the Ministry of Social Development and the Entraide Nationale.
SCR.CTR.394920.01	394920	Appui au Ministère en charge des affaires de la Migration dans la réalisation de ses fonctions de planification et de gestion des politiques migratoires du Maroc	BGUE	ENI	NEAR B 02	Morocco	Morocco	DAG	Delegation agreement	IM	PL	Public law bodies	6000509044	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE INTERNATIONALE	29.12.2017	29.12.2017	29.12.2017	12.02.2018	11.02.2021	1 600 000,00	Indirect management in accordance with Article 58 (1) c) of Regulation (EU, Euratom) N° 966/2012 is justified by the desire to benefit from the proven experience and expertise of this body in the field of migration in Morocco, by its legitimacy as an important political partner of Morocco in the field of migration, and by the pre-existence of quality cooperation between this body and the Moroccan institutions benefiting from the targeted actions. The delegated body has demonstrated its ability to mobilize relevant expertise for the targeted sectors, as well as its ability to dialogue and mobilize institutional actors in these areas.	Expertise France has specific expertise in the field of migration. The Agency carries out complex technical assistance projects and programmes covering a multiplicity of themes related to international migration,	Capacity building of the Ministry in charge of Moroccans living abroad and migration affairs in the programming, budgeting, implementation and monitoring-evaluation in order to improve inter-institutional governance and ensure the efficient implementation of migration strategies. It will support the ministry in the efficient and effective management of Morocco's migration policies. This will include supporting the ministry in the implementation of a three-year budget planning and developing performance-based management.
TOTAL	35																			Sum: 602 150 867,00			

ANNEX 7: EAMR of the Union Delegations

22 DG NEAR Delegations have submitted an EAMR report for the year 2017:

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

2017

Annual AOSD Report for EU Trust Funds

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

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"Thanks to the EU Trust Fund, children in Jordan, Lebanon and Turkey are able to go to school and have access to safe spaces for non-formal education, protection and psycho-social care. Syrian students whose studies were disrupted by the war are receiving scholarships to attend Jordanian, Lebanese, and Turkish universities. Through vocational training and job fairs, Syrian refugees and host communities are improving their chances on the employment market. The EU will continue to respond to the needs arising from the Syria conflict, as testified by the fact that more than EUR 1 billion is being channeled to improve lives via this Trust Fund".

Commissioner for European Neighbourhood Policy and
Enlargement Negotiations, Johannes Hahn

1. POLICY AND OPERATIONAL HIGHLIGHTS OF THE YEAR

1.1. Context of the Syrian refugee crisis in 2017

The conflict in Syria continues to drive the largest refugee crisis in the world. Over 5.3 million Syrians are registered as refugees in neighbouring countries as of 1 December 2017. Despite the exceptional generosity demonstrated by host countries, host communities, and donors, many Syrian refugee families across the region continue to lack the necessary resources to meet their basic needs.

The situation inside Syria has remained fluid during 2017. While ongoing violence in many parts of the country led to large-scale displacement, other areas witnessed a relative decrease in violence compared to previous years. Against this backdrop, there was no large-scale arrival of refugees into neighbouring countries over the past year. However, the number of registered refugees increased from 4.8 million in 2016 to 5.3 million in 2017 due to the registration of an additional 570,000 Syrian refugees across the region. This primarily reflects newly registered Syrians (including new arrivals) as well as new-borns in the five main host countries.

Across the region, borders and admission practices remained closely managed, affecting the ability of many individuals to seek the protection they need. At the same time, overall conditions for safe, voluntary and dignified return are still not in place due to ongoing and renewed armed conflict in Syria.

Thus, the primary burden for the refugee situation continued to fall primarily on the neighbouring countries in the region in 2017. Lebanon and Jordan host the largest numbers of registered refugees per capita in the world. In Lebanon, one in five people is a refugee, while one in 15 is a refugee in Jordan. Meanwhile, Turkey continues to host the largest number of refugees in the world. Iraq and Egypt continue to host large numbers of Syrian refugees along with refugees from many other countries. The living situation for Syrian refugees across the region continued to be extremely challenging in 2017. Many of the refugees have now been in the host country for four or more years and struggle to make ends meet. While the vast majority of Syrian refugees continue to be geographically integrated with host communities in urban, peri-urban and rural areas, they are increasingly vulnerable and face extremely high rates of poverty.

In Turkey, over 64 per cent of refugee households living outside of camps live below the poverty line; 80 per cent of Syrian refugees living outside of camps in Jordan are

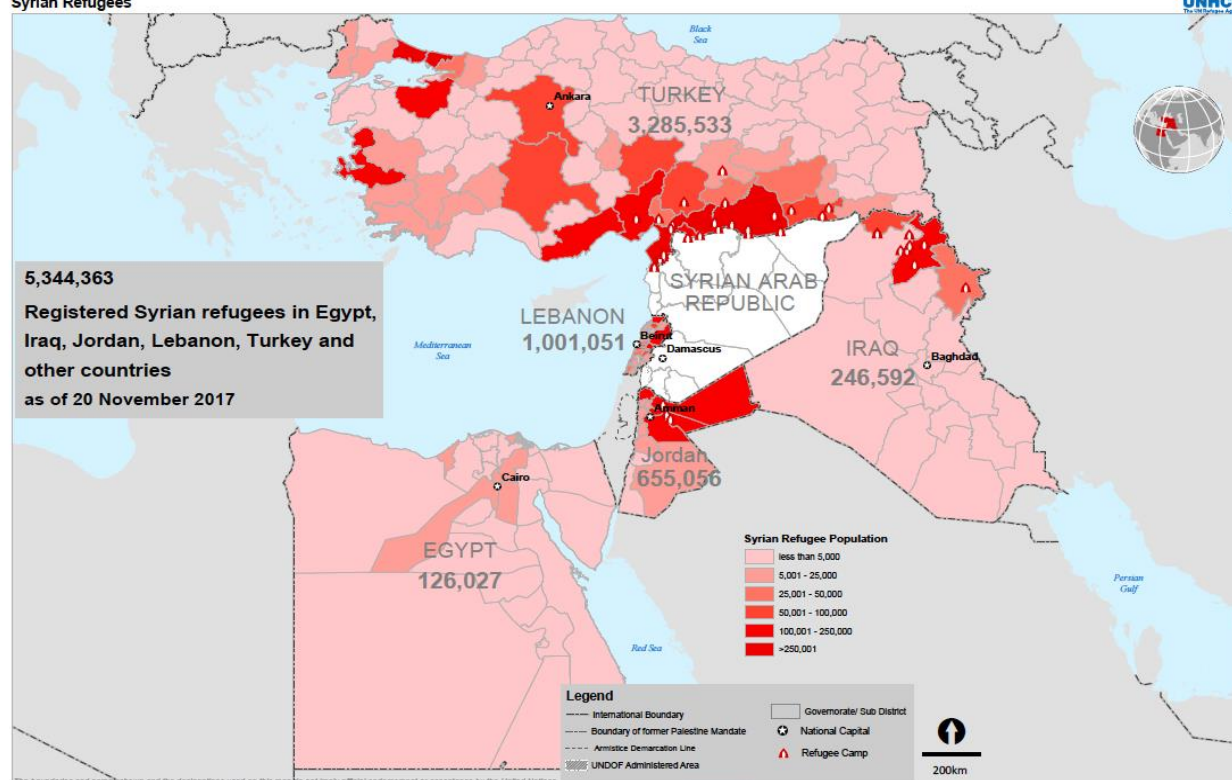
living below the poverty line; more than 76 per cent of Syrian refugees are below the poverty line in Lebanon; and 82 per cent of registered Syrian refugees in Egypt are either highly or severely vulnerable, meaning they are unable to afford the minimum requirements for a dignified life. While the overall situation for refugees in Iraq is somewhat better, the situation is deteriorating - particularly for those who do not have the ability to obtain an income - and 37 per cent of refugees are now below the poverty line.

Refugees continue to face a number of specific challenges across the region, including limited livelihoods opportunities, exhaustion of savings, and the adoption of negative coping mechanisms, which further exacerbates the residual protection risks they face. Broader political and social pressures can also affect stability between displaced populations and host communities in countries across the region.

Syria Situation Map

Syrian Refugees

UNHCR MENA Director's Office in Amman



Printing date: 20 Nov 2017 Sources: UNHCR Author: DOiA Feedback: syrport@unhcr.org Filename: Syria Situation Map

The difficult situation for Syrian refugees across the region has been compounded by the broader challenges facing many host countries. During 2017, the real gross domestic product (GDP) growth in the region demonstrates slow but steady growth at 2.3 per cent in Jordan, 2 per cent in Lebanon, 1.5 per cent (non-oil growth) in Iraq, 4.1 per cent in Egypt (down from 4.3 per cent the previous year), and 4 per cent in Turkey. This slow growth is owing to improvement in the tourism sector in Jordan and Lebanon, improvement in security situation and demand in the construction and service sectors in Iraq and increase in economic activities by the private sector in Egypt. While there are signs of economic recovery in the region, the unemployment rate remains high in these countries; 11.98 per cent in Egypt, 10.2 per cent in Turkey, 13.8 per cent in Jordan, 16 per cent in Iraq and 6.8 per cent in Lebanon.

These countries have been very generous in hosting the refugees since the crisis began, however there are signs of growing host community fatigue as vulnerable host community members see the refugees as competitors for lower-skilled jobs and depleting limited resources (natural and financial) provided by the governments and

international community, making it challenging for governments and municipalities to provide the basic services to both populations.

The EU Regional Trust Fund in Response to the Syrian Crisis was established with the signature of its Constitutive Agreement on 15 December 2014 by the European Union (represented by the Commission) and one Member State (Italy).⁹ Its aim is to address longer-term resilience needs of Syrian refugees and internally displaced persons (IDPs) in neighbouring countries, as well as supporting host communities and their administrations, principally in Lebanon, Turkey, Jordan, Iraq and the Western Balkans through the provision of basic education and child protection, better access to healthcare, improved water and waste-water infrastructure, as well as support to resilience, economic opportunities and social inclusion. Today the fund is also one of the key mechanisms through which the new EU “Compacts” with Jordan and Lebanon will be implemented. The Fund has been established for an initial duration of 60 months in order to provide a medium-term response.

Since its establishment in December 2014, most non-humanitarian aid for Syria’s neighbouring countries is channeled through the **EU Regional Trust Fund in response to the Syrian crisis**. The EUTF aims to bring a more coherent and integrated EU response to the crisis by merging various EU financial instruments and contributions from Member States into one single flexible mechanism allowing for quick disbursement. The EUTF primarily addresses longer term resilience needs of Syrian refugees in neighbouring countries such as Jordan, Lebanon, Turkey and Iraq, as well as the hosting communities and their administrations.

The mandate of the EUTF has been extended so that it can also operate in the Western Balkans where relevant to the flow of Syrian refugees. In the future the EUTF may also start financing resilience activities inside Syria and could become a funding tool for reconstruction, resettlement and governance support following a political settlement of the crisis.

With contributions and pledges from 22 Member States and Turkey, amounting to over EUR 150 million, and contributions from various EU instruments, the Fund has reached a **total volume of more than EUR 1.4 billion to date**. Projects focusing on education, livelihoods and health covering a total of EUR 1.2 billion million have already been approved, out of which EUR 871 million have been contracted to the Trust Fund’s implementing partners on the ground.

1.2. Policy highlights of the year

The EU remains the leading donor in the international response to the crisis, with over **EUR 10 billion** from the EU and Member States collectively allocated in humanitarian and development assistance since the start of the conflict in 2011.

Of this, the European Commission’s support in response to the Syrian crisis has by now exceeded **EUR 5 billion**, including immediate *humanitarian* assistance delivered by ECHO, and *non-humanitarian* aid, provided through EU cooperation instruments (ENI, IPA, IcSP), and, increasingly through the **EU Regional Trust Fund in response to the Syrian crisis** to respond to immediate and medium-term needs.

At the 2016 London conference *Supporting Syria and the Region*, the EU and the Member States pledged over EUR 3 billion for the year 2016 to assist people inside Syria as well as Syrian refugees and the communities hosting them in neighbouring

⁹ Establishment decision [C \(2014\) 9615](#) of 10.12.2014 as amended by decision [C\(2015\) 9691](#) of 21.12.2015. The [Constitutive Agreement](#) was revised in March 2016.

countries. The European Commission pledge for 2016 amounted to EUR 1.115 billion and has been fully delivered. The Commission also gave an indicative amount for 2017 of EUR 1.275 billion, bringing the total pledge for the two years to EUR 2.39 billion.

This commitment was confirmed at the Brussels Conference on "Supporting the Future of Syria and the Region" held on 5 April 2017, during which the international community confirmed EUR 5.6 billion/USD 6.0 billion in funding to support humanitarian, resilience and development activities in 2017 for the Syria crisis response, and EUR 3.5 billion for the period 2018-2020. The EU pledged EUR 3.7 billion, including EUR 560 million from the Commission for Lebanon, Jordan and Syria, with the ambition to maintain this sustained level in 2019.

The Brussels II conference on 24-25 April 2018 will be another step taken by the EU and the UN to ensure that the international community remains focused on the Syria conflict and to address the urgent humanitarian needs of those affected by it as well as supporting the resilience of refugee-hosting countries.

For Lebanon, the European Commission has allocated more than EUR 1 billion in assistance to refugees and vulnerable communities in Lebanon since the beginning of the crisis. **This now includes EUR 338 million through the EU Regional Trust Fund in response to the Syrian crisis, of which EUR 111 million in 2017**, to address longer-term resilience needs of Syrian refugees and support Lebanese host communities and the national administration with a focus on increasing access for refugees to education and training, as well as livelihoods and health.

The EU programmes are aligned with priorities in the Lebanese Government's response plan to the consequences of the influx of refugees from Syria, and integrated in the various documents such as 1) Regional Refugee and Resilience Plans (3RP), 2) the Lebanon Crisis Response Plan (LCRP) and 3) the 'Reaching All Children with Education in Lebanon' (RACE) launched by the Minister of Education to ensure vulnerable school-aged children affected by the Syria crisis access quality formal and non-formal learning opportunities.

The Partnership Priorities and the EU-Lebanon Compact have been adopted on 11 November 2016. In light of the revised European Neighbourhood Policy (ENP) and as announced at the London Conference "Supporting Syria and the Region" of February 2016, the EU is proposing a comprehensive support package which combines different policy elements within EU competencies and which is based on mutual commitments. The Compact priority actions will be funded through the additional EU funds pledged at the London conference (at least EUR 400 million in grants). The core objectives of the EU-Lebanon Compact are both to provide an appropriate and safe environment for refugees and displaced persons from Syria, during their temporary stay in Lebanon, and to provide a beneficial environment for Lebanon, host communities and vulnerable groups.

For Jordan, the Commission's total funding in response to the Syrian crisis amounts to EUR 1.2 billion addressing both refugees and host communities' needs. This support package includes notably EUR 306 million of humanitarian aid and EUR 229 million of development assistance from the ENI, as well as now also **EUR 211 million from the EU Regional Trust Fund in response to the Syrian crisis**, which targets Syria and its affected neighbouring countries. Most of the ENI funds will be used to defray the cost of providing education for Syrian refugee children in Jordanian public schools and studying opportunities for University students. Finally, the European Commission adopted and disbursed two Macro-Financial Assistance (MFA) packages of EUR 180 million and 200 million, respectively in 2016 and 2017.

EU Regional Trust Fund in Response to the Syrian Crisis

Funding allocations adopted by the Board per country and year, adjusted to actual project amounts*

Allocations by country and year	Total per year	Turkey	Lebanon	Jordan	Iraq	Western Balkans	Regional / other
Total per country	€1.220.479.228	€485.276.925	€337.923.760	€211.302.764	€107.575.262	€47.950.210	€30.450.307
2017	€452.085.000	€189.367.891	€111.250.000	€93.150.000	€26.300.000	€32.000.000	€5.017.109
2016	€409.928.882	€170.302.014	€101.593.672	€57.920.000	€52.586.000	€15.950.210	€6.576.986
2015	€358.465.346	€125.607.020	€125.080.088	€60.232.764	€28.689.262	€0	€18.856.212

* excluding commitments for administrative expenditure

1.3. Operational highlights of the year

Annex 1: In 2017, 17 Action Documents for a total funding of EUR 452 million were adopted by the Trust Fund's Operational Board.

With EUR 204 million mobilised by the Trust Fund for Lebanon and Jordan this year alone, the European Union continues to demonstrate its resolve to respond to the needs arising from the Syria conflict, and stand side by side with the refugees and the countries hosting them under difficult conditions.

In the reporting period the following actions were adopted by the Operational Board between June and December 2017:

EUR 150.2 million on 6 December 2017:

- **EUR 33 million to support the construction of 10 primary and secondary schools in Jordan;**
- **EUR 20.2 million for the extension of wastewater networks** in areas most affected by the refugee influx in northern Jordan;
- **EUR 40 million to strengthen municipalities in Lebanon and governorates in Iraq** to improve service delivery, facilitate local economic development and access to municipal investments;
- **EUR 25 million to strengthen agricultural livelihoods** and food security among vulnerable refugees and rural communities in Lebanon and Jordan.
- **EUR 20 million for the EU Regional Development and Protection Programme II (RDPP II)** to enable better protection, research and advocacy towards finding innovative aid solutions to the protracted displacement in Iraq, Jordan and Lebanon;
- **EUR 12 million to assist Serbia in providing food security and protection** needs of migrants and refugees in reception centres.

EUR 26.485 million by way of a written procedure on 7 November 2017:

- **EUR 11.61 million to support job creation and entrepreneurship opportunities** for Syrians under Temporary Protection and Host communities in Turkey
- **EUR 5 million to finance scholarships for Syrians** under Temporary Protection and host communities in Turkey
- **EUR 9.875 million to provide increased access to the labour market for youth and adult Syrians** under Temporary Protection in Turkey.

EUR 275.5 million on 20 June 2017:

- **EUR 126.5 million assistance package for Turkey:**
 - EUR 105 million to open access to vocational training, income and employment generation and Turkish language courses for Syrians under temporary protection and host communities.
 - EUR 11.5 million for improved access to health care for refugees and host communities.
 - EUR 10 million to enhance the skills of refugees and capacity building of local authorities in Turkey.
- **EUR 90 million programme for education in Lebanon, Turkey and Jordan** invested in the future of refugee children and young people affected by the Syrian crisis. The focus is on further improving access to education for the next school year, especially in Lebanon with an allocation of EUR 58 million, and on offering protection from violence, abuse and exploitation. The action will also support certified non-formal education opportunities and enhanced psycho-social support.
- **EUR 25 million programme to support vulnerable women and girls in Iraq, Jordan, Lebanon and Turkey.** This will recognize the important role of women in promoting peace and security, and the need to safeguard the rights, protection and specific needs of women and girls. In Iraq, maternal and childcare facilities built with the support of the EU Trust Fund are now in place.
- **EUR 21 million programme to help Serbia manage the migration/refugee crisis** along the Balkan route to strengthen the operational capacity of the Serbian authorities to provide adequate accommodation facilities, living conditions and services in order to effectively respond to the needs of migrants/refugees and asylum seekers.
- **EUR 10 million programme for Jordan's public health system** to ensure increased access to and quality of secondary and tertiary healthcare for Jordanians and Syrian refugees.
- **EUR 3 million programme to support Syrian refugees in Armenia** by enhancing access to health and psychosocial services, improving housing conditions, increasing access to economic opportunities, and by facilitating the integration of schoolchildren and students.

2. PROGRAMMING, IMPLEMENTATION AND RESULTS (INCLUDING EVALUATIONS)

In partnership with the main refugee host governments, all Trust Fund-financed actions are aligned and implemented in accordance with the refugee crisis response plans of the affected countries, in particular the Jordan Response Plan 2016-2018, the Lebanon Crisis Response Plan, and the national plans in Turkey and Iraq, as part of the regional UN refugee and resilience response framework in this regard. The Trust Fund also supports relevant areas of the EU-Turkey Joint Action Plan and is one of the delivery instruments for the Facility for Refugees in Turkey (EUR 293 million).

Including actions already adopted in 2015 and 2016, the overall focus of the Trust Fund has further developed as follows:

EUR 352 million are being invested in education to provide a massive scale-up of support to the Ministries of Education in Turkey, Lebanon and Jordan enabling them to enrol more than 200,000 additional refugee children in school, while also providing for accelerated learning programmes, non-formal and early childhood education and child protection activities. It comprises 4 levels of action: (i) a multi-country programme with UNICEF focusing on Lebanon and Turkey, (ii) several multi-country actions by European NGO groupings focusing on retention support, non-formal and early childhood education, (iii) additional direct support of EUR 20 million to the Jordanian Ministry of Education, and (iv) funding for additional school infrastructure in Turkey and Jordan for more than EUR 100 million. Together, these actions target up to 587,000 school-age children and adolescents that are currently out-of-school. As a result the EU Trust Fund financing will contribute substantially to closing the remaining gap to achieve the goal of bringing all refugee children into education.

EDUCATION AND PROTECTION: In cooperation with UNICEF, 'Generation Found' provides Syrian refugee and host community children with access to quality education, protection, and psycho-social support in Jordan, Lebanon and Turkey.

The project aims to **reach 663.000 children** and is funded with €90 million by the The EU Regional Trust Fund in Response of the Syrian Crisis.



Photo: © UNICEF

EUR 411 million have been allocated for resilience & local development projects responding to the urgent need of improving economic opportunities for refugees and vulnerable host communities beyond dependency on humanitarian relief. These are being implemented through a mix of single-country and multi-country activities by European NGOs, EU Member States development agencies (GiZ, Expertise France, AECID, Italian Cooperation, AfD), and the Red Cross/Red Crescent movement, plus international organisations. The projects target more than 200 communities and 400,000 people across the region and notably also in Iraq and Turkey, addressing basic financial needs of vulnerable families, engaging unemployed and disillusioned youth through work, skills development and community engagement in preparation of a future return to Syria, while also mitigating tensions between host and refugee communities.

RESILIENCE AND LIVELIHOODS: Through a truly European partnership of the German GIZ, Expertise France (EF), Agence France de Cooperation Média, Agence Espagnola de Cooperación Internacional (AECID) and Cooperación Española (FIIAPP), the joint 'QUDRA' project increases economic self-reliance of youth in refugee camps and host communities, covering Lebanon, Jordan, Iraq and Turkey.

The project **targets 975.000 young people** and is funded with €70 million by the EU Regional Trust Fund in Response to the Syrian Crisis.



Providing a total of EUR 133 million, action documents in the health sector aim to widen and enhance access of refugees across the region to primary, secondary and tertiary health care, psycho-social support, and protection from sexual and gender-based violence. This reaches and benefits at least 700,000 refugees with a focus on Turkey and Lebanon. In addition, specific healthcare support is provided in northern Iraq to the Dohuk hospital and in Jordan to several health clinics frequented by refugees.



MATERNAL HEALTH AND CHILD CARE: In cooperation with the Italian NGO AISPO, this project increases access to quality emergency health, maternal and child care for Syrian refugees and the host community of the Dohuk governorate in northern Iraq.

This project **reaches the entire population of the governorate** and is funded with €5 Million by the EU Trust Fund in Response to the Syrian Crisis.

EUR 203 million are used for water, sanitation and hygiene programmes in Jordan and Lebanon and to extend water and wastewater facilities in southern Turkey. These actions are helping Syrian refugees and host communities, where the needs for supporting municipal water and wastewater services are biggest, benefitting more than 1.5 million people.

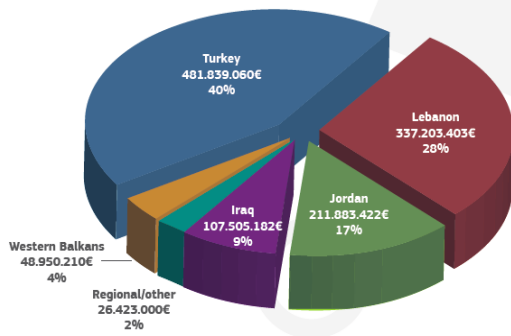
Annex 2: EUR 58 million are providing long-needed support for young Syrians to pursue higher education as well as technical and vocational training in the region around Syria. While before the war, 20% of 18-25 year old Syrians were enrolled in higher and further education, this has dropped to less than 5% among the same age group today among the refugees. With partners such as DAAD, British Council, Campus France, EP-Nuffic, Stichting Spark, UNHCR and the German-Jordanian University, several thousand course placements and scholarships are made available in the region, focusing on Turkey, Jordan, Lebanon and northern Iraq.

Annex 3: Overall, 37 action documents with projects in the above mentioned main sectors have already been approved in 7 meetings of the Trust Fund's Operational Board, covering a total amount of EUR 1.2 billion.

FUNDING BY COUNTRY AND SECTOR

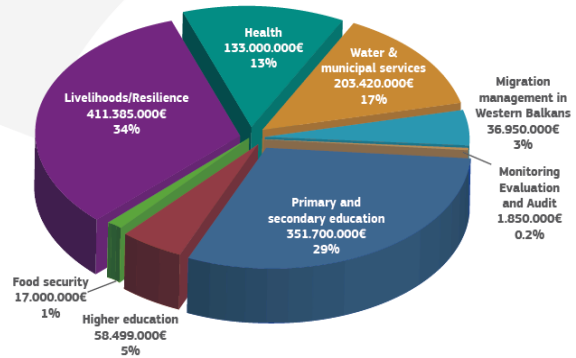
BREAKDOWN BY COUNTRY/REGION

EU Regional Trust Fund Response to the Syrian Crisis the 'Madad Fund'
Actions adopted by the Board for a total of €1213 million - breakdown by country



BREAKDOWN BY SECTOR

EU Regional Trust Fund Response to the Syrian Crisis, the 'Madad Fund'
Actions adopted by the Board for a total of €1213 million - breakdown by sectors



All action documents are published on the TF webpage: https://ec.europa.eu/neighbourhood-enlargement/news_corner/key-documents_en?field_file_theme_tid%5B0%5D=191

At the same time, **contracts for EUR 534 million¹⁰ were signed in 2017, and EUR 313 million were paid out to projects.**

3. FINANCIAL REPORT¹¹

3.1. Amounts pledged and received

At the end of 2017, the EU and 23 donors contributed to the Trust Fund: the EU Budget, 22 Member States and 1 non-Member State, with total contributions reaching an amount of approximately **EUR 1.43 billion**. The contributions from the EU Budget amounted by the end of 2017 to EUR 1.278 billion while the contributions from Member States amounted to EUR 125.8 million and EUR 24.7 million from Turkey.

¹⁰ excluding commitments for administrative expenditure

¹¹ Draft annual accounts of the EU Trust Fund will be annexed to the AAR of the AOD.

**EU Regional Trust Fund in Reponse to the Syrian Crisis, the 'Madad Fund'
Status of contributions and voting rights as of 22 December 2017**

Donor	Commitment in €	Contribution Certificate	Payments in €	Payment	Status in the Operational Board	Voting rights based on contribution certificate(s) with at least one payment received	Status in the Trust Fund Board	Voting rights
EU	1.278.270.806 €	Received	343.919.260 €	done for first tranche/ongoing for the following	Donor with voting right	144	Donor with voting right	1
Denmark	40.000.000 €	Received	20.050.791 €	done	Donor with voting right	20	Donor with voting right	1
Germany	25.000.000 €	Received	25.000.000 €	done	Donor with voting right	17	Donor with voting right	1
Austria	11.500.000 €	Received	11.500.000 €	done	Donor with voting right	11	Donor with voting right	1
Italy	10.000.000 €	Received	10.000.000 €	done	Donor with voting right	10	Donor with voting right	1
Czech Republic	5.000.000 €	Received	5.000.000 €	done	Donor with voting right	5	Donor with voting right	1
Netherlands	5.000.000 €	Received	3.333.334 €	done	Donor with voting right	5	Donor with voting right	1
Poland	4.166.414 €	Received	4.166.414 €	done	Donor with voting right	4	Donor with voting right	1
Finland	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
Sweden	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
France	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
Hungary	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
Slovakia	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
UK	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
Spain	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
Belgium	3.000.000 €	Received	3.000.000 €	done	Donor with voting right	3	Donor with voting right	1
Estonia	550.000 €	Received	550.000 €	done	No presence		Donor	
Portugal	200.000 €	Received	200.000 €	done	No presence		Donor	
Lithuania	100.000 €	Received	100.000 €	done	No presence		Donor	
Bulgaria	100.000 €	Received	100.000 €	done	No presence		Donor	
Romania	80.000 €	Received	80.000 €	done	No presence		Donor	
Latvia	50.000 €	Received	50.000 €	done	No presence		Donor	
Malta	20.000 €	Received	20.000 €	done	No presence		Donor	
Total EU Member States	125.766.414 €		104.150.539 €			96		15
Total EU and MS pledges & commitments	1.404.037.220 €		448.069.799 €			240		16
Turkey	24.650.229 €	Received	24.650.229 €	done	Donor with voting right	16	Donor with voting right	1
Grand Totals	1.428.687.449 €		472.720.028 €		Total voting rights	256	Total voting rights	17

Most of the EU budget contributions have been channelled via the ENI with EUR 724 million, followed by IPA with EUR 361 million. Overall EU budget contributions in 2017 amounted to EUR 474 million in new commitments¹².

¹² In addition to the EUR 1144.96 million committed on the EU Budget an amount of EUR 139.685 million has been contributed from reoriented IPA I funds via Turkey at the end of 2015. This corresponds to a total amount of EU contributions of EUR 1,284,644,806 as shown in the table on the previous page.

Breakdown of Trust Fund contributions from the European Union (EU) budget and from the European Development Fund (EDF)

EUR million

EU programme	Committed for the EUTF		Paid to the EUTF	
	2017	All	2017	All
EU budget - Development Cooperation Instrument (DCI)	19.40	56.37		
EU budget - European Neighbourhood Instrument (ENI)	196.73	724.46	143.00	186.20
EU budget - Humanitarian aid		3.00		
EU budget - Instrument for Pre-accession assistance (IPA II)	258.08	361.14		18.04
Total	474.21	1 144.96	143.00	204.23

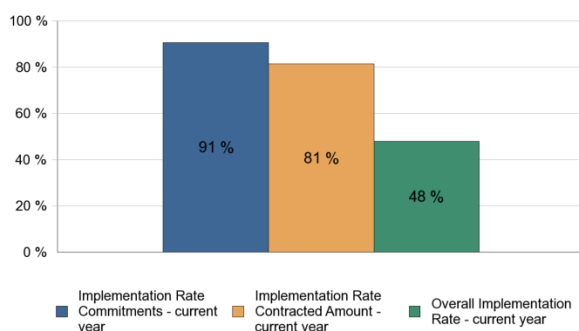
Amounts paid out in 2017 were EUR 313.34 million for projects as operational expenditure, and EUR 3.08 million for administrative expenditure, as shown in the table below:

Multiannual overview of commitment and payment implementation

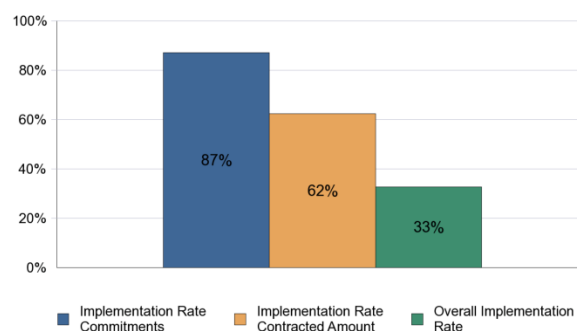
EUR mil.

Expenditure type	Cumulative Amount made Available for Commitments		Committed Amount		Implement. Rate Commitm.		Contracted Amount		Implement. Rate Contracted Amount		Cumulative Amount made Available for Payments		Paid Amount		Overall Implement. Rate	
	2017	All	2017	All	2017	All	2017	All	2017	All	2017	All	2017	All	2017	All
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)	(7)	(8)=(7)/(1)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Administrative expenditure	- 1.80	19.37	3.08	4.54	-	23 %	3.08	4.54	-	23 %	- 3.73	5.74	3.08	4.54	-	23 %
Operational expenditure	661.76	1 389.30	595.25	1 223.58	90 %	88 %	533.93	872.54	81 %	63 %	171.95	467.20	313.34	455.07	47 %	33 %
Total	659.96	1 408.67	598.33	1 228.13	91 %	87 %	537.02	877.08	81 %	62 %	168.22	472.94	316.42	459.61	48 %	33 %

Implementation rates - current year



Implementation rates - all years



3.2. Beneficiaries and amounts contracted

In 2017 the Trust Fund signed 28 new contracts for a total value of EUR 528 million. The details with a list of beneficiaries and amounts contracted are provided below.

No.	Project partner	Associated partners	Priority area of support	Location	EUTF contribution
1.	United Nations High Commissioner for Refugees (UNHCR)	YTB Turkey	Higher Education	Turkey	12.352.942 €
2.	UNWRA	n/a	Multisector aid for basic social services	Jordan and Lebanon	15.000.000 €
3.	Stichting SPARK	Turkish, Iraqi and Lebanese Universities	Higher Education	Lebanon, Turkey and Iraq	18.496.641 €
4.	German Jordanian University	Yarmuk University, Zarqa University, Luminus Al Quds College	Higher Education	Jordan	11.000.000 €
5.	Danish Red Cross	IFRC, European Red Cross societies, Iraqi Red Crescent, Jordanian Red Crescent, Lebanese Red Cross, Turkish Red Crescent, Palestinian Red Cross	Livelihoods and Health	Egypt, Iraq, Jordan, Lebanon and Turkey	49.290.000 €
6.	World Bank/EBRD	EBRD	Contribution to the Global Concessional Finance Facility (GCFF)	Jordan and Lebanon	5.000.000 €
7.	ACTED	Action contra el hambre, Action Contre la Faim, INTERSOS	WASH - water sanitation and hygiene	Jordan and Lebanon	11.902.088 €
8.	Agence Française de Développement (AFD)	n/a	Multi-sector aid for basic social services and local capacity building	Lebanon, Jordan, Iraq	9.450.000 €
9.	United Nations High Commissioner for Refugees (UNHCR)	n/a	Healthcare	Lebanon	15.000.000 €
10.	World Vision	CAFOD, Caritas Lebanon, Generations for Peace, Islamic Relief, Questscope	Multi-sector aid for youth	Lebanon, Jordan, Iraq	12.796.827 €
11.	Mine Advisory Group (MAG)	Handicap International (HI)	Demining (explosive Hazard management)	Iraq	10.000.000 €
12.	Particip	n/a	Monitoring & Evaluation	All EUTF Madad countries	1.777.000 €
13.	OXFAM	BEYOND REFORM & DEVELOPMENT, UTOPIA and Association Najdeh	Local economic development, social entrepreneurship, job creation	Lebanon	3.224.458 €
14.	Association for Solidarity with Asylum Seekers and Migrants (ASAM)	Refugee Support Centre (RSC)	Multi-sector aid to improve reception and protection services	Turkey	10.000.000 €
15.	Government of Jordan	n/a	Budget Support to Education	Jordan	20.000.000 €
16.	Concern	n/a	Resilience and Livelihoods	Turkey	17.280.000 €
17.	UN WOMEN		Gender, Resilience and Livelihoods	Turkey, Jordan, Iraq	12.500.000 €
18.	SPARK	YÖK	Higher Education	Turkey	5.000.000 €
19.	ILO-IOM	UN	Resilience and Livelihoods	Turkey	11.610.000 €
20.	Union of Chambers and Commodity Exchanges of Turkey (TOBB)	n/a	Employment policy and Livelihoods	Turkey	15.000.000 €
21.	KfW	n/a	Resilience, multi sector aid	Turkey	40.000.000 €
22.	UNICEF	n/a	Primary Education and Protection	Jordan, Lebanon and Turkey	95.900.000 €
23.	Italian Cooperation	n/a	Multi-sector aid for basic social services and local capacity building	Lebanon, Jordan, Iraq	12.595.500 €
24.	Medair	Tearfund UK , Arab Centre For Consulting and Training Services / Arab Women Today (ACCTS/AWT)	Resilience and Protection	Jordan and Lebanon	3.546.053 €
25.	Ministry of Labour, Employment, Veteran and Social Affairs	n/a	Resilience, education, health and protection	Serbia	16.000.000 €
26.	UNDP	n/a	Resilience and Livelihoods	Turkey	50.000.000 €
27.	IMC	Première Urgence, Fondation Promocion Social de la Cultura	Health	Lebanon	31.852.672 €
28.	WHO	Ministry of Health	Health	Turkey	11.500.000 €
Total new contracts:					528.074.181 €
Additional commitments to 2016 contracts:					5.000.000 €
Total funds committed to projects in 2017					533.074.181 €
Communication & Visibility					802.680 €
Annual external audit					28.550 €
Total amount contracted in 2017					533.905.411 €
Administrative expenditure in 2017					3.083.748 €
Total TF commitments at contract level 2017					536.989.159 €

In addition, EUR 5 million were committed in additional budget to two ongoing projects within the 20% flexibility margin of the TF Manager. Also, a communication

service contract was signed for EUR 802,680 and the annual external audit required a service contract for EUR 28,550. Together, this resulted in a total amount committed to contracts of EUR 534 million in 2017.

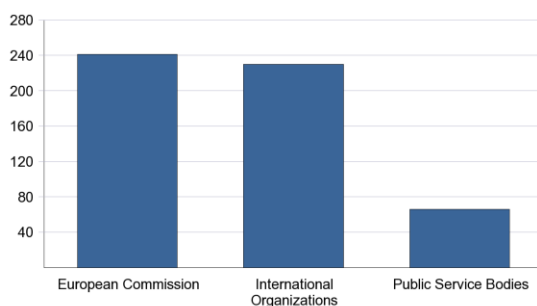
Administrative expenditure, largely for contract staff, amounted to EUR 3 million in 2017, which then equals the fully contracted amount of EUR 537 million as shown in the charts on page 13 and 15.

The spread in terms of type of implementing partners remains at about 1/3 by way of direct management, mostly with NGO's, and about 2/3 through indirect management with international organisations and delegated public service bodies.

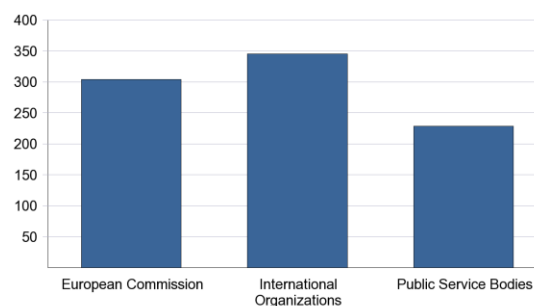
Breakdown of contracted and paid amounts by management type and implementing actor

EUR million						
Management type	Implementing Actor	Budget implementation type	Contacted Amount - 2017	Contracted Amount - Total	Paid Amount - 2017	Paid Amount - Total
Direct Management	European Commission	Commission's Department	241.11	291.80	90.41	106.52
		Union's Delegation	-	12.03	-	6.37
Indirect Management	International Organizations		229.86	345.01	168.87	264.10
	Public Service Bodies		66.05	228.24	57.14	82.62
Total			537.02	877.08	316.42	459.61

Contracted Amount by Implementing Actor - current year



Contracted Amount by Implementing Actor - all years



4. MANAGEMENT AND INTERNAL CONTROL

4.1. Control results

4.1.1. General

The EU Trust Fund operates embedded in the general system of internal control defined by the Commission. In addition the Trust Fund is subject to an external audit.

As per the Constitutive Agreement of the Trust Fund and given its objective to operate in a crisis and post-crisis situation, flexible procedures appropriate to the local environment are used to ensure that the Fund is effective and responsive to the needs identified. These procedures are in accordance with the FR provisions and are set up in DG NEAR's financial guides. Their use needs to be justified on a case by case basis. A register of exceptions, derogations and prior approvals granted under

the Trust Fund together with non-compliance events detected during the year is kept.

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

Ex-ante controls are carried out by the TF staff for all operations/transactions carried out under the TF.

The Trust Fund Managers take into account reports and recommendations of the different control bodies, notably the IAS and Court of Auditors, for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes, in addition to the results of the audits carried out at the level of contractors/beneficiaries.

The European Anti-Fraud Office (OLAF) exercises the same powers over the Trust Fund in its entirety, including its governance bodies and the representatives of donors and observers participating in such bodies, as it does in respect of other activities of the Commission.

4.1.2. Results of ex-ante controls

N/A since only one report with a subsequent further pre-financing was received.

4.1.3. Results of external audits

N/A

4.1.4. Fraud prevention and detection¹³

N/A. No cases forwarded for investigation.

4.2. Observations and recommendations made by IAS/ECA

The Trust Fund (as well as the DG DEVCO managed Bekou EUTF) was subject of an IAS audit (Ares (2016) 503448 29-01-2016). The IAS recommendations have resulted in an action plan by DG NEAR to implement the 10 recommendations under its responsibility. All actions have now been implemented

¹³ EU Trust Funds are included in the anti-fraud strategy of the DG of the Authorising Officer in charge.

4.3. Assessment of the effectiveness of the internal control systems

The EU Trust Fund operates in the general system of internal control defined by the Commission. In this framework, during its first year of operation the EU Trust Fund has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

Monitoring of the compliance and effectiveness of the internal control systems was done on a continuous basis by the Trust Fund Manager and adjusted and complemented where necessary.

Exceptions, derogations, prior approvals and non-compliance events occurred during the reporting period have been registered and documented.

The TF manager ensured availability of a business management workflow process in place based on EC standard operating procedures in line with PRAG and the Companion. Respective was shared with FCA and all Delegations involved in managing TF business management to ensure clarity of goals and transparency for all. The workflow process also entails the timely appointment of negotiation committees and a business management process structuring the negotiations.

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

The following aspects to improve can be signalled which are mainly attributed to the general environment of external aid in crisis situations:

- Systems, circuits and procedures to be further fine-tuned to the specificities of the Trust Fund (revised EUTF guidelines due by DEVCO in 2018).
- While the introduction of the MIS application for all of the EUTF ongoing and planned commitments and payments in DG NEAR has improved the tracking, coordination and organisation of the TF portfolio, IT systems would still need to be developed in order to provide for an automatic registration of information that is currently compiled manually (e.g. exceptions, derogations and non-compliance events). The risk involved in manual processing, which is more prone to error, will grow as the volume of actions financed by the Trust Fund increases. This may lead to an unacceptably high risk of error and a reduction of the efficiency of the Trust Fund.

4.4. Conclusions as regards assurance

In response to the growing financial resources of the EUTF, there have been notable reinforcements of human resources in DG NEAR of both the operational and financial management of the EUTF in Directorate R and B, respectively, which have greatly improved the capacity for timely contracting of projects, as well as regarding monitoring and management of ongoing projects and commitments. This is reflected

by the high number of new projects/contracts in 2017, making this EUTF performing very well in comparison based on the data provided by the monthly EUTF report of DG BUDG covering all 4 current EUTFs.

Also the completion of all actions under the action plan in response to the recommendations of the IAS audit by end of 2017 provides further assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

5. DECLARATION OF ASSURANCE (AND RESERVATIONS)

I, the undersigned,

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

In my capacity as authorising officer by sub-delegation

Declare that the information contained in this report gives a true and fair view¹⁴.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the observations of the Internal Audit Service for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the European Union Trust Fund in Response to the Syrian Crisis.

Brussels, 15 February 2018

(signature)

Nadim KARKUTLI

¹⁴ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

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

Reference/Entity	Title	Reason ¹	Scope ²	Type ³	Associated DGs	Costs (EUR)	Comments	Reference
I. Evaluations finalised or cancelled in 2017								
a. Evaluations finalised in 2017								
NEAR A4	ENI mid-term evaluation for MTR 2014-2020	L	European Neighborhood Instrument	E	DEVCO	281,748	Input to the Mid-term Review Report of EU External Instruments	Link: https://ec.europa.eu/europeaid/mid-term-review-report-external-financing-instruments_en SWD(2017) 602 final dated 15.12.2017
NEAR A4	IPA II mid-term evaluation for MTR 2014-2020	L	Instrument for Pre-Accession	E		271,820	Input to the Mid-term Review Report of EU External Instruments	Link: https://ec.europa.eu/europeaid/mid-term-review-report-external-financing-instruments_en SWD(2017) 463 final dated 15.12.2017
NEAR A4	Thematic evaluation on support to economic governance	FR	Pre-accession assistance to economic governance in Enlargement beneficiaries	E		247,516	The evaluation, including open public consultation has been completed. However, the relevant Staff Working Paper is planned to be completed in 2018	Link: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/170818_thematic_ev_of_economic_governance_-_final_report.pdf

b. Evaluations cancelled in 2017

none

II. Other studies finalised or cancelled in 2017**a. Other studies finalised in 2017**

N/A	Thematic evaluation on the support to SME competitiveness	O	Assistance to SME competitiveness in NEAR countries	E		223,477		https://ec.europa.eu/neighbourhood-enlargement/tenders/monitoring-and-evaluation_en
EUD Egypt	Enhancing access of children to education and fighting child labour	O	ENPI/2014/346-287	E		100,000	Mid-term evaluation	
EUD Egypt	Support for political development, decentralisation and promotion of good governance	O	ENPI/2008/019-606 - ENPI/2011/268-770	E		24,000	Final evaluation	
EUD Jordan	Support to Research, Technological Development and Innovation in Jordan – Phase II	O	2011/023-204	E		90,000	Final evaluation	
EUD Jordan	Support to the security sector in applying the rule of law	O	2012/023-533	E		100,000	Final evaluation	
EUD Ukraine	Support to Ukraine's Regional Development Policy and Community based approach	O	ENPI/2013/311-144	E		50,000	Final evaluation	
EUD BiH	Evaluation of IPA I Environment infrastructure projects in BiH	O		E		99,780	Thematic evaluation	

EUD Algeria	Structuration du secteur de l'économie sociale, solidaire et innovante et soutien au développement de l'entrepreneuriat des jeunes	O	ENPI/2015/36 9-267	E		0	Mid-term evaluation	
EUO Kosovo	Evaluation of EU Support to Juvenile Justice	O	IPA 2009, 2013	E		48,968	Thematic evaluation	
EUO Kosovo	Evaluation of EU-Community Stabilisation Programme in Kosovo	O	IPA 2009, 2011, 2014	E		59,530	Thematic evaluation	
EUD Morocco	Initiative Nationale de Développement Humain (INDH II)	O	ENPI/2012/02 4-196	E		100,000	Final evaluation	

b. Other studies cancelled in 2017								
EUD Jordan	Support to the Education, mentoring and skills development for displaced Syrian in Jordan	O	2012/024-425, 2013/024-989	E		100,000	Final evaluation; cancelled due to lack of budget	
EUD Ukraine	Support to State Fiscal Service (SFS) of Ukraine in reinforcing IBM elements in the area of customs matters	O		E		50,000	Mid-term evaluation; a ROM review was carried out which turned to be very positive; thus, there was no need for an additional evaluation	
EUD Serbia	Evaluation of EU assistance to address migration flow in Serbia	O	2015/038-754	E		150,000	Thematic/Mid-term evaluation. Due to the continuously growing allocated for tackling the migration crisis, an evaluation was not considered an appropriate assessment too. Instead, ROM missions, and impact assessments, were used to assess impact, effectiveness, efficiency and added value in ongoing migration	

							contracts.	
EUD Libya	Migration Costing and Scoping Study	O	EU Trust fund migration	E		100,000	Mid-term evaluation; cancelled due to lack of budget	

1 L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, CWP - 'evaluate first', O - other (please specify in Comments)

2 What programme/regulatory measure/initiative/policy area etc. has been covered

3 FC – 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

ANNEX 10: European Court of Auditors – Performance audits

In 2017, two performance audit reports were published by the European Court of auditors in which DG NEAR was involved. The report of the performance audit for which DG NEAR was in the lead - 'EU assistance to Tunisia', was published in March 2017 and the report for which DG NEAR was associated – 'Follow up on Election Observation Missions (EOM)' was published in December 2017.

'EU assistance to Tunisia'

Objective

This Court's audit focused on assistance delivered to Tunisia after the Revolution of 2011.

The publishing of the report comes at a time when the EU has committed to further step up its support to Tunisia. The overall positive assessment of the report is encouraging. Its observations and recommendations will allow to further enhance the efficiency and impact of the assistance of the Commission.

The audit aimed to answer the following overall audit question: Has EU assistance to Tunisia, following the Arab spring revolution in 2011, been well spent?'

The audit addressed the following two questions:

1. Did the EEAS and the Commission address the key challenges?

The audit examined whether the critical issues were identified, the proper aid modalities were selected and the actions were well-coordinated.

2. Did the Commission implement programmes well?

Were the programmes well designed and executed, and whether the foreseen outputs were delivered?

The Court assessed that the EU has provided considerable political and substantial financial support to help Tunisia cope with the new challenges. In the period 2011 to 2015, the EU allocated a sum of EUR1.3 billion bilateral assistance to Tunisia (EUR1 billion in grants and EUR300 million in loans).

Main findings

The Court acknowledges that the EU strove to respond quickly to two of the main challenges: 1) the need to succeed the democratic transition and 2) to help the country overcome its serious socio-economic turbulences.

It further concludes that the money was generally well-spent and well-targeted and contributed significantly to the democratic transition and the economic stability of Tunisia after the revolution. However, the report also highlights some shortcomings in the assistance management, which the Commission is already addressing.

The Court's findings are listed below:

The Commission tried to tackle too many areas with the result that the potential impact of its aid was diluted and its numerous actions were difficult to manage.

EU actions were well coordinated with the main donors and within the EU institutions and departments, but joint programming with the Member States was not undertaken.

General budget support was disbursed quickly but the conditionality attached was too flexible.

Sector budget support programmes were relevant but a credible strategy was missing.

The MFA loan provided valuable access to finance despite delays and a low rate of disbursement.

Projects tackled relevant issues but there were design weaknesses and delays.

As a result, the Court issued the following 4 recommendations, which were all accepted by the Commission and the EEAS:

1. Strengthen the programming and focus of the EU assistance;
2. Strengthen the implementation of EU budget support programmes;
3. Make proposals to speed up the MFA approval process;
4. Improve the planning of projects.

Commission position

The Commission welcomes the report and agrees with its main findings. The following actions have already been taken in this respect:

- The need to focus on 'priorities of priorities' is being reaffirmed during all political and policy dialogue opportunities;
- During the period 2014-2016 the Commission had identified 3 main intervention sectors. Thus a clustering effort had been made already during this period;
- The joint programming exercise is currently being coordinated by the EU Delegation, with the support of HQs. All Member States present in Tunisia have been involved by the EU Delegation. There are also on-going actions that are currently being carried out by DG NEAR in order to fulfil the ECA recommendations, inter alia:
- The recent adoption of the Tunisian 5-year development should facilitate closer alignment of donor interventions along Government of Tunisia priorities with a view to complete joint programming in 2018;
- The Commission is favouring more use of the sector budget support modality in relation to national strategies.

'Follow-up on Election Observation Missions (EOM)'

Objective

The main purpose of this audit, for which DG NEAR was involved as associated DG, was to assess whether the European External Action Service (EEAS) and the European Commission had provided support for the implementation of the recommendations by the host countries. To this end, the audit has covered EU EOM follow-up in four countries: Ghana, Jordan (DG NEAR), Nigeria and Sri Lanka, with a focus on elections observed after 2010.

In detail, the Court examined whether the recommendations had been drafted and

presented in such a way as to facilitate their implementation; whether stakeholders in the host countries had been consulted on the recommendations so as to foster local ownership, and thereby increasing the likelihood of implementation. Subsequently, the auditors checked whether the EEAS and the European Commission had used the tools at their disposal to support the implementation of EU EOM recommendations. The most important tools were identified as Election Follow-up Missions (EFMs), political dialogue and electoral assistance. Finally, the Court assessed the efforts made to monitor the results on the ground.

Main findings

The Court found that the EEAS and the Commission had made reasonable efforts to support the implementation of the EU EOM recommendations and had used the tools at their disposal to this end. Presentation of EU EOM recommendations has improved in recent years, but more consultation is needed on the ground. The EEAS and the Commission engaged in political dialogue and provided electoral assistance to support implementation of the recommendations, but EFMs are not deployed as often as they could be. Lastly, the Court concluded that there is neither a central overview of the recommendations nor a systematic assessment of their implementation status.

As a result, the Court issued the following 6 recommendations to EEAS, none of which were directly addressed to DG NEAR:

- Ensure, through a systematic quality control on the format before publication of the final report, that the EU EOMs follow the drafting guidelines and template;
- Systematically ensure that the Core Team consults stakeholders in the host country on the recommendations before the report is finalised;
- Make sure that the stakeholder roundtable is scheduled at least four working days after the report is released, giving participants enough time to familiarise themselves with the report and its recommendations ahead of the meeting;
- When possible, deploy EFMs to countries that have hosted an EU EOM, at a suitable time between elections, provided that the political or security situation in the host country so allows;
- Set up a centralised depository for EU EOM recommendations; and
- Track progress on implementing EU EOM recommendations on a regular basis.

Commission position

The Commission welcomes the report and agrees with its main findings. The EEAS and the Commission services are committed to strengthen the follow-up to the EU EOMs' recommendations.

ANNEX 11: Analysis of Key Performance Indicators

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I.1 Summary

Results at global level

The global performance for DG NEAR further improved in 2017 compared with 2016, as presented in the table below. A total number of 21 out of 25 KPIs were in line with the targets of 2017 corresponding to an overall success rate of 84%, which is slightly better than last year¹⁵. The 21 KPIs that reached the target are:

9 in the category A - 'Sound Financial Management and Efficient Use of EC Resources': Accuracy of initial annual financial forecast for payments, contracts and decisions (KPI 1, KPI 2 and KPI 3), % of Projects with a red traffic light for Implementation Progress (KPI 5), % of Projects with a red traffic light for Achieving Objectives (KPI 6), Reduction of Old RAL (KPI 7), % of payments paid within contractual deadline (KPI 10), % invoices registered within 7 days of the Commission reception date (KPI 11) and Use of DEVCO/NEAR staff and respect of flexibility arrangements (KPI 12).

All 9 KPIs in the category B – Effectiveness of internal control systems (ICS).

3 in the category C - 'Effectiveness of audit system': % contracted of the Annual Audit Plan: Year N (KPI 22), % implementation of the Annual Audit Plan: Year N-1 and Year N-2 (KPI 23, KPI 24).

¹⁵ In 2016, 20 out of 24 KPIs reached the target – representing 83,3%

KPI Name (*)	KPI result 2017	Annual Target/Benchmark	KPI result 2016
A - Sound financial management and effective use of EC Resources			
K01	Accuracy of initial annual financial forecast for payments	91.10% ▼ From 90% to 110%	94,95%
K02	Accuracy of initial annual financial forecast for contracts	108.38% ▲ From 90% to 110%	91,43%
K03	Accuracy of initial annual financial forecast for decisions	99.99% ▲ From 90% to 110%	99,06%
K04	RAL Absorption Period	4.24 ▼ Less than 4 years	4,15
K05	% of Projects with a red traffic light for Implementation Progress.	3.63% ▲ Not more than 10%	3,91%
K06	% of Projects with a red traffic light for Achieving Objectives	4.06% ▲ Not more than 10%	4,98%
K07	Reduction of Old Pre-financing	31.23% ▼ At least 25%	32,83%
K08	Expired Contracts as a % of the contract portfolio	18.34% ▼ Not more than 15%	15,66%
K09	Reduction of Old RAL	18.43% ▼ At least 25%	36,55%
K10	% of payments paid within the contractual deadline	88.62% ▲ At least 85%	54,13%
K11	% invoices registered within 7 days of the Commission reception date	88.44% At least 80%	N/A
K12	Use of DEVCO/NEAR staff and respect of the flexibility arrangements	100.00%= Yes for 100% of Delegations	100,00%
B - Effectiveness of internal control systems (ICS)			
K13	ICS - Mission and Values	93.18% ▼ At least 80%	96,21%
K14	ICS - Human Resources	95.96% ▲ At least 80%	94,10%
K15	ICS - Planning and Risk Management Processes	96.10% ▲ At least 80%	92,64%
K16	ICS - Operations and Control Activities	95.39% ▲ At least 80%	93,60%
K17	ICS - Information and Finances	96.21% ▲ At least 80%	93,18%

K18	ICS - Evaluation and Audit	98.74% ▲	At least 80%	95,20%
K19	% of projects visited by Commission staff and/or the HoD, by project value	82.41% ▲	At least 80%	81,98%
K20	% contracting of project evaluations in the Annual Evaluation Plan (AEP)	80.89% ▲	At least 75%	75,56%
K21	Undue payments prevented by ex-ante controls as a % of the claimed amount	6.57% ▲	At least 2%	4,64%
C – Effectiveness of audit system				
K22	% contracted of the Annual Audit Plan: Year N	75.99% ▲	At least 60%	61,81%
K23	% implementation of the Annual Audit Plan: Year N-1	69.68% ▼	At least 40%	96,61%
K24	% implementation of the Annual Audit Plan: Year N-2	96.62% ▼	At least 60%	100,00%
K25	Ineligible amounts identified by audits as a % of the audited amount	1.37% ▼	At least 2%	1,83%

(*) Explanation of the table: The arrows indicate the trend compared to 2016 in terms of improvement (upwards) or stagnation (downwards). In 2017 a new KPI was introduced, KPI 11, which measures the percentage of invoices registered within seven days of the Commission reception date. Consequentially, there are no trends yet for KPI 11. In addition, the KPI 10 definition has been changed compared to last year. In 2017, this KPI is defined as the percentage of payments paid within the contractual deadline whereas in 2016, this KPI was defined as the percentage of payments paid within 30 days.

The two DG NEAR instruments for Pre-accession Assistance (IPAI) and European Neighbourhood (ENI) are measured against the same targets. However, as IPA is aimed at a different objective than ENI it is important to note that IPA has a longer implementation cycle. The Financial Memorandum (FM) signed with the enlargement countries provides the basis for multi-annual assistance implemented by the country. For the purpose of coherence with ENI the FMs are compared with projects which are measured under KPI5 and 6. Detailed explanation is given under the section of this report related to KPI5 and 6.

Priorities for 2018

The four remaining KPIs that are below the benchmark are the RAL Absorption Period (KPI 4), Expired contracts as a % of the contracts portfolio (KPI 8), Reduction of Old RAL (KPI 9) and Ineligible amounts identified by audits as a % of the audited amount (KPI 25).

Improvement for these KPIs will be part of NEAR's priorities for 2018 as described below.

For KPI4, the RAL absorption period is slightly above the target (4.24 years against target value of less than 4 years). Twelve Delegations did not meet the benchmark for

this KPI. This is the result of a combination of high financial amounts committed during the year and low level of payment during the reporting year.

KPI8 – Expired Contracts as a% of contract portfolio. At the end of 2017, 1,029 contracts or 18.34% of the total number of all open contracts (5,610) were expired. This is not an improvement compared to 2016 where the figure was 15.62% and 852 expired contracts.

Eight Delegations did not meet the benchmark. The most common reasons are:

- Contracts linked with Audits planned or in process;
- Recovery orders to be processed;
- Recovery orders to be waived or cancelled;
- Terminated contracts with the amount due to contractor still to be established;
- Different outstanding contractual & legal issues.

KPI9 – Reduction of Old RAL. The overall result of 18.43% does not exceed the target of at least 25%. Nine Delegations did not meet the benchmark for KPI 9. Contracts holding an old RAL relate mainly to grants (37%) and services (27%).

The overall result is mainly due to the following factors:

- The increase in the number of contracts which could not be closed given their different outstanding contractual & legal issues.
- For some decisions, contracts still have to be concluded. For other decisions, funds should still be de-committed after closure. This did not happen on the one hand due to audit and evaluations still to be undertaken, on the other hand, due to late closure of contracts.
- Pending disbursements for Budget Support (BS) operations which have been blocked since 2013 in Egypt and the need in recent years to explore alternative options to Budget Support, leading to a significant increase in EU blending operations with Egypt. Blending operations, usually concern major and highly complex investment projects with an average implementation period significantly longer than the average duration of EU programmes implemented under other modalities.

As a mitigating measure, close follow-up on closure of contracts and the start in 2018 of data quality campaigns will further improve the sound financial management and effective use of EC resources for the 3 KPIs which did not meet the benchmark in 2017 (KPI 4 - RAL Absorption Period, KPI 8 - Expired contracts as a % of the contracts portfolio, KPI 9 - Reduction of Old RAL).

For KPI25 - Ineligible amounts identified by audits as a % of the audited amount. At DG NEAR level, 1.37% or EUR 8.94 million of audited expenditure was found to be ineligible which is lower than the 1.83% or EUR 8 million in 2016. Overall, this reflects that contracts are in general well monitored by the HQs/EU Delegations (EUD) and ineligible costs are detected early.

However, in order to improve the identification of ineligible amounts by audits as a % of the audited amount (KPI 25), the HQs/EUD will take additional measures towards cost-effectiveness and improved audit performance.

Results at Delegation level:

It is to be noted, as highlighted below, that good results have been achieved at Delegation level with an increased number of Delegations meeting targets for most of the KPIs in 2017.

% of green KPIs	2015		2016		2017	
	Number of Delegations	%	Number of Delegations	%	Number of Delegations	%
Total Delegations	22		22		22	
80% and more	0	00%	6	27%▲	15	68%▲
60% and more	11	50%	21	95%▲	21	95%=
Less than 50%	11	50%	1	05%▲	1	05%=

At 2017 year end and thanks to the action plan implemented during the year, only one Delegation, Syria, did not achieve the benchmark of more than 60% of green KPIs. However, despite the current difficult situation in Syria, the performance of the Delegation further improved compared to 2016. Its benchmark increased from 22% to 40%. For more details, please see section II.2 "Detailed Analysis".

Overall Green KPI Result for	2015	2016	2017
Albania	50%	74%	76%
Belarus	59%	70%	92%
Egypt	44%	83%	84%
European Union Office in Kosovo ¹⁶	50%	70%	80%
Georgia	56%	91%	96%
Morocco	50%	83%	88%
The former Yugoslav Republic of Macedonia	56%	74%	92%
Syria	31%	22%	40%

¹⁶ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Serbia	56%	65%	76%
Turkey	50%	70%	80%
Ukraine	56%	78%	80%

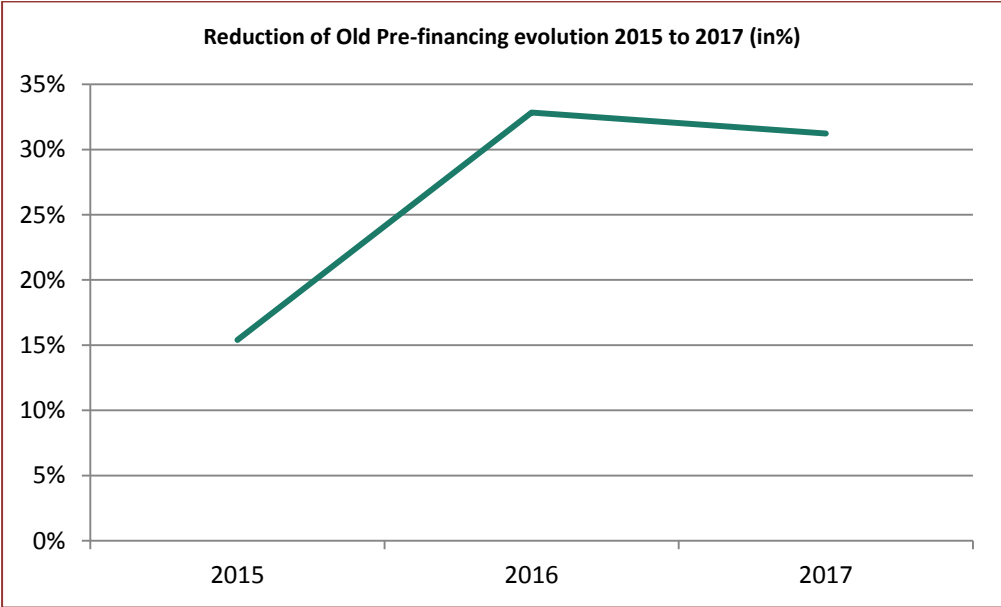
The general trend at KPI level is positive with steady improvements achieved for most of the KPIs.

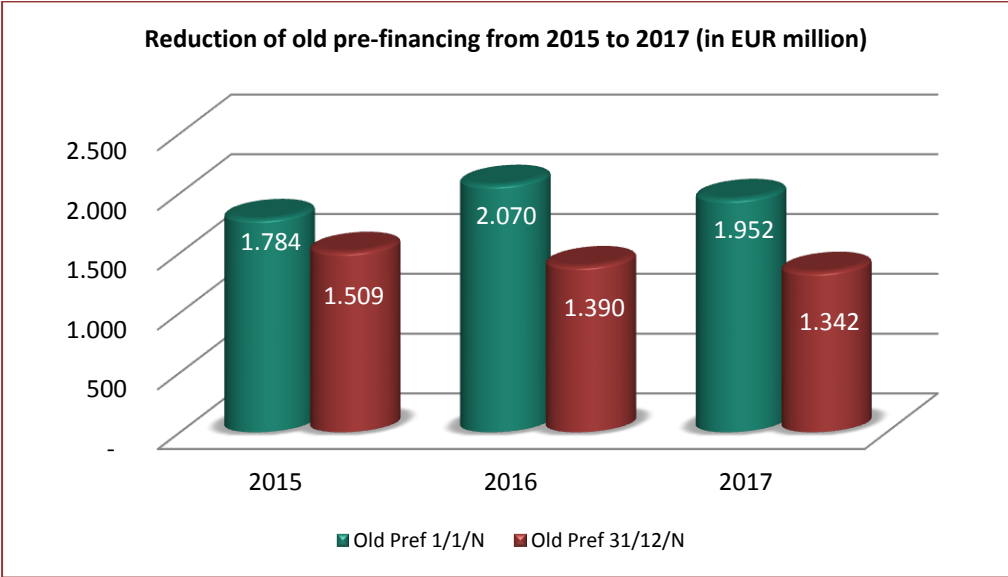
Accuracy of initial annual financial forecast for payments is continuously accurate and as good as within benchmarks over the last 3 years (2017: 91.10%, 2016: 95.06% and 2015: 90.68%).

Accuracy of initial annual financial forecasts for contracts is continuously accurate and as good as within benchmarks over the last 3 years (2017: 108.38%, 2016: 91.45% and 2015: 104.52%)

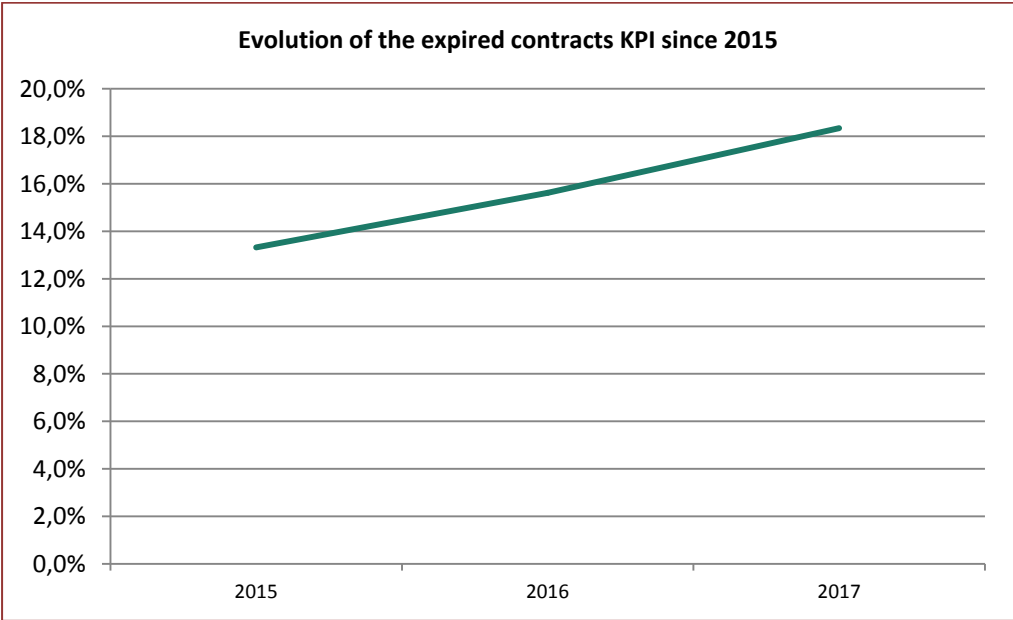
Accuracy of initial annual forecasts for decisions is continuously accurate and as good as within benchmarks over the last 2 years (2017: 99.99% and 2016: 99.06%). In 2015, this KPI was not available for DG NEAR

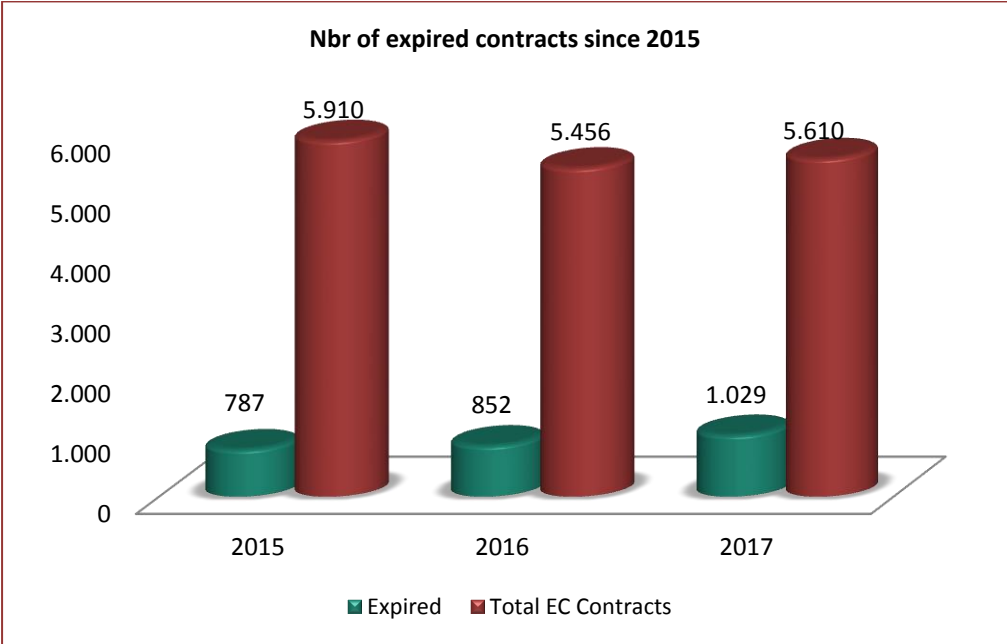
During the last three years, DG NEAR has managed to improve the reduction of the amount of old pre-financing. It has to be noted that this depends on the maturity of old pre-financings as they fall into the reference period. The graphs below show the evolution of reduction of old pre-financing in percentage and in amount.



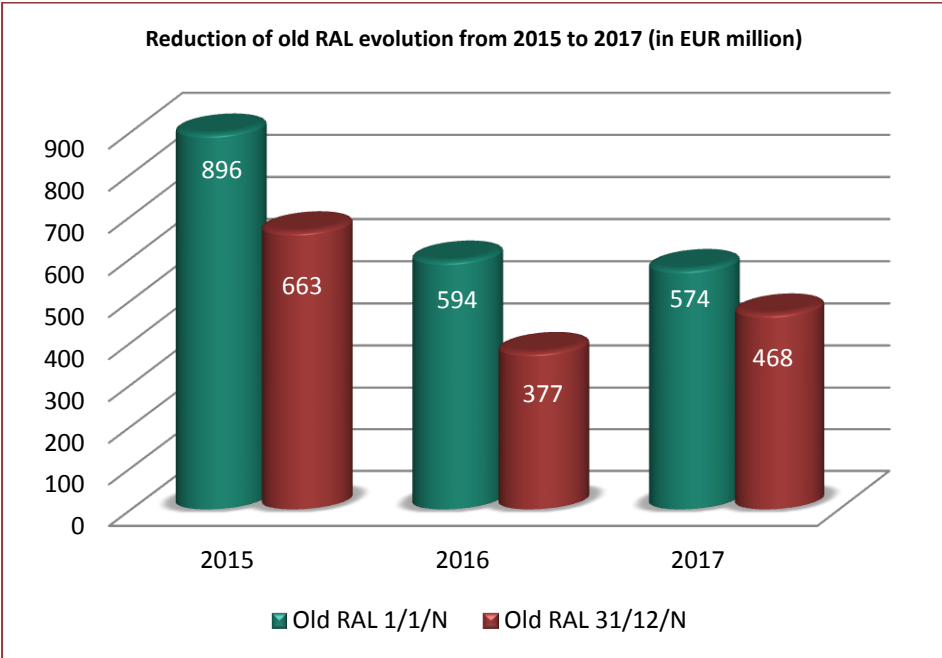
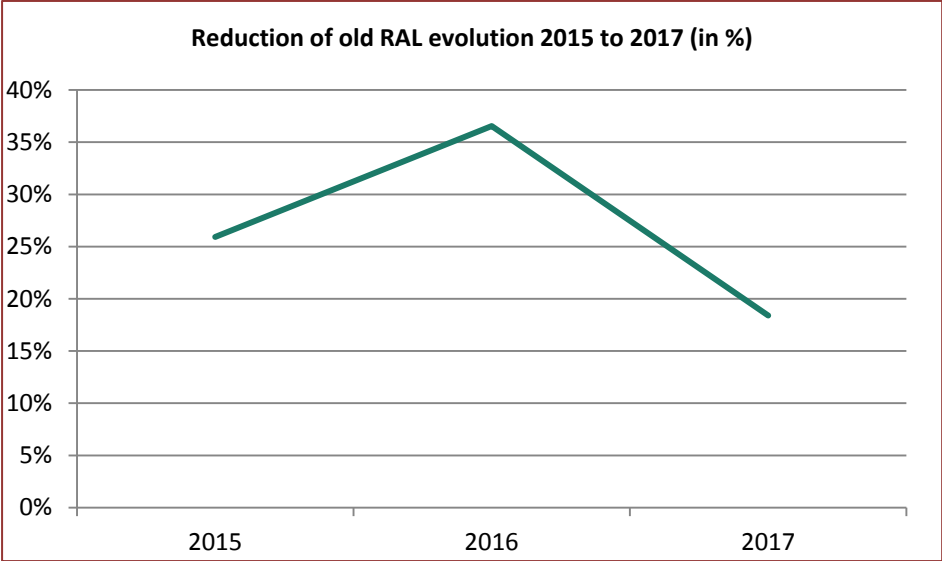


The KPI on expired contracts does not reach the benchmark target (2017: 18.34%, 2016: 15.62% and 2015: 13.32%). Despite close follow-up, some situations do not allow for the closure yet. The evolution in terms of percentage and numbers is illustrated by the graphs below.





The amount of old RAL has not reached the benchmark in 2017. The situation varies from one Delegation to another, some being unable to close old commitments due to forthcoming evaluations or audits or late closure of contracts. Closure of contracts will be set as a priority in 2018 in order to clean up the contract portfolio and reduce old RAL. The two graphs below show the evolution of old RAL in percentage and in amounts.



Ex-ante ineligible amounts have not reached the benchmark (2017: 1.37% - EUR 8.94 million, 2016: 1.83% - EUR 8 million and 2015: 1.8% - EUR 9 million). Overall, this reflects that contracts are in general well monitored by the Directorates and EU Delegations and early detection of ineligible costs. In order to improve the rates, the HQs/EUD will take additional measures towards cost-effectiveness and improved audit performance.

The implementation of all three audit plans has reached the highest results in 3 years. This confirms the improvements enabled by the new audit system.

Performance on projects implementation and results (KPI-5 and KPI-6)

KPI-5 and KPI-6 are forward looking and risk-based indicators calling for attention on projects performing not as expected. The actual performance on these KPIs is above the benchmarks of maximum 10 % red projects, with respectively 3.63% and 4.06%. The KPIs improved compared to previous year were the actual performance on these KPIs 5 and 6 were respectively 3.91 and 4.98%.

In addition to the usual benchmarks on red projects for KPI-5 and KPI-6, the EAMRs report on moderately problematic projects ("orange" flagging). While the number is substantially higher than the red projects, they provide an indication of projects' ambitions in terms of results. The majority of Delegations announce an increased policy dialogue and possible extension of project duration as corrective measures to keep up to these high expectations. Capacity of implementing partner and beneficiaries and correlated issues of procurement are frequently cited as concern.

The performance may be different if considered in number of projects or in value of projects. Therefore the EAMR provides data on KPI-5 and KPI-6 in both numbers and values on orange and on red projects and on both combined. While on average the performance is relatively similar at Directorate General level in value or in number of projects, substantial differences may appear at the level of Delegations. For details see section II.2."Detailed analysis under KPI 5 and 6".

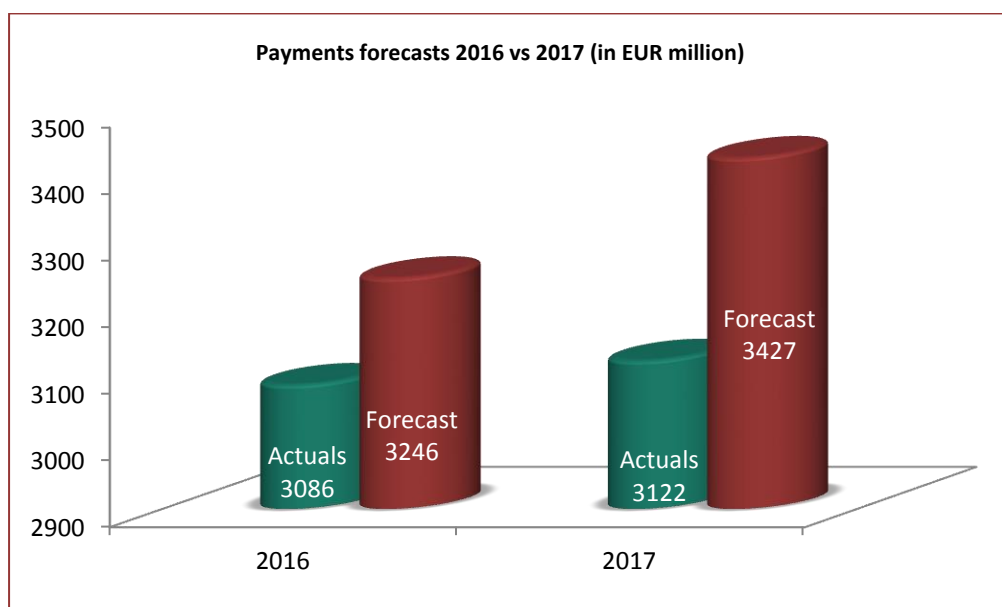
I.2 - Detailed analysis

Results at KPI level

KPI 1 – Accuracy of initial annual financial forecast for payments

In 2017, NEAR achieved 91.10% of its financial forecasts for payments (EUR 3,122 million out of a total of EUR 3,427 million forecasted for payments). In 2016, the result was at 95.06% and EUR 3,086 million.

91.10 %▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI Value	109.18%	96.10%	83.87%	79.48%	148.11%	71.27%	91.10%
Actuals (in EUR million)	587.48	1,278.99	499.23	600.89	15.44	140.01	3,122.04
Forecasts (in EUR million)	538.11	1,330.85	595.26	756.07	10.42	196.44	3,427.15
Variance (in EUR million)	49.38	-51.85	-96.03	-155.18	5.01	-56.43	-305.11



Within target: 11 Delegations¹⁷ were well situated within the targets/benchmarks of 90-110%.

Above target: Delegations exceeding the forecast were: Syria (265.85%), Belarus (118.57%) and Turkey (113.30%). HQ Units exceeding the forecast were NEAR B 03 (1093.35%), NEAR R 03 (172.03%), NEAR R 05 (145.95%) and NEAR C 01 (119.79%). The result of NEAR B 03 is due to an incorrect encoding in February 2017 for HQ managed projects of the Libya Delegation impacting negatively KPI1 result. The payment performance however has been in line with the actual forecast.

Below target: Remaining 8 Delegations and 9 HQ Units performed below the 90% with the biggest gaps in actual amounts:

Payments forecast – KPI value below the target of 90%				
Delegation/HQ Unit (in EUR million)	KPI	INITIAL FORECAST	ACTUALS	VARIANCE
NEAR D 05	64.01%	235.95	151.04	-85
Moldova	56.01%	170.65	95.58	-75
NEAR B 02	56.85%	133.33	75.80	-58
Ukraine	71.27%	196.44	140.01	-56
Algeria	63.04%	77.55	48.89	-29

¹⁷ Morocco MA, Serbia RS, West Bank and Gaza Strip PS, Georgia GE, Jordan JO, Tunisia TN, European Union Office in Kosovo XK, Bosnia & Herzegovina BA, Egypt EG, Montenegro ME, The former Yugoslav Republic of Macedonia MK

Lebanon	73.60%	95.38	70.20	-25
Albania	73.90%	93.45	69.06	-24
NEAR D 02	0.00%	20.00	0.00	-20
Armenia	56.85%	44.70	25.41	-19
NEAR C 02	68.44%	42.07	28.79	-13
NEAR A 03	63.14%	35.62	22.49	-13
NEAR C 03	68.77%	17.31	11.90	-5
Azerbaijan	88.17%	24.41	21.52	-3
NEAR A 02	72.33%	6.54	4.73	-2
NEAR A 04	83.89%	6.24	5.24	-1
Israel	84.24%	6.33	5.33	-1
NEAR A 01	0.00%	0.00	0.18	0.18

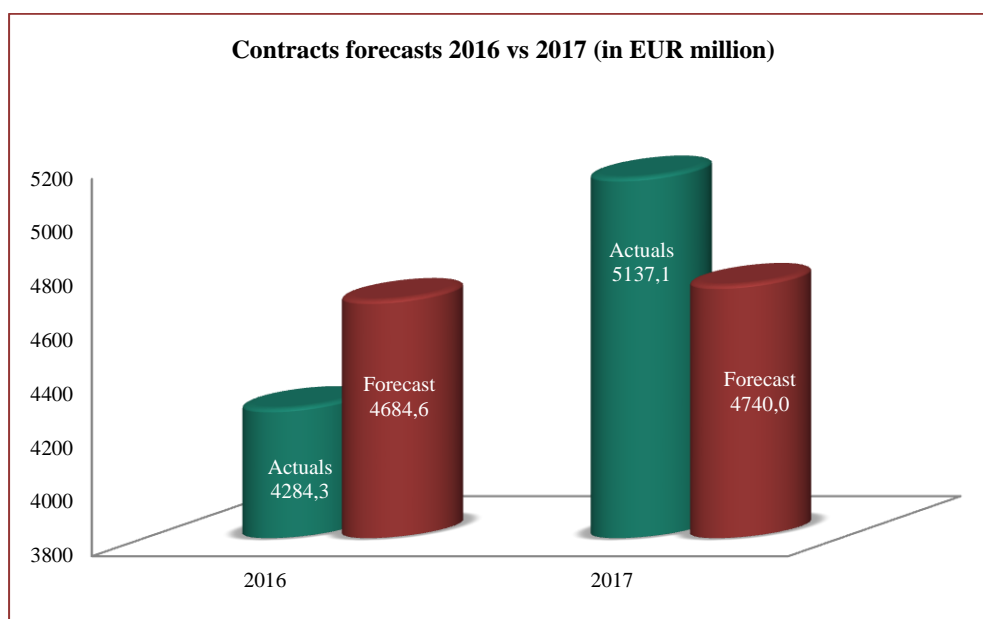
Directorates with the biggest gap in Actuals below Forecasts are NEAR C (EUR -96.03 million) and NEAR D (EUR -155.18 million).

KPI 2 – Accuracy of initial annual financial forecast for contracts

In 2017, NEAR achieved 108.38% of its financial forecasts for contracts (EUR 5,137 million against a total of EUR 4,740 million forecasted for contracts). In 2016, the result was 126.02% and EUR 7,241 million.

NEAR R has the biggest gap against the forecast (186.62%) and NEAR C has the biggest gap in actual amounts above the forecast (EUR 352 million). NEAR R over-execution is due to the financing of 2 RER studies in 2017: the one of 2017 and the one of 2018. Indeed according to the methodology of RER, RER studies of year N should be launched in last quarter N-1. This did not occur in previous years but this shortcoming has now been corrected for 2018 RER study.

108.38% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI Value	108.68%	108.97%	181.86%	89.06%	186.62%	76.40%	108.38%
Actuals (in EUR million)	1,456.17	1,590.89	781.81	1,075.68	2.31	230.26	5,137.12
Forecasts (in EUR million)	1,339.82	1,459.92	429.88	1,207.79	1.24	301.36	4,740.02
Variance (in EUR million)	116.35	130.97	351.92	-132.11	1.07	-71.11	397.10



Within target: 12 Delegations¹⁸ and 3 HQ Units¹⁹ were well situated within the

¹⁸ Armenia AM, Belarus BY, Egypt EG, European Union Office in Kosovo XK, West Bank and Gaza Strip PS, Georgia GE, Israel IL, Jordan JO, Montenegro ME, The former
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targets/benchmarks of 90-110%.

Above target: Delegations exceeding the forecast were: Syria (282.43%) and Lebanon (123.63%). HQ Units exceeding the forecast were: NEAR A 04 (1665.38%), NEAR C 01 (1350.08%), NEAR B 02 (196.95%), NEAR R 03 (186.62%) and NEAR B 03 (145.20%).

Below target: Remaining 8 Delegations and 4 HQ Units performed below the 90% with the biggest gaps in actual amounts:

TOP 10 - Largest variance below Contracts Forecasts			
Delegation/HQ Unit (in EUR million)	INITIAL FORECAST	ACTUALS	VARIANCE
NEAR B 01	190.23	69.17	-121
Albania	183.65	91.09	-93
Turkey	1,309.27	1,217.14	-92
Ukraine	301.36	230.25	-71
Serbia	313.01	274.93	-38
Morocco	210.22	181.39	-29
NEAR A 03	25.94	3.08	-23
Moldova	105.98	87.15	-19
Bosnia & Herzegovina	77.53	62.26	-15
Algeria	47.22	32.25	-15

Although in total KPI 2 is within the benchmark (108.38%), separately some Delegations/HQ Units performed with considerable difference from benchmark.

Yugoslav Republic of Macedonia MK, Tunisia TN, Turkey TR

19 NEAR C 03, NEAR D 02, NEAR D 05

KPI 3 – Accuracy of initial annual financial forecast for decisions

In 2017, DG NEAR realised 99.99% of its financial forecasts for decisions (EUR 3,875 million against a total of EUR 3,875 million) and the result has improved compared to 2016 (99.06%).

KPI 3 was calculated in 2017 in NEAR only on a Directorate level. Forecast on Decisions level is done centrally at HQs. Delegations do not do forecast of future Decisions in any NEAR IT tool.

99.99% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI Value	94.32 %	119.17 %	84.10 %	99.58 %	90.00 %	93.50 %	99.99 %
Actuals (in EUR million)	987.5	1,242.7	656.7	800.6	0.9	187.0	3,875.4
Forecasts (in EUR million)	1,047.0	1,042.7	780.9	804.0	1.0	200.0	3,875.7
Variance (in EUR million)	-59.5	199.9	-124.2	-3.4	-0.1	-13.0	-0.3

KPI 4 – RAL Absorption Period

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

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

The global result for NEAR at 2017 year end stands at 4.24 years which is higher than the ceiling of 4 years. In amounts, this is EUR 3,455 million of payments against EUR 14,658 million of RAL.

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

TOP 10 Delegations	KPI result	BOTTOM 10 Delegations	KPI result
West Bank and Gaza Strip	0.79	Armenia	8.96
Jordan	2.75	Egypt	8.30
Belarus	3.15	Tunisia	6.01
Georgia	3.17	European Union Office in Kosovo	4.91
Israel	3.38	Serbia	4.88
Bosnia Herzegovina &	3.52	Turkey	4.59
Morocco	3.76	Albania	4.33
Moldova	3.89	Algeria	4.28
Syria	3.89	Lebanon	4.27
The former Yugoslav Republic of Macedonia	3.92	Montenegro	4.26

RAL absorption is a snapshot of the situation of each Delegation at the end of the year. It can be exceptionally high at one point of time as a result of a combination of high financial amounts committed during the year (as a result of an emergency for example)

and low level of payment during the reporting year. In these cases, RAL absorption period will quickly improve as the amount of payment will increase month after month.

KPI 5 – % of Projects with a red traffic light for Implementation Progress

KPI-5 is computed on the basis of the following question for each project: What is the expected level of scheduled resources the project will be able to use before the end of the project (< 75%, red; 75% - 90%, orange; > 90%, green).

On aggregate, NEAR is, with a score of 3.63%, below the benchmark of 10 % projects with a red traffic light. For further comments, see KPI-6. In 2017, various KPIs are available for Trust Funds and are included in the KPI Analysis. Trust Funds do their separate AOSD reports which are attached to DG NEAR AAR 2017.

3.63% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TFSyria20	TF NOA21	Total
KPI result	2.08%	4.05%	3.94%	2.90%	4.38%	3.57%	0.00%	3.63%
Number of projects with red traffic light	1	34	23	20	6	1	0	85
Number of ongoing projects	48	839	584	690	137	28	14	2,340
Project value with red traffic light (in EUR million)	3	392	231	46	49	49	0	771
Total project value (in EUR million)	2,734	6,139	2,498	2,280	629	624	174	15,078
Contextual indicator	0.11%	6.39%	9.26%	2.02%	7.77%	7.90%	0.00%	5.11%

20 Trust Fund in response to the Syria Crisis

21 Trust Fund North of Africa

KPI 6 – % of Projects with a red traffic light for Achieving Objectives

KPI-6 is computed on the basis of the following two questions for each project:

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

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

For KPI-6, the traffic light is awarded based on the worst-scoring of two questions. On aggregate NEAR is, with a score of 4.06%, below the benchmark of 10 % projects with a red traffic light.

4.06% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TF Syria	TF NOA	Total
KPI result	2.08%	4.41%	3.94%	3.77%	5.11%	3.57%	0.00%	4.06%
Number of projects with red traffic light for achieving results	1	37	23	26	7	1	0	95
Number of ongoing projects	48	839	584	690	137	28	14	2,340
Value of projects with red traffic light for achieving results(in EUR million)	3	341	218	73	99	49	0	782
Total project value (in EUR million)	2,734	6,139	2,498	2,280	629	624	174	15,078
contextual indicator	0.11%	5.56%	8.73%	3.20%	15.67%	7.90%	0.00%	5.17%

Comments on KPI-5 and KPI-6

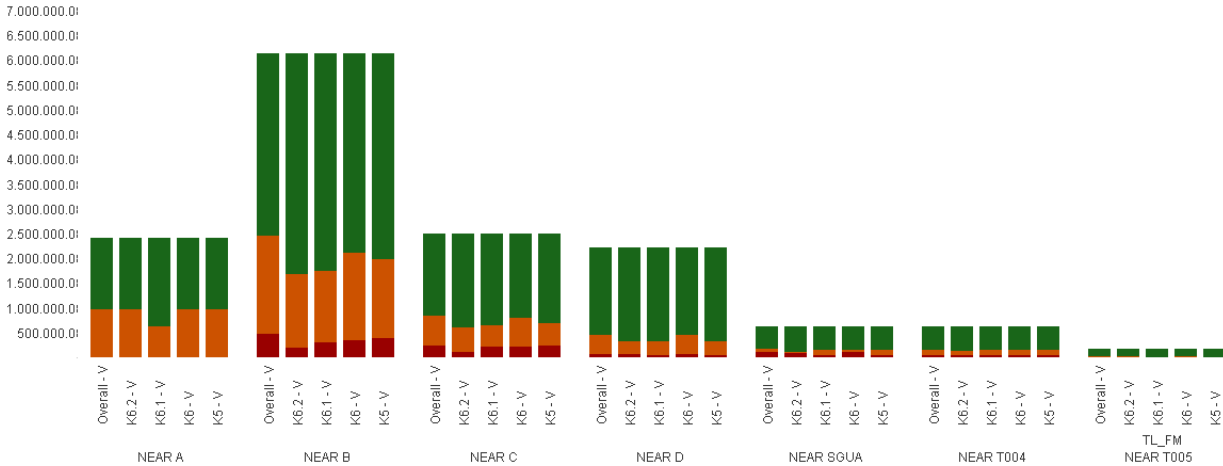
KPI-5 and KPI-6 are forward looking as they assess the probability to fully use the project resources and to reach the expected level of outputs and outcomes at the end of the projects. Orange or red traffic lights call for attention and indicate if corrective actions are envisaged and if risks on implementation and on achieving results remain.

A project can be given an orange traffic light even if it is on schedule, if a risk remains. On the other hand, a project behind schedule may be given a green traffic light if constraints or issues have been solved and the project will now continue at full speed and make up for delays. A project is defined as problematic if one of KPI-5 and/or KPI-6 is orange or red.

The table below shows the various indicators in value of projects (table 1) and in number of projects (table 2). While on aggregate, the difference between number and value of projects is small, higher variations may occur at the level of the Delegations.

In total, out of the 2,340 projects appearing in the EAMR with total value of EUR 15,078 million, 1,844 (78.80 %) received a green traffic light ("flag") on both KPI-5 and KPI-6 for a total value of EUR 9,873 million (65.48 %); 402 projects (17.18 %) were flagged orange on either KPI-5 or KPI-6 with a total value of EUR 4,446 million (29.49 %) and 112 (4.79 %) were flagged red with a total value of EUR 931 million (6.17 %).

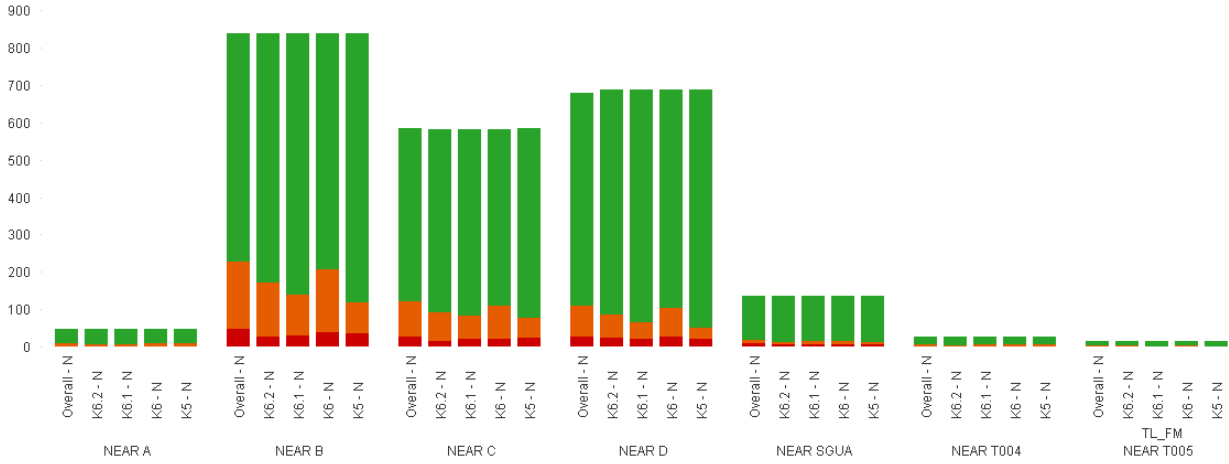
Table 1: Performance indicators on KPI-5 and KPI-6 in value per DG NEAR Directorate



Legend – V (in Value):

- Overall: Overall Problematic Flag
- K5: Traffic light for implementation progress
- K6: Traffic light for achieving objectives
- K6.1: Risk of not meeting output targets
- K6.2: Risk of not achieving outcomes

Table 2: Performance indicators on KPI-5 and KPI-6 in number of projects per DG NEAR Directorate



Legend – V (in Number):

- Overall: Overall Problematic Flag
- K5: Traffic light for implementation progress
- K6: Traffic light for achieving objectives
- K6.1: Risk of not meeting output targets
- K6.2: Risk of not achieving outcomes

The Commission defines high expectations from recipient Governments and implementing partner and the targets are therefore set ambitious.

Since, the reality in the field is rarely ideal, it is also not rare that the performance is moderately lower than the initial ambition. This may lead to revisiting the projects and taking corrective measures, including intensified policy dialogue, as is the case e.g. with budget support operations, where performance essentially depends on the action of the Government.

Performance results per beneficiary country

The tables below rank the top 10 partner countries in relation to the problematic projects (i.e. orange or red on KPI-5 and/or KPI-6) according to total absolute value of country portfolio orange or red (table 3), % of orange or red projects in the country portfolio in value (table 4) and total value of red projects (table 5).

Please note that the figures per Delegations presented below include the full projects portfolio, meaning all projects as well as Financial Memorandums²². The tables below have been inserted in order to split the full portfolio between Financial Memorandums

²² Financial Memorandums are the contracts representing the Delegation Agreements of IPA Indirect Management with Beneficiary Countries. The specificity of these contracts, which is unique to IPA, is that the full implementation is done by Local Authorities, who are signing contracts (known as local contracts) and execute their payments.

and other Projects IPA Delegations. Financial Memorandums are further explained and detailed as per Table 12 in KPI 6.

IPA Delegations	Total value of Projects portfolio EUR million	Projects excluding FM EUR million	Financial Memorandum EUR million
Turkey	2,250	1,156	1,094
Albania	366	306	60
The former Yugoslav Republic of Macedonia	149	85	64
Montenegro	94	72	22

Table 3: Top 10 Delegations for the total value (MEUR) of orange and red projects

	Delegations	Total value of portfolio EUR million	Green (G) EUR million	Orange (O) EUR million	Red (R) EUR million	Problematic (O or R) EUR million
1	Turkey	2,250	1,276	974	0	974
2	Morocco	1,298	378	732	188	920
3	Egypt	1,266	668	437	161	598
4	Moldova	615	253	263	99	361
5	Tunisia	743	491	252	1	253
6	Albania	366	154	190	22	212
7	Armenia	346	141	124	81	206
8	Ukraine	629	461	69	99	167
9	Algeria	281	122	123	37	159
10	Jordan	678	520	158	0	158

Table 4: Top 10 Delegations for the % in total value (MEUR) of orange and red projects in the portfolio

	Delegations	Green (G) EUR million	Orange (O) EUR million	Red (R) EUR million	Problematic (O or R) EUR million	Total value of portfolio EUR million	% of portfolio problematic in value
1	Morocco	378	732	188	920	1,298	70.86%
2	Armenia	141	124	81	206	346	59.39%
3	Moldova	253	263	99	361	615	58.78%
4	Albania	154	190	22	212	366	57.92%
5	Algeria	122	123	37	159	281	56.71%
6	The former Yugoslav Republic of Macedonia	69	80	0	80	149	53.78%
7	Egypt	668	437	161	598	1,266	47.23%
8	Turkey	1,276	974	0	974	2,250	43.29%
9	Syria	86	54	3	57	143	39.96%
10	Tunisia	491	252	1	253	743	33.97%

Table 5: Top 10 Delegations for the total value (MEUR) of red projects

	Delegations	Green EUR million	Orange EUR million	Red EUR million	% of red in value
1	Armenia	141	124	81	23.48%
2	Moldova	253	263	99	16.07%
3	Ukraine	461	69	99	15.72%
4	Morocco	378	732	188	14.47%
5	Algeria	122	123	37	13.08%
6	Egypt	668	437	161	12.72%
7	European Union Office in Kosovo	133	29	18	9.93%
8	Georgia	297	29	31	8.65%
9	Serbia	227	89	22	6.66%
10	West Bank and Gaza Strip	439	55	33	6.20%

Table 6 shows the 15 green projects with the largest EU contribution, while table 7 lists the top 15 most important red projects in value of projects and table 8 the 15 largest projects with orange or red flags.

Table 6: Top 15 largest green projects (in EUR)

Country/Unit	Title of project	EU contribution EUR	BS Y/N
Turkey	Annual Action Programme for Turkey for the Year 2014 – Objective 1	329,284,624	N
Turkey	Promoting Integration of Syrian Children into Turkish Education System (PICTES)	300,000,000	N
NEAR A 05	Contribution to the European Union Regional Trust Fund in response to the Syrian crisis (EUTF) from 3rd Special Measure EU-Turkey Facility	225,000,000	N
Turkey	Annual Action Programme for Turkey for the Year 2015 - Objective 1	186,656,039	N

Turkey	Part II EC - World Bank Partnership Program for Europe and Central Asia Programmatic Single-Donor Trust Fund - (No. TF072780)	150,000,000	N
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework	145,500,000	N
NEAR B 03	2017 -ENI contribution to the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa	121,060,000	N
NEAR D 05	Contribution Arrangement with respect to the European Western Balkans Joint Fund under the Western Balkans Investment Framework	102,100,000	N
West Bank and Gaza Strip	EU Contribution to the UNRWA 2017 Programme Budget	102,000,000	N
NEAR C 01	ENI CBC 2014-2020 / Poland-Belarus-Ukraine	101,548,284	N
TF Syria	T004 - DELEGATION AGREEMENT: "EDUCATION AND PROTECTION PROGRAMME FOR VULNERABLE SYRIAN AND HOST COMMUNITY SCHOOL-AGED CHILDREN, IN LEBANON, JORDAN AND TURKEY" - UNICEF - JUNE 2017 EUTF BOARD	95,900,000	N
NEAR C 01	ENI CBC 2014-2020 / Mediterranean Sea Basin	93,742,365	N
TF Syria	T004 - DELEGATION AGREEMENT WITH UNICEF - "GENERATION FOUND": EU SYRIA TRUST FUND - UNICEF PARTNERSHIP	90,000,000	N
Ukraine	Support to Comprehensive Reform of Public Administration in Ukraine (budget support component)	90,000,000	Y
Morocco	Budget support Contract	90,000,000	Y

Table 7: Top 15 largest red projects (in EUR)

Country/Unit	Title of project	EU contribution EUR	BS Y/N
Morocco	Déboursement des tranches d'appui budgétaire du programme "Education II"	87,200,000	Y
Egypt	Targeted support for sector reforms-Transport	80,000,000	Y
Moldova	Support to the Justice Sector	58,200,000	Y
Egypt	Technical and Vocational Education and Training Reform Phase II (TVET II)	50,000,000	N
TF Syria	GRANT AGREEMENT WITH DANISH RED CROSS "ADDRESSING VULNERABILITIES OF REFUGEES AND HOST COMMUNITIES IN FIVE COUNTRIES AFFECTED BY THE SYRIAN CRISIS"	49,290,000	N
Ukraine	Continued Support to the implementation of Ukraine`s Energy Strategy	45,000,000	Y
Ukraine	EU4Business: Network of Business Support Centres in Ukraine	40,000,000	N
Morocco	Contrat pour le versement des tranches d'appui budgétaire du programme d'appui à la promotion de l'équité et de l'égalité entre les femmes et les hommes au Maroc	37,500,000	Y
Armenia	Support to the Government of Armenia for the implementation of the ENP AP and preparations for the future Association Agreement – Phase II	36,800,000	Y
Morocco	Contrat pour le versement des 4 tranches de l'appui budgétaire du programme	31,500,000	Y
Georgia	Support to Justice Sector in Georgia	30,000,000	Y
Algeria	Programme d'appui à la protection et valorisation du patrimoine culturel en Algérie	21,500,000	N
Morocco	Appui aux dynamiques de Développement Intégré des Provinces et territoires ruraux du Nord	19,000,000	N
Egypt	Integrated and Sustainable Housing and Community Development Programme in Egypt - Pilar I	18,800,000	N
West Bank and Gaza Strip	Sewerage Nablus East (EU-KfW-PA funds)	18,000,000	N

Table 8: Top 15 largest projects flagged orange or red (in EUR)

Country	Reference	Title of project	EU contribution EUR	BS	Flag (O/R)
Turkey	CTR378641	Improving the health status of the Syrian population under temporary protection and related services provided by Turkish authorities	300,000,000	N	O
Turkey	CTR311088	2012 National Programme for Turkey under the Instrument for Preaccession Assistance - Transition Assistance and Institution Building Component - Part 1A	213,949,161	N	O
Turkey	CTR345751	National Programme For Turkey IPA 2013	199,521,718	N	O
Turkey	CTR311176	2011 National Programme for Turkey under the Instrument for Preaccession Assistance - Transition Assistance and Institution Building Component - Part 2	148,589,523	N	O
Egypt	DEC22905	Water Sector Reform Programme – Phase II (WSRP-II)	120,000,000	Y	O
Egypt	DEC20494	HSPSP II-Health Sector Policy Support Programme II	110,000,000	Y	O
Morocco	DEC37750	PROGRAMME D'APPUI A LA CROISSANCE ET LA COMPETITIVITE AU MAROC- PACC	100,000,000	Y	O
Tunisia	CTR367301	Engagement secondaire pour le décaissement des montants d'appui budgétaire du programme PAR IV	99,500,000	Y	O
Morocco	CTR369004	Contrat pour le versement des différentes tranches de l'appui budgétaire du programme PASS II	94,000,000	Y	O
Morocco	CTR339581	Contrat pour le versement des tranches d'Appui Budgétaire du Programma Hakama	83,000,000	Y	O
TF Syria	LCM.T04.1	T004 - DELEGATION AGREEMENT: GIZ - " QUDRA – RESILIENCE FOR	70,600,000	N	

	5	SYRIAN REFUGEES, IDPS AND HOST COMMUNITIES IN RESPONSE THE SYRIAN CRISES" - ACTION DOCUMENT: REGIONAL RESILIENCE & LOCAL DEVELOPMENT PROGRAMME FOR SYRIAN REFUGEES AND HOST COMMUNITIES			
Morocco	CTR288607	Contrat de décaissement des tranches de l'appui budgétaire du Programme RSA I	70,000,000	Y	O
Serbia	CTR383143	Sector reform contract (Sector budget support component) for Public administration reform	70,000,000	Y	O
Tunisia	CTR382499	Décaissement des tranches d'appui budgétaire - programme PAR V	66,000,000	Y	O
Morocco	CTR375485	Contrat pour le versement des différentes tranches de l'appui budgétaire du programme Justice	65,500,000	Y	

Evolution of traffic lights between 2015 and 2016

Table 9 shows the changes in total numbers of projects per flag between 2016 and 2017 for those projects which were listed in both the 2016 and 2017 EAMRs.

Table 9: Evolution of flagging of projects

Flag 2016	Flag 2017	Number
Green	Green	1,052
Green	Orange	109
Green	Red	17
Orange	Green	158
Orange	Orange	141
Orange	Red	34
Red	Green	17
Red	Orange	24
Red	Red	38

Total (G+O+R) appearing in the 2016 and 2017 EAMR's	1,597
Total problematic (O+R) 2016	576
Total problematic (O+R) 2017	483

While from 2016 to 2017 the total number of problematic projects slightly decreased, changes in categories (i.e. flags) showed substantial movements.

From the 79 projects flagged red in 2016, 41 were upgraded to orange or green and from the 333 orange projects in 2016, 158 were upgraded to green, partly as a result of remedial action taken by project managers in EU Delegations.

On the other hand 34 orange and 17 green projects in 2016 were downgraded to red in 2017, partly because of a changing project context (security and/or macro-economic deterioration, climatic hazards).

A total of 38 projects were flagged red in both 2016 and 2017. This shows the quite changing and difficult to predict context in which EU Delegations operate but also the high level of commitment in monitoring and improving projects.

To strengthen aggregation and corporate reporting, the Delegations and HQ Units were requested in the 2017 EAMR, for all projects flagged orange or red on KPI-5 and/or KPI-6, to select 1 to 5 out of 10 main types of problems (selected on the basis of findings from the 2015 EAMR) and to select 1 to 5 out of 10 main corrective measures.

The result of this analysis is shown in table 10:

Table 10: frequencies of type of problems or risks encountered in 2017

Problem Typology - frequency of selection	Orange		Red		Orange or red	
	Count	%	Count	%		
Low capacity / performance of impl.partner/T.A./beneficiaries (absorption/procedures)	168	27.81%	51	25.25%	219	27.17%
Political or economic instability or general/sector policy issues	98	16.23%	40	19.80%	138	17.12%
Procurement issues/delays (calls for tender/proposals/other)	76	12.58%	20	9.90%	96	11.91%
Low interest/commitment of stakeholders - insufficient coordination among stakeholder	75	12.42%	28	13.86%	103	12.78%
Blocking conditions (e.g. awaiting voting of a law, an administrative reform, a resettlement...)	69	11.42%	23	11.39%	92	11.41%
OTHER	56	9.27%	17	8.42%	73	9.06%
Insufficient co-financing/staff contribution by Government or partner organisation	33	5.46%	7	3.47%	40	4.96%
Insecurity/unrest	22	3.64%	4	1.98%	26	3.23%
Fiduciary risk (corruption, fraud...)	5	0.83%	11	5.45%	16	1.99%
Natural disaster/hazard	2	0.33%	0	0.00%	2	0.25%
Substantial mistakes in the intervention logic, in assumptions or in risk assessment	2	0.33%	1	0.50%	3	0.37%
Total number of orange and red projects	604		202		806	

An important proportion of "problematic" projects, 218 of the total number of projects at NEAR, is related to low capacity of the implementing partners or beneficiaries.

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

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

Finally, projects can often not be completely designed at formulation phase if there are

no baselines, if the project enters a new domain of cooperation, a new geographic area, with new partners or innovative approaches. Therefore, there will always be a need to keep the project design flexible and to adjust as fit.

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

Table 11: frequencies of suggested corrective measures

Problem Severity	Orange		Red		Orange or red	
	Count	%	Count	%	Count	%
Intensified political dialogue and/or donor coordination	157	23.50%	38	20.21%	195	22.78%
Increased monitoring (internal/ROM/MTR) - increased fiduciary control mechanism	134	20.06%	27	14.36%	161	18.81%
Extension of project anticipated (this year or in later years)	105	15.72%	24	12.77%	129	15.07%
Moderate adaptation of activities/budget reallocation	100	14.97%	15	7.98%	115	13.43%
Suspension or termination of project	56	8.38%	13	6.91%	69	8.06%
Changes in implementation/contractual arrangements	53	7.93%	22	11.70%	75	8.76%
OTHER	33	4.94%	12	6.38%	45	5.26%
Security risk mitigation measures impacting on performance	15	2.25%	3	1.60%	18	2.10%
Substantial change in intervention logic	10	1.50%	4	2.13%	14	1.64%
No new significant corrective measures required/planned	7	1.05%	30	15.96%	37	4.32%
Total number of orange or red projects	668		188		856	

Detailed explanations on the issues in each country are available in the respective EAMRs.

Table 12: Financial Memorandums

Financial Memorandum type of contract, as mentioned earlier in the document under section II.1 Summary, consists of local contracts managed by the Beneficiary Countries. Information on those local contracts is not available in CRIS IT system. For the 2017 EAMR exercise a special algorithm was prepared to facilitate the assessment of Financial Memorandums by the IPA Delegations. Each local contract per Financial Memorandum, that was ongoing during the year 2017, was assessed by the Delegation separately using the same rules as for other projects in the project list and then a weighted average was used to assess Financial Memorandum globally.

Below tables show for each IPA Delegation, apart from Bosnia and Herzegovina, Serbia and the EU Office in Kosovo that did not have active Financial Memorandums (FMs) in 2017, the total value of FMs, column 1-2, compared with local contracts still active in 2017 (column 3). The columns 4-9 show the assessment made in relation to KPI5 and KPI6. The last three columns present global assessment for each Financial Memorandum.

A. Turkey

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 5 assesment for local contracts			KPI 6 assesment for local contracts			Global assesment		Problematic project in 2017
			Green	Orange	Red	Green	Orange	Red	KPI5	KPI6	
Annual Action Programme for Turkey for the Year 2014 - Objective 1	329,284,624	14,060,627	5	1	0	6	0	0	Green	Green	No
2012 National Programme for Turkey under the Instrument for Preaccession Assistance - Transition Assistance and Institution Building Component - Part 1A	213,949,161	49,238,153	17	5	1	17	5	1	Orange	Orange	Yes
National Programme For Turkey IPA 2013	199,521,718	88,153,100	30	9	3	30	9	3	Orange	Orange	Yes
Annual Action Programme for Turkey for the Year 2015 - Objective 1	186,656,039	15,100,250	1	0	0	1	0	0	Green	Green	No
2011 National Programme for Turkey under the Instrument for Preaccession Assistance - Transition Assistance and Institution Building Component - Part 2	148,589,523	58,053,475	12	5	1	12	5	1	Orange	Orange	Yes
Annual Action Programme for Turkey for the Year 2014 - Objective 2	16,080,376	2,034,051	2	0	0	2	0	0	Green	Green	No
Total	1,094,081,441	226,639,655									

B. Albania

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 5 assesment for local contracts			KPI 6 assesment for local contracts			Global assesment		
			Green	Orange	Red	Green	Orange	Red	KPI5	KPI6	Problematic project in 2017
National Programme for Albania under the IPA - Transition Assistance and Institution Building Component for 2013 (decentralised management)	17,800,000	13,820,000	6	0	0	6	0	0	Green	Green	No
National Programme for Albania under the IPA Transition Assistance and institutional Building Component for 2012 (decentralised management)	24,700,000	15,075,851	2	0	0	1	1	0	Green	Orange	Yes
Country Action Programme for Albania for the Year 2014 - Indirect Management Part	17,300,000	4,100,000	5	0	0	5	0	0	Green	Green	No
Total	59,800,000	32,995,851									

C. The former Yugoslav Republic of Macedonia

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 5 assesment for local contracts			KPI 6 assesment for local contracts			Global assesment		
			Green	Orange	Red	Green	Orange	Red	KPI5	KPI6	Problematic project in 2017
News and Digital Literacy Project: Where Fake News Fails Country Action Programme for the former Yugoslav Republic of Macedonia for the year 2016 - Objective 1 (PUPA Only)	7,109,906	7,109,906	1	0	0	1	0	0	Green	Green	No
National Programme for FYROM under the IPA Transition Assistance and Institution Building Component for 2011	28,903,410	17,195,849	12	5	0	15	2	0	Orange	Orange	Yes
2012 National Programme to the former yugoslav Republic of Macedonia under IPA Component I Transition Assistance and Institution Building	28,159,161	17,248,578	17	5	0	17	5	0	Orange	Orange	Yes
Total	64,172,477	41,554,333									

D. Montenegro

Financial Memorandum Title	Contracted amount of FM	Total value of ongoing local contracts under FM	KPI 5 assesment for local contracts			KPI 6 assesment for local contracts			Global assesment		
			Green	Orange	Red	Green	Orange	Red	KPI5	KPI6	Problematic project in 2017
National Programme Montenegro 2014 (Objective 1 - Part 1)	9,827,920	840,000	1	0	0	1	0	0	Green	Green	No
National Programme Montenegro 2014 (Objective 2 - part1)	11,460,300	356,895	1	0	0	1	0	0	Green	Green	No
IPA II Cross-Border Co-operation Action Programme Montenegro-Albania for the year 2014	1,190,000	no contract signed yet	0	0	0	0	0	0	Green	Green	No
IPA II Cross-Border Co-operation Action Programme Montenegro-Kosovo for the year 2014	840,000	no contract signed yet	0	0	0	0	0	0	Green	Green	No
Annual Action Programme for Montenegro for the year 2015	1,684,580	1,684,580	1	0	0	1	0	0	Green	Green	No
Cross-border Cooperation Action Programme Montenegro - Albania for the years 2015 - 2017, 2015 allocation	1,700,000	no contract signed yet	0	0	0	0	0	0	Green	Green	No
Cross-border Cooperation Action Programme Montenegro - Kosovo for the years 2015 - 2017, 2015 allocation	1,200,000	no contract signed yet	0	0	0	0	0	0	Green	Green	No
Total	27,902,800	2,881,475									

KPI 7 – Reduction of Old Pre-financing

Four Directorates met the target minimum of 25% reduction. Between 01/01/2017 and 31/12/2017, the total amount of old pre-financing has decreased from EUR 1,951 million to EUR 1,342 million. Old pre-financing was reduced by 31.23% or EUR 609 million.

31.23% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI Value	75.65 %	39.57 %	12.18 %	39.99 %	64.84 %	19.18 %	31.23 %
Old pre-financing 31/12/2017 (in EUR)	38.50	350.52	672.12	230.94	0.82	49.13	1,342.03

million)							
Reduction in amounts (in EUR million)	119.61	229.50	93.25	153.88	1.51	11.66	609.41

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

Top HQ	KPI Value	Cleared Amount in EUR million
NEAR A 03	100.00%	0.85
NEAR R 05	64.87%	1.51
NEAR C 02	46.51%	23.06
NEAR B 02	41.82%	28.45
NEAR D 05	23.29%	48.77
NEAR B 03	10.19%	0.97
NEAR C 01	2.50%	15.04

Top HQ	Open Amount at the end of the year in EUR million
NEAR C 01	585.71
NEAR D 05	160.64
NEAR B 02	39.58
NEAR C 02	26.53
NEAR B 03	8.56
NEAR A 05	5.81
NEAR R 05	0.82

On the HQ level 7 out of 11 Units for which KPI 7 is applicable did not meet the target minimum of 25% reduction. Please find below the main HQs:

NEAR D 05 (23.29%):

Big efforts have been made with regards to clearing of pre-financing and more urgent priorities meant that contract closures had to be postponed.

NEAR B 03 (10.19%):

Both HQ and DELs are within the benchmark although the figures for B3 (Libya) and Syria reflect the crisis conditions in these countries which delay implementation, reporting and clearing of expenditure.

NEAR C 01 (02.50%):

Given the important amounts that Directorate C manages under budget support, CBC and also blending modalities, which are long term programmes (on average longer than 3 years), the amount of old pre-financing has not yet been reduced as much as the desired general target. But efforts of clearing the CBC and budget support files have been made which should lead to a reduction in 2018.

All TOP 10 Delegations that have cleared the highest amounts reach the benchmark. Despite a green KPI, two Delegations appear in the TOP 10 Delegations with the highest remaining open amounts.

TOP 10 Delegations	KPI Value	Cleared in EUR million	TOP 10 Delegations	Cleared amount in EUR million	TOP 10 Delegations	Open Amount in EUR million
Israel IL	94.75%	6.25	Turkey TR	118.76	Egypt EG	101.60
The former Yugoslav Republic of Macedonia MK	86.10%	24.45	Egypt EG	54.35	Lebanon LB	56.10
Turkey TR	78.48%	118.76	Lebanon LB	43.61	Ukraine UA	49.13
Belarus BY	71.45%	11.23	Morocco MA	41.12	Tunisia TN	46.25
Serbia RS	71.06%	24.13	The former Yugoslav Republic of Macedonia MK	24.45	Morocco MA	36.99
Montenegro ME	62.28%	4.44	Albania AL	24.27	Moldova MD	32.65
Bosnia & Herzegovina BA	61.71%	18.35	Serbia RS	24.13	Turkey TR	32.56
Algeria DZ	60.04%	10.13	Georgia GE	21.63	Syria SY	28.76
Azerbaijan AZ	59.00%	2.61	Bosnia & Herzegovina BA	18.35	Albania AL	23.03
Georgia GE	57.93%	21.63	Moldova MD	16.97	European Union Office in Kosovo XK	19.43

On the Delegations level 2 out of 22 Delegations did not meet the target:

Ukraine (19.18%):

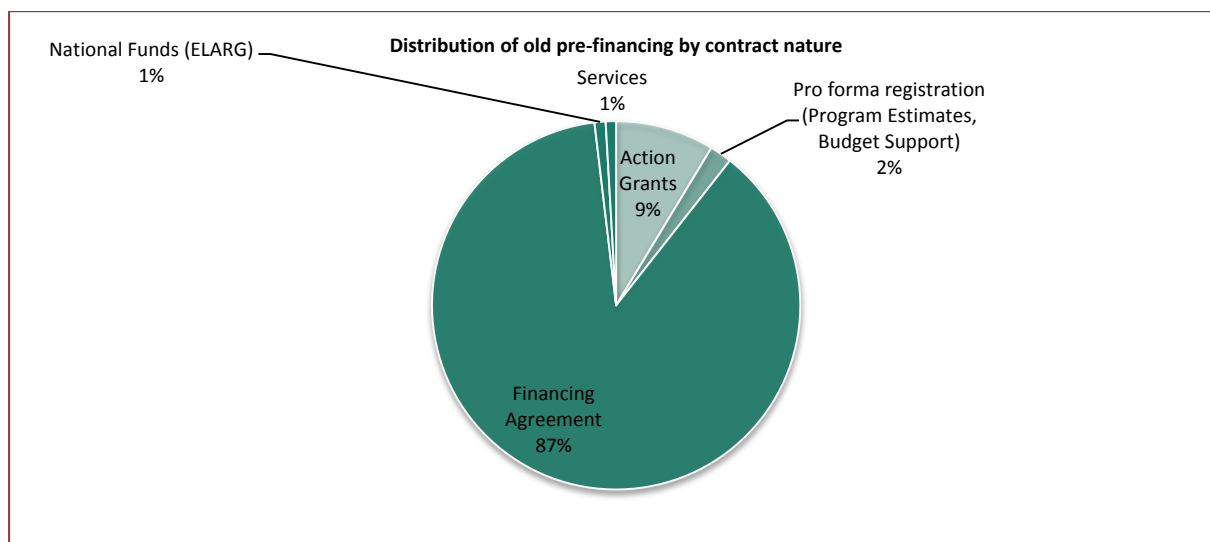
The negative performance on this KPI is due to amounts paid to the EBRD administered

Eastern Europe Energy Efficiency and Environment Partnership Fund (E5P) in 3 contributions of total EUR 40 million made between 2010 and 2012.

Syria (5.90%):

The negative performance on this KPI is due to the volatile crisis situation on the ground, many beneficiaries/organisations experience underspending delaying the clearing of open pre-financings.

As shown in the graph below, the most affected contracts by nature are the Financing Agreements and the Action Grants Contracts that represent respectively 87% and 9% of the total amount of open old pre-financing.



KPI 8 - Expired contracts as a % of the contract portfolio

Expired contracts are those that are open more than 18 months after the end of operational implementation. At the end of 2017, 1,029 contracts or 18.34% of the total number of open contracts (5.610) were expired. This is not an improvement compared to 2016: 15.62% and 852 expired contracts. Three Directorates did not meet the benchmark target of less than 15% of expired contracts for this KPI:

18.34% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI 8	16.02%	14.55%	12.20%	23.47%	55.56%	5.31%	18.34%
N° of expired contracts	41	276	120	496	85	11	1,029
All contracts	256	1,897	984	2,113	153	207	5,610

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

18.34% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
Expired contracts (in million)	1,811	582	924	648	3,560	11	7,536
All contracts (in million)	5,644	7,616	3,695	3,933	3,687	730	25,305

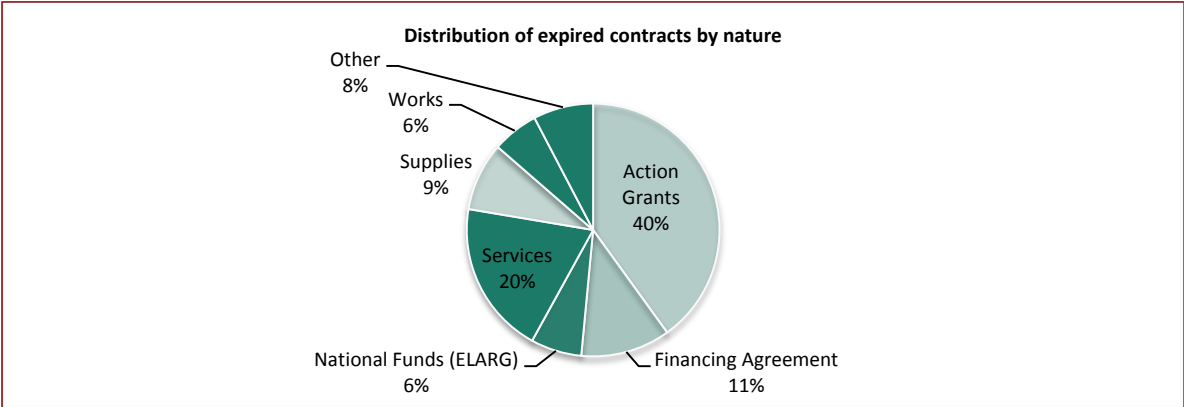
At Headquarter level, NEAR D (23.47%) remains with the highest number of expired contracts.

TOP HQ	KPI	Expired Contracts
NEAR D 02	0.00%	0
NEAR C 03	3.23%	1
NEAR A 04	4.55%	1
NEAR A 02	5.88%	1
NEAR B 03	18.42%	7
NEAR A 05	25.00%	2
NEAR B 01	25.00%	1
NEAR A 03	26.32%	10
NEAR D 05	28.14%	83
NEAR R 04	28.57%	2

At Delegation level, 14 out of 22 Delegations have positive KPI results.

NEAR BOTTOM Delegations 31/12/2017		
Managing Entity	Expired contracts	KPI
European Union Office in Kosovo XK	139	28.43%
Serbia RS	90	23.44%
Lebanon LB	67	23.68%
Albania AL	65	24.07%
Montenegro ME	51	23.39%
Bosnia & Herzegovina BA	41	15.89%
West Bank and Gaza Strip PS	32	15.46%
Algeria DZ	31	15.82%
Egypt EG	28	12.07%
Turkey TR	24	14.29%
Total	568	

Grants and Services contracts account for 60% of the number of expired contracts:



Audited contracts

A total of 36 out of the 1,029 expired contracts have an ongoing audit by end 2017.

If the 36 expired contracts, that have already received the final audit report, had been closed before end 2017, the KPI result would have been 17.81%. Special efforts should therefore be made to speed up the contradictory phase with the auditee and the recovery of ineligible expenditure or unspent pre-financing. The table below shows the KPI results by contract type.

Nature	Expired Contracts	Exp. with Ongoing Audit	Ctr. Total ongoing contracts	KPI by Contract Nature
Action Grants	412	16	2,421	17.02%
Administrative Arrangements	1	0	7	14.29%
Administrative expenditure except procurement	1	0	1	100.00%
Financing Agreement	118	3	650	18.15%
Functioning Grants (operating)	19	0	78	24.36%
Grant	2	0	2	100.00%
Late payment interests	6	0	19	31.58%
Membership Fees	1	0	3	33.33%
National Funds (ELARG)	67	2	124	54.03%
Pro forma registration (Program Estimates, Budget Support)	18	1	150	12.00%
Programme Management Unit (ELARG)	7	0	7	100.00%
Recommitment	0	0	3	0.00%
Services	202	8	1,693	11.93%
Specific contract (ex-letter of contract, order)	22	0	41	53.66%

form, etc.)				
Supplies	90	1	247	36.44%
Works	61	5	162	37.65%
Not applicable	2	0	25	8.00%
Total	1,029	36	5,633	

KPI 9 – Reduction of Old RAL

The overall result of 18.43% does not meet the minimum target of 25%. Directorates NEAR C, NEAR R and NEAR SGUA reached the benchmark of 25%.

18.43% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	Total
KPI 9 old RAL	7.59%	19.94%	28.55%	8.58%	47.85%	77.61%	18.43%
Reduction achieved in amounts (in EUR million)	4.50	57.50	13.51	12.70	9.18	8.19	105.58
Old RAL remaining 31/12/2017 (in EUR million)	54.71	230.86	33.80	135.40	10.00	2.36	467.13

For HQ level, below tables' present KPI 9 results ranked from highest KPI value to lowest:

TOP HQ	KPI result	Cleared amount (in EUR million)
NEAR R 05	47.89%	9.18
NEAR B 03	27.28%	0.19
NEAR D 05	14.24%	2.72
NEAR A 01	0.00%	0.00
NEAR B 00	0.00%	0.00
NEAR A 03	0.00%	0.00

TOP HQ	Cleared amount (in Eur million)
NEAR R 05	9.18
NEAR D 05	2.72
NEAR B 03	0.19
NEAR A 01	0.00
NEAR B 00	0.00
NEAR A 03	0.00

TOP HQ	Old RAL 31/12/2017 (in EUR million)
NEAR A 05	26.40
NEAR D 02	22.71
NEAR C 02	19.17
NEAR B 02	18.49
NEAR D 05	16.37
NEAR D 04	10.88

NEAR R 03	0.00%	0.00
NEAR A 02	-0.27%	0.00
NEAR B 01	-3.47%	-0.21
NEAR D 04	-3.94%	-0.41

NEAR R 03	R	0.00
NEAR A 02	A	0.00
NEAR D 01	D	-0.10
NEAR B 01	B	-0.21

NEAR R 05	R	9.99
NEAR C 01	C	7.45
NEAR B 01	B	6.30
NEAR A 01	A	5.16

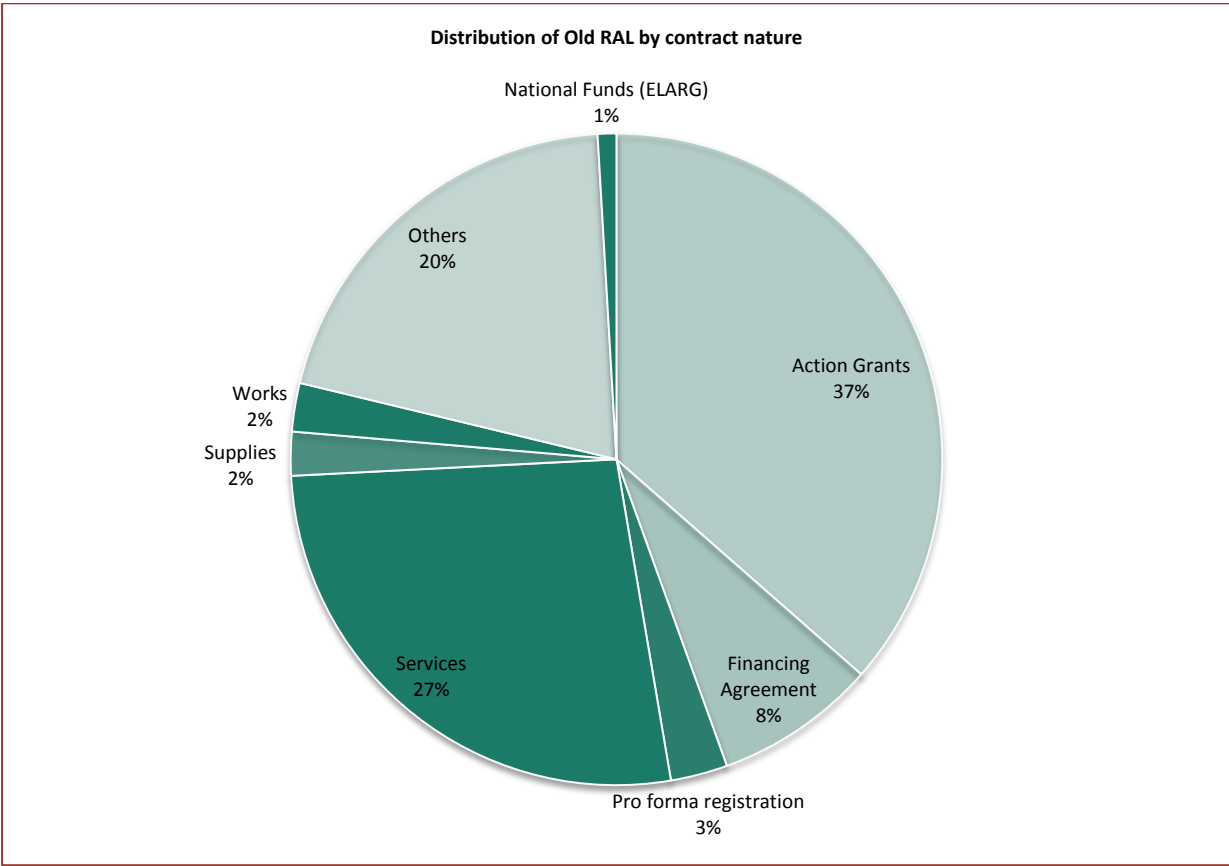
At Delegation level, Delegations Moldova, Ukraine, Morocco, Tunisia, Turkey Algeria and Jordan with a TOP 10 KPI result are also among the TOP 10 in cleared amounts. Delegations Egypt, Serbia, Lebanon, European Union Office in Kosovo and Albania figure among the TOP 10 in terms of remaining old RAL to clear and they did not reach the benchmark.

TOP 10 Delegations	KPI result	Cleared amount (in EUR million)
Moldova MD	83.85%	10.25
Ukraine UA	77.61%	8.19
Azerbaijan AZ	68.66%	0.39
Morocco MA	66.42%	8.10
Belarus BY	65.93%	1.81
Tunisia TN	60.15%	24.56
Turkey TR	60.00%	30.82
Algeria DZ	54.00%	7.02
Georgia GE	53.77%	3.46
Jordan JO	48.30%	7.48

TOP 10 Delegations	Cleared amount (in EUR million)
Turkey TR	30.82
Tunisia TN	24.56
Moldova MD	10.25
Bosnia & Herzegovina BA	9.87
Ukraine UA	8.19
Morocco MA	8.10
Jordan JO	7.48
Egypt EG	7.22
Algeria DZ	7.02
Serbia RS	4.43

TOP 10 Delegations	Old RAL 31/12/2017 (in EUR million)
Egypt EG	151.11
Serbia RS	33.07
Bosnia & Herzegovina BA	21.85
Turkey TR	20.55
Tunisia TN	16.27
Lebanon LB	14.53
European Union Office in Kosovo XK	13.89
Albania AL	8.93
Jordan JO	8.01
Algeria DZ	5.98

Contracts holding an old RAL relate mainly to grants (37%) and services (27%):



KPI 10 – % of payments paid within the contractual deadline

DG NEAR made 88.62% of the payments within the contractual deadline which is above the benchmark of 85%. The table below gives an overview by Directorate on KPI 10 value and the average delay for registration of invoices. The average delay for the registration of invoices at the end of 2017 is 6.16 days. In total, 4,348 invoices have been paid in 2017 including 3,853 invoices paid within the contractual deadline.

88.62%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR R	NEAR SGUA	TF Syria	TF NOA
KPI 10 payment	88.83 %	86.08 %	90.26 %	88.75 %	96.15 %	98.93 %	89.47 %	93.33 %
Average delay for registration of invoices	6.73	10.35	5.72	6.62	6.54	2.70	5.79	4.80
Total of payments	179	1,523	719	1,654	52	187	19	15

All HQs have achieved KPI 10.

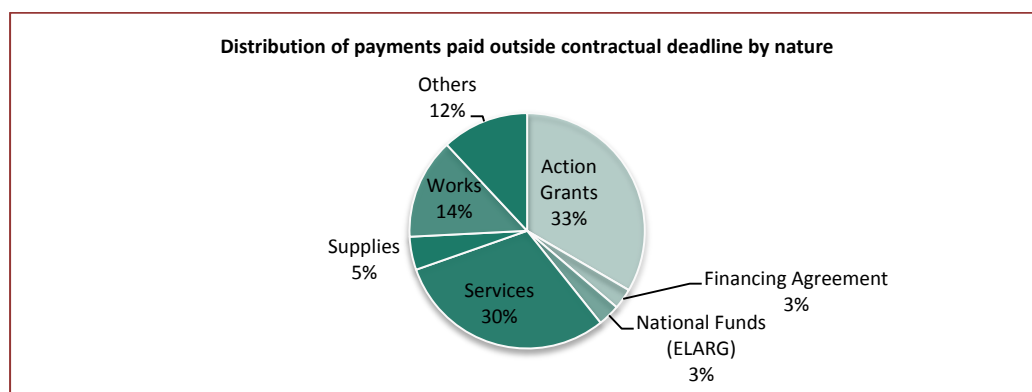
HQ	KPI result	Total of invoices	Average Encoding Days
NEAR A	88.83%	179	6.73
NEAR B	86.08%	1,523	10.35
NEAR C	90.26%	719	5.72
NEAR D	88.75%	1,654	6.62
NEAR R	96.15%	52	6.54
NEAR SGUA	98.93%	187	2.70
TF in response to SYRIA CRISIS	89.47%	19	5.79
TF NOA	93.33%	15	4.80

NEAR Delegations represent 85.95% of the volume of payments. 95% of NEAR's Delegations reached the benchmark (21/22). The TOP 10 Delegations in terms of KPI result are presented in the table below.

TOP 10 Delegations	KPI result
Azerbaijan AZ	100.00%
Ukraine UA	98.93%
Georgia GE	97.79%
Jordan JO	96.10%
Moldova MD	94.23%
Syria SY	92.86%
Belarus BY	92.71%
Israel IL	92.41%
Armenia AM	92.21%
The former Yugoslav Republic of Macedonia MK	92.20%

TOP 10 Delegations	Highest no. of invoices	KPI result
European Union Office in Kosovo	465	86.51%
Serbia RS	339	86.97%
Bosnia & Herzegovina BA	328	86.78%
Tunisia TN	299	91.44%
West Bank and Gaza Strip PS	250	91.32%
Albania AL	248	91.87%
Lebanon LB	244	60.98%
Morocco MA	237	90.96%
Ukraine UA	236	98.93%
Georgia GE	230	97.79%

Most of the invoices paid outside the contractual deadline relate to grants and service contracts which is consistent with the distribution of the total number of invoices amongst contract types.



KPI 11 – % invoices registered within 7 days of the Commission reception date

DG NEAR registered 88.44% of the invoices within 7 days of the Commission reception date which is above the benchmark of 80%. The table below gives an overview by Directorate on KPI 11 value and the average delay for registration of invoices. The average delay for the registration of invoices at the end of 2017 is 6.59 days. In total, 5,270 invoices have been registered in 2017 including 4,661 invoices registered within 7 days of the Commission reception date.

HQ	KPI result	Total of invoices	Average Days	Encoding
NEAR A	83.06%	248	9.10	
NEAR B	89.88%	1,808	8.42	
NEAR C	86.96%	928	15.06	
NEAR D	88.04%	1,939	6.71	
NEAR HIST	100.00%	1	0.00	
NEAR R	85.29%	68	8.94	
NEAR SGUA	92.48%	226	4.46	
TF in response to Syria Crisis	94.12%	34	3.29	
TF NOA	88.89%	18	3.28	

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

TOP 10 Delegations	KPI result	TOP 10 Delegations	Highest no. of payments	KPI result
Azerbaijan AZ	100.00%	European Union Office in Kosovo	422	89.10%
Jordan JO	98.88%	Serbia RS	394	90.61%
The former Yugoslav Republic of Macedonia MK	96.43%	Tunisia TN	271	94.10%
Armenia AM	96.12%	Bosnia & Herzegovina BA	269	83.64%
West Bank and Gaza Strip PS	94.19%	West Bank and Gaza Strip PS	241	94.19%

Tunisia TN	94.10%
Turkey TR	94.04%
Moldova MD	93.89%
Algeria DZ	92.90%
Georgia GE	92.86%

Georgia GE	238	92.86%
Albania AL	229	87.77%
Ukraine UA	226	92.48%
Morocco MA	224	90.63%
Lebanon LB	222	88.74%

KPI 12 – Use of DEVCO/NEAR staff and respect of the flexibility arrangements

Global NEAR result of 100.00% has met the benchmark.

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

KPI 13 – ICS - Mission and Values

Global NEAR result of 93.18% is satisfactory against the benchmark of 80%.

93.18% ▼	Directorate	KPI result
	NEAR A	83.33%
	NEAR B	90.74%
	NEAR C	96.67%
	NEAR D	94.44%
	NEAR SGUA	100.00%

KPI 14 –ICS - Human Resources in Delegations

Global NEAR result of 95.96% is far above the benchmark of 80% and has improved compared to 2016 (94.10%).

95.96% ▲	Directorate	KPI result
	NEAR A	94.44%
	NEAR B	92.59%
	NEAR C	98.89%

	NEAR D	98.15%
	NEAR SGUA	100.00%

KPI 15 – ICS - Planning and Risk Management Processes

Global NEAR result of 96.10% is far above the benchmark of 80% and has improved compared to 2016 (92.64%).

96.10%▲	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	95.77%
	NEAR C	95.24%
	NEAR D	96.03%
	NEAR SGUA	100.00%

KPI 16 – ICS - Operations and Control Activities

Global NEAR result of 95.38% is far above the benchmark of 80% and has improved compared to 2016 (93.60%).

95.39% ▲	Directorate	KPI result
	NEAR A	96.97%
	NEAR B	93.10%
	NEAR C	96.67%
	NEAR D	96.72%
	NEAR SGUA	100.00%

KPI 17 – ICS - Information and Finances

Global NEAR result of 96.21% is far above the benchmark of 80% and has improved compared to 2016 (93.18%).

96.21% ▲	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	91.98%
	NEAR C	98.89%
	NEAR D	99.07%
	NEAR SGUA	100.00%

KPI 18 – ICS - Evaluation and Audit

Global NEAR result of 98.74% is far above the benchmark of 80% and has improved compared to 2016 (95.20%).

98.74% ▲	Directorate	KPI result
	NEAR A	100.00%
	NEAR B	99.38%

	NEAR C	98.89%
	NEAR D	97.22%
	NEAR SGUA	100.00%

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

Results by Directorate in charge are presented in below table.

82.41% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	TF SYRIA	TF NOA	Total
KPI result	68.80 %	84.53 %	85.27 %	92.02 %	91.73 %	60.39 %	100.00 %	82.41 %
Project value of visited projects (in M€)	1,881	5,189	2,130	2,098	577	377	174	12,425
Project value of all projects (in M€)	2,734	6,139	2,498	2,280	629	624	174	15,078
Number of visited projects	33	692	498	573	100	16	14	1,926
Number of all projects	48	839	584	690	137	28	14	2,340
Contextual indicator	68.75 %	82.48 %	85.27 %	83.04 %	72.99 %	57.14 %	100.00 %	82.31 %

In 2017, 82.31% of the projects were visited, which represents 82.41% in value of the projects.

The benchmark of 80 % in value has therefore been reached. Security and limitations in staffing continue to represent constraints in field visits and although the benchmark has been reached, the performance is uneven and the number of projects visited at least once in the year should increase.

Lessons from the performance in project implementation and in achieving results demonstrate the need for a close monitoring of projects in order to support policy dialogue, capacity building and adjustments in project design. Given limited capacities, some Delegations may prioritise visits to larger projects over smaller projects, which lead to a better performance in total value of the projects visited.

The table below show the least performing Delegations in number of projects visited.

% of projects visited in number and in total value

Country	Visited	Not visited	Total projects	% visited in number	% in visited value
Ukraine	100	37	137	73.0%	91.7%
Egypt	51	28	79	64.6%	81.8%
Serbia	84	21	105	80.0%	92.8%
West Bank and Gaza Strip	103	19	122	84.4%	92.9%
Syria	15	19	34	44.1%	61.9%
Lebanon	125	18	143	87.4%	86.7%
The former Yugoslav Republic of Macedonia	57	16	73	78.1%	92.1%
Georgia	132	15	147	89.8%	89.6%
Morocco	79	13	92	85.9%	92.4%
Azerbaijan	48	12	60	80.0%	88.1%

KPI 20 – % contracting of project evaluations in the Annual Evaluation Plan (AEP)

Global NEAR result at 80.89% is satisfactory and above the benchmark of 75%. This is also the case at Directorates level as presented in the below table except for NEAR B (73.33%).

80.89% ▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI result	100.00 %	73.33 %	84.00 %	91.67 %	75.00 %	80.89 %
Number of Evaluations implemented	1	55	21	44	6	127
Number of Evaluations planned	1	75	25	48	8	157
Evaluations implemented (in M€)	148.59	759.41	194.99	173.61	51.81	1,328.42
Evaluations planned (in M€)	148.59	810.56	261.76	222.50	54.65	1,498.06
Contextual indicator	100.00 %	93.69 %	74.49 %	78.03 %	94.81 %	88.68 %

A total of 9 Delegations have contracted 100% of their evaluation plans in 2017: Tunisia, Turkey, Albania, European Union Office in Kosovo, Morocco, Belarus, Moldova, Montenegro and The Former Yugoslav Republic of Macedonia.

Delegations in Armenia and Syria have contracted less than 50% of the project evaluations of the Annual Evaluation Plan while Delegations in Israel and Serbia have contracted none of them. In most cases, if the KPI value is below target for a given Delegation, this is due to delays in the implementation of a project or programme and consequently the postponement of the contracting of the corresponding evaluation to the next year.

KPI 21 – Undue payments prevented by ex-ante controls as a % of the claimed amount

At NEAR level, the percentage of ineligible amounts identified by ex-ante controls by the end of 2017 is 6.57% which is well above the benchmark of 2%. It represents a total amount of EUR 180 million of undue payment prevented. This is significantly higher than in 2016 (4.64% and EUR 129 million). Results by directorate are presented in the table below:

6.57%	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	NEAR R	TF SYRIA	TF NOA	Total
KPI 21 ex-ante ineligible	1.41 %	7.44 %	13.54 %	1.19 %	8.21 %	4.32 %	0.00 %	0.00 %	6.57 %
Invoiced amount (in M€)	344.4	1,349.4	455.6	472.6	90.8	11.2	23.1	0.3	2,747.8
Ex-ante ineligible amount (in M€)	4.8	100.4	61.7	5.6	7.4	0.4	0.0	0.0	180.6

The majority of ex-ante ineligible amounts are identified by Delegations: EUR 177.7 million or a share of 98.42% of the ineligible amount. The remaining EUR 2.9 million identified by Headquarters was mostly found by HQ A and C.

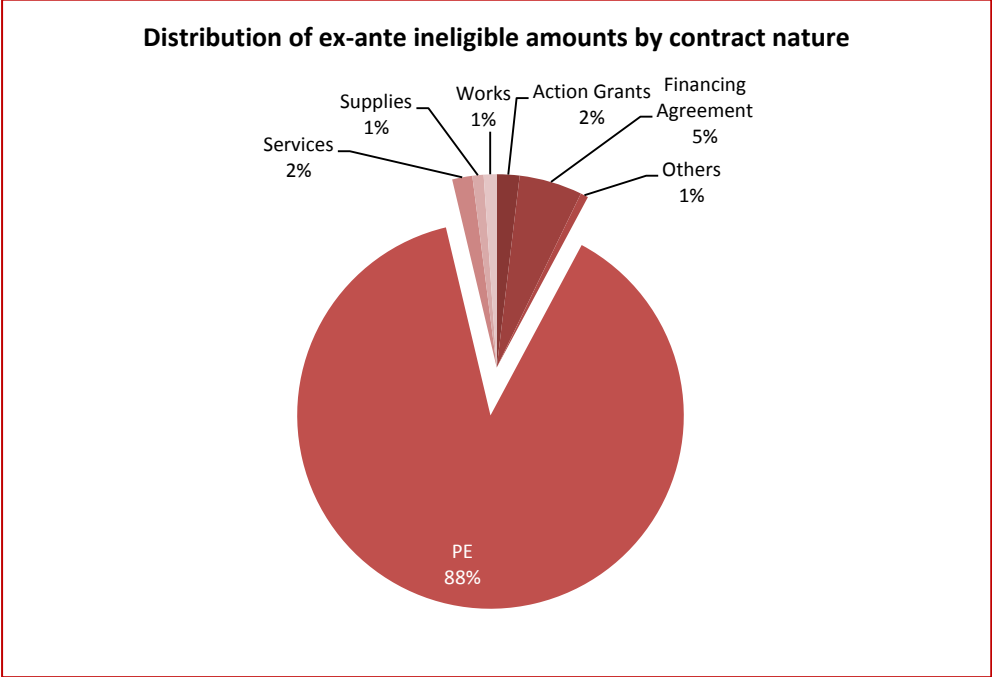
TOP 10 Delegations	KPI result	TOP 10 Delegations	Sum of ineligible amounts (in EUR million)	TOP 10 Delegations	Sum of invoiced amounts (in EUR million)
Moldova	33.73 %	Morocco	74.3	West Bank and Gaza Strip	310.1
Morocco	24.11 %	Moldova	44.6	Turkey	308.6
Azerbaijan	17.98 %	Georgia	13.0	Morocco	308.3
Georgia	10.83 %	Tunisia	11.2	Syria	154.3

Tunisia	9.75%	Jordan	8.8	Moldova	132.2
Ukraine	8.21%	Ukraine	7.4	Jordan	120.8
Jordan	7.28%	Turkey	3.8	Georgia	120.7
Algeria	7.13%	Algeria	3.2	Tunisia	115.6
Albania	3.61%	Albania	2.7	Lebanon	108.8
Belarus	3.05%	Azerbaijan	2.4	Serbia	103.4

A total of EUR 159.77 million of the total ineligible amount relates to Programme Estimates and Budget Support payments making up 88.47% of the total ineligible amounts identified.

Delegations with budget support payments	Ex-ante amount (million)	ineligible (in EUR)	Total Accepted Amount (in EUR million)
Morocco	73.59		308.35
Moldova	44.57		132.27
Tunisia	10.00		115.68
Jordan	8.32		120.86
Georgia	8.05		120.78
Ukraine	7.00		90.89
Algeria	3.00		45.70
Albania	2.57		77.41
Azerbaijan	2.40		13.37
Egypt	0.25		93.96
Total	159.77		1,109.3

The distribution by contract nature is presented below (Budget Support payments are included in PE category).



KPI 22 - % contracted of the Annual Audit Plan year N

At NEAR level, 75.99% of the audits foreseen in the Annual Audit Plan year N have been contracted. This is well above the benchmark of 60% and higher than the 61.81% of 2016. All Directorates are above the benchmark.

Results at Directorate level are presented in the table below:

75.99%▲	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 22 audit plan N	100.00%	61.54%	83.67%	83.33%	81.25%	75.99%
Number of audits in audit plan N	14	104	49	96	16	212
Number of audits contracted	14	64	41	80	13	279
Number of audits still to be contracted	0	40	8	16	3	67

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

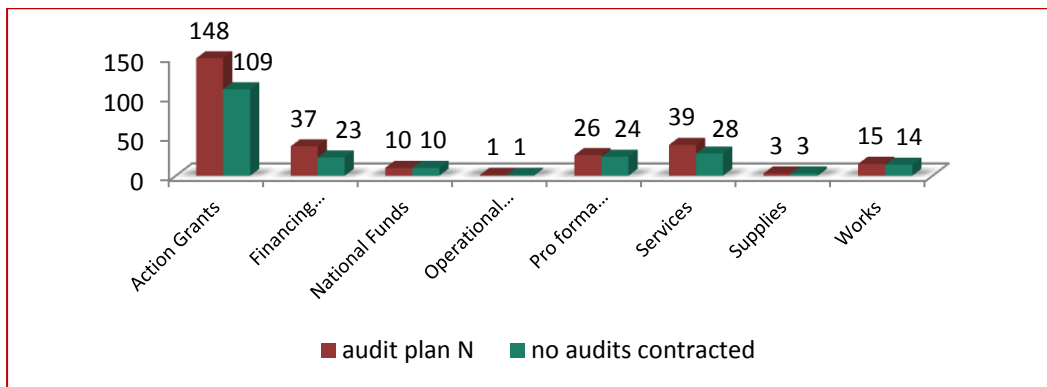
The BOTTOM 10 Delegations are sorted by the highest number of audits still to be contracted. Among them, 6 Delegations reached the benchmark. Syria has implemented only 25.00% of the planned audits.

TOP 10 Delegations	Total no. of audits	KPI result
Albania	16	94.12%
Turkey	12	100.00%
Egypt	10	100.00%
Montenegro	10	100.00%
Serbia	10	100.00%

BOTTOM 10 Delegations	No of audits still to be contracted	KPI result
European Union Office in Kosovo	14	63.16%
Algeria	8	33.33%
Morocco	8	52.94%
Lebanon	6	40.00%
Syria	6	25.00%

Bosnia & Herzegovina	9	100.00%	Jordan	3	78.57%
Tunisia	8	88.89%	Moldova	3	62.50%
Azerbaijan	6	100.00%	Ukraine	3	81.25%
Belarus	6	100.00%	Armenia	2	83.33%
The former Yugoslav Republic of Macedonia	6	100.00%	Georgia	2	77.78%

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



KPI 23 - % implementation of the Annual Audit Plan year N-1

At NEAR level, 69.68% of the audits foreseen in the Annual Audit Plan N-1 have been contracted. This result is well above the benchmark of 40%. All NEAR Directorates reached the target.

69.68% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 23 audit plan N-1	100.00%	60.67%	86.05%	74.00%	72.73%	69.68%
Number of audits in audit plan N-1	6	150	43	100	11	310
Number of audits contracted	6	91	37	74	8	216
Number of audits still to be contracted	0	59	6	26	3	94

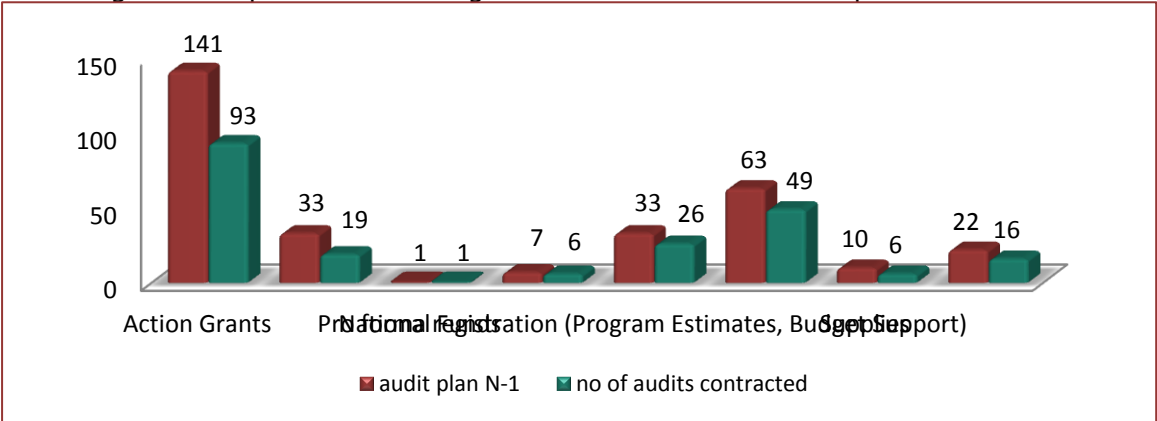
The TOP 10 Delegations are sorted by the highest number of audits in the audit plan with green KPI result. 18 Delegations are on target (out of which 6 have achieved a 100% implementation rate).

The BOTTOM 10 Delegations are sorted by the highest number of audits still to be contracted. 3 Delegations are below the benchmark (out of which, only Syria has a 0% implementation rate).

TOP 10 Delegations	Total no. of audits	KPI result
European Union Office in Kosovo XK	40	52.50%
Serbia	21	95.24%
West Bank and Gaza Strip	19	100.00%
Tunisia	18	88.89%
Egypt	15	53.33%
Morocco	15	53.33%
Jordan	13	100.00%
Ukraine	11	72.73%
Albania	10	70.00%
Israel	9	66.67%

BOTTOM 10 Delegations	No of audits still to be contracted	KPI result
European Union Office in Kosovo XK	19	52.50%
Lebanon	18	21.74%
Algeria	14	33.33%
Egypt	7	53.33%
Morocco	7	53.33%
Syria	5	0.00%
Ukraine	3	72.73%
Albania	3	70.00%
Israel	3	66.67%
Tunisia	2	88.89%

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



KPI 24 - % implementation of the Annual Audit Plan year N-2

At NEAR level, 96.62% of the audits foreseen in the Annual Audit Plan year N-2 have been contracted. This is significantly above the target of 60%. All NEAR Directorates reached the target.

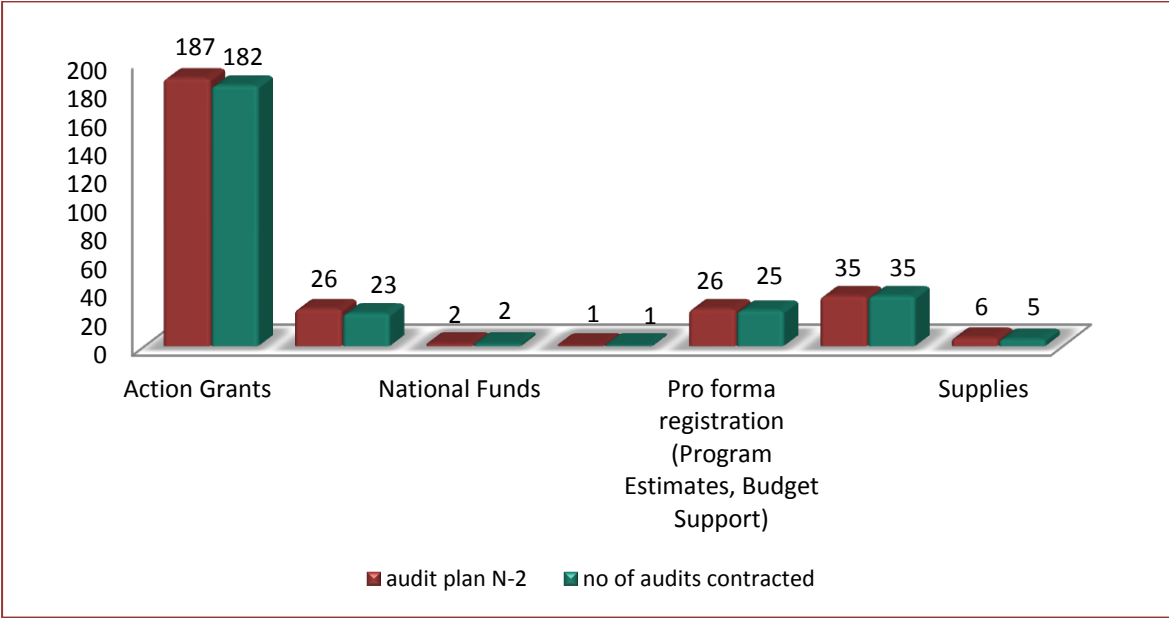
96.62% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 24 audit plan N-2	100.00%	93.52%	100.00%	97.71%	100.00%	96.62%
Number of audits in audit plan N-2	2	108	50	131	5	296
Number of audits contracted	2	101	50	128	5	286
Number of audits still to be contracted	0	7	0	3	0	10

All Delegations were on target (out of which 16 have achieved a 100% implementation rate).

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

BOTTOM 10 Delegations	No of audits still to be contracted	KPI result
Algeria	2	83.33%
European Union Office in Kosovo	2	85.71%
Morocco	2	81.82%
Egypt	1	93.75%
Lebanon	1	88.89%
Montenegro	1	96.15%

The majority of audits in audit plan N-2 relate to programme estimates and grants. It is also almost exclusively for these contract types that the remaining contracting has to be done.



KPI 25 – Ineligible amounts identified by audits as a % of the audited amount.

At NEAR level, 1.37% or EUR 8.94 million of audited expenditure was found to be ineligible which is lower than the 1.83% or EUR 8 million of 2016. As indicated in the table below, NEAR D has reached the benchmark and NEAR B has the largest audited amount.

1.37% ▼	NEAR A	NEAR B	NEAR C	NEAR D	NEAR SGUA	Total
KPI 25 audit ineligible	0.66%	1.44%	0.59%	2.13%	1.80%	1.37%
Ineligible expenditure (in M€)	0.58	4.65	0.54	2.85	0.31	8.94
Audited expenditure (in M€)	88.85	323.09	90.75	134.24	17.16	654.09

Among the TOP 10 Delegations in terms of KPI results, only eight Delegations have reached the benchmark for KPI 25:

TOP 10 Delegations	KPI result	TOP 10 Delegations	Sum of ineligible amounts (in M€)	TOP 10 Delegations	Sum of audited expenditure (in M€)
Israel	12.44%	Serbia	2.12	West Bank and Gaza Strip	222.69
Jordan	9.41%	Jordan	1.27	Serbia	87.244
Lebanon	8.78%	Israel	0.82	Turkey	86.417
Bosnia & Herzegovina	5.95%	Tunisia	0.56	Moldova	37.957
Egypt	3.16%	Lebanon	0.56	Tunisia	21.608
Morocco	2.72%	Bosnia & Herzegovina	0.45	Belarus	19.664
Tunisia	2.62%	Egypt	0.39	Ukraine	17.158
Serbia	2.43%	Turkey	0.35	European Union Office in Kosovo	16.442
Armenia	1.82%	Ukraine	0.31	Jordan	13.525
Ukraine	1.80%	Armenia	0.13	Egypt	12.567

ANNEX 12: Performance Tables

The performance reported in this Annex is based on a set of indicators that were established in the **Strategic Plan 2016-2020 of DG NEAR**. Latest known results 2017 about the state of play of those indicators²³ give information about the progress made in 2017 towards the achievement of objectives set for 2020.

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

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

The purpose of **ENI and IPA II** is laid down in the respective legal basis covering the period of the financial perspective 2014 to 2020. Their objectives and indicators have been feeding the establishment of the strategic planning 2016-2020 and, therefore, **indicators reported in this Annex** generally reflect the legal requirements of the 2014-2020 programmes also laid down in the **programme statements**²⁴ on a year-to-year basis.

The achievements of DG NEAR described below are therefore- to the greatest possible extent- aligned with the performance information included in the **programme statements** for the Draft Budget 2019.

²³and in comparison with a baseline set for the majority of cases.

²⁴ The Programme Statements for 2017 are to be found in the Commission documents, COM(2017) 400 - May 2017, as one of the twelve 'Working Documents' accompanying the Draft Budget adoption. The IPA and ENI Programme Statements constitute the main instrument for justifying the operational appropriations requested by the Commission in the Draft Budget. These Statements are coherent with the corresponding legal bases and provide details on the resources which are dedicated to each spending Programme.

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

General objective 1: A stronger global actor		
Corporate Impact indicator: GDP per capita (current prices-PPS) as % of EU level in countries that are candidates or potential candidates for EU accession		
Source of data: Eurostat		
Baseline (2014)	Interim Milestone	Target 2020
32.5% ²⁵ for WEB (except Kosovo ²⁶) 62% ²⁷ for Turkey (baseline according to Eurostat)		Increase by 2020
Latest known results		
Western Balkans 35% (excluding Kosovo): The economic convergence process did not improve in the Western Balkans, also in relation to modest growth. Whilst the economic growth was higher in Turkey than in the EU, there was no further progress in convergence. The proposed targets seem anyway out of reach. Turkey: 64% ²⁸		
Corporate Impact indicator: Ranking to measure political stability and absence of violence in countries part of the European Neighbourhood Policy		
Definition: This indicator measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically motivated violence or terrorism. Higher values in percentile rank indicate better governance ratings. For Neighbourhood South (NS): Number of countries in a percentile rank above 10 For Neighbourhood East (NE): Number of countries in a percentile rank above 30		
Source of Data: Worldwide Governance Indicators (WGI) project (WB group) http://info.worldbank.org/governance/wgi/index		
Baseline (2014)	Interim Milestone (2015)	Target 2020
Neighbourhood East: 33.89 4 countries above 30 Neighbourhood South: 11.99 5 countries above 10	4 countries above 30	Neighbourhood East: Increase the number of countries above 30 to 5 Neighbourhood South: Increase the number of countries above 10
Latest known results		

²⁵ Updated info from central services for this baseline at the end of 2017: 34%

²⁶ No 2014 data available for Kosovo

²⁷ Updated to 64% as per info from central services for this baseline end 2017

²⁸ in 2016

Neighbourhood East: 3 countries above 30

Neighbourhood South: 5 countries above 10

This downward evolution of the indicator in the Neighbourhood East in comparison with the baseline is mainly due to

(1) the sharp decline of this indicator in the Ukraine since 2014, and a continued low ranking of this country²⁹ since then due to the following factors: acute political crisis started in 2013, Presidential/Government/Parliament crisis in 2014, the occupation of Crimea (2014) and conflict in Donbas (since 2014).

²⁹ 2014: 5.71, 2015: 5.24, 2016: 6.19 (WGI values Ukraine)

General objective 1- A Stronger Global Actor – Neighbourhood

<p>Specific objective: 1 Increased stability in the Neighbourhood in political, economic, and security related terms</p>		
<p>Related to spending programme ENI</p>		
<p>Result indicator: For Neighbourhood countries, development of more tailor-made partnerships covering core issues of common interests</p>		
<p>Definition: The purpose of the reviewed ENP is to build more effective partnerships between the EU and the neighbourhood; hence having an indicator on the new partnerships is highly relevant to measure the success of this policy.</p> <p>Differentiation is the hallmark of the new ENP, recognising that not all partners aspire to EU rules and standards, and reflecting the wishes of each country concerning the nature and focus of its partnership with the EU. Therefore the partnerships should be tailor-made.</p> <p>Core issues proposed for cooperation will notably include economic development for stabilisation (e.g. economic modernisation, employment, transport, connectivity, energy, climate action), the security dimension, and migration and mobility.</p> <p>At the core of the revised ENP, there is also the idea that the ENP and the related partnerships should reflect EU interests and the interests of our partners.</p> <p>DG NEAR will contribute to launching work leading to the development of these new partnerships, working in close cooperation with the EEAS. It will support the development of partnerships, where relevant with its financial assistance.</p> <p>Source of data: European Commission (DG NEAR)</p>		
<p>Baseline</p>	<p>Interim Milestone 2017</p>	<p>Target 2020</p>
<p>Not applicable</p>	<ul style="list-style-type: none"> • Complete negotiation on new association agreements with Armenia and Azerbaijan. • Complete discussions with interested countries on more tailor-made partnerships 	<ul style="list-style-type: none"> • New association agreements in force or provisionally applied with Azerbaijan and Armenia. • New priorities established
<p>Latest known results (situation on 31/12/2017)</p> <p>Armenia has concluded a Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU and has adopted joint EU-AM Partnership Priorities.</p> <p>New agreement is being negotiated with Azerbaijan. Negotiations on joint Partnership Priorities are ongoing.</p> <p>Belarus is close to finalising joint Partnership Priorities with the EU.</p>		
<p>Result indicator: Deep and Comprehensive Free Trade Agreements (DCFTA) with Morocco and Tunisia</p>		
<p>Definition: Continued participation in EU's awareness raising and negotiation efforts in relation to DCFTA with Morocco and Tunisia. Ensure implementation of financial assistance</p>		

to accompany the DCFTA negotiations		
Source of data: European Commission (DG TRADE and NEAR)		
Baseline 2015	Interim Milestone 2017	Target 2020
	Both DFCTA negotiated	New DCFTA in force or provisionally applied
Latest known results (situation on 31/12/2017)		
Morocco: Negotiations on DCFTA suspended in 2014 and not relaunched. The nomination of a Chief Negotiator in October 2017 revived the EU-Tunisia ALECA negotiation process. An ambitious workplan for 2018 has been agreed upon between both parties with the objective to finalise negotiations in 2019.		
Result indicator: Joint programming: development of joint programmes between the Commission's financial assistance and that of the Member States		
Definition: This indicator looks at the number of joint programmes for financial assistance implementation which are concluded with EU Member States within the period covered by the Strategic Plan		
Source of data: European Commission (DG NEAR)		
Baseline 2014	Interim Milestone 2018	Target 2020
No joint programmes concluded	Neighbourhood East : 3 programmes concluded Neighbourhood South : 5 programmes concluded (Algeria, Egypt, Lebanon, Morocco, Palestine)	4 programmes concluded 5 programmes concluded
Latest known results (situation on 31/12/2017)		
NE: 0 programmes ³⁰ NS: 2 programmes For more details, see the policy and main expenditure outputs hereafter		

Main outputs in 2017:		
All new initiatives and REFIT initiatives from the Commission Work Programme		
Description	Indicator	Target date
EU strategy for Syria	Adoption	First half of 2017
Latest known results (situation on 31/12/2017)		
Adopted in March 2017		
Policy-related outputs		
Description	Indicator	Target date
Joint Communication (JC) on developments in the neighbourhood and implementation of the ENP review	Adoption Decide planning reference: 2016/EEAS+/004	March/April 2017

³⁰ Joint Programming planned for Georgia and Moldova

Latest known results (situation on 31/12/2017)		
JC adopted and Joint Report on the Implementation of the European Neighbourhood Policy Review published in May 2017		
Description	Indicator	Target date
New agreements with Armenia and Azerbaijan	Agreement with Armenia concluded and signed Launch of negotiations on new agreement with Azerbaijan	Armenia: to be signed by the end of the year Azerbaijan: Throughout 2017
Latest known results (situation on 31/12/2017)		
The new Comprehensive and Enhanced Partnership Agreement (CEPA) with Armenia signed in the margins of the EaP Summit (24 November 2017). Negotiations with Azerbaijan launched and ongoing		
Description	Indicator	Target date
Contribute to formal adoption of partnership priorities with Egypt and Algeria. Participate in exploration of opportunities for Partnership priorities with other Neighbourhood South countries not directly affected by internal armed conflicts.	Prepare Partnership Priorities with Israel and Palestine and launch talks	Throughout 2017
Latest known results (situation on 31/12/2017)		
<p>Egypt: New Partnership Priorities adopted on 25/07/2017 and focus on economy and social development, foreign policy partnership and enhancement of stability.</p> <p>Algeria: New Partnership Priorities adopted on 13/03/2017 and focus on governance and rule of law, socio-economic development and trade with EU, energy and environment, security, the human dimension and migration/mobility.</p> <p>Palestine: EEAS and DG NEAR had several rounds of preparatory talks on future Partnership Priorities, which could soon turn into formal negotiations.</p> <p>Israel: DG NEAR is ready to launch formal Partnership Priority negotiations with Israel.</p> <p>EU and Tunisia started developing joint Strategic Priorities in view of their joint endorsement at the Association Council foreseen in May 2018.</p>		
Description	Indicator	Target date
Syria Conference	Includes follow-up on commitments pledged at London Conference	To take place most likely in April 2017
Latest known results (situation on 31/12/2017)		
Brussels Conference on "Supporting the Future of Syria and the Region" took place on 5/04/2017.		
Description	Indicator	Target date
Syria Core Donors Group	Regular meetings main	Throughout 2017

	donors including UN	
Latest known results (situation on 31/12/2017)		
Core donors group meetings on the Syria crisis held at twice yearly intervals: <ul style="list-style-type: none"> • 9th meeting of the Core donors group took place on 31/01/17 • 10th meeting of the Core donors group was held on 02/10/17 		
Description	Indicator	Target date
Monitoring of political situation in Syria	Preparedness in case of political transition	Throughout 2017
Latest known results (situation on 31/12/2017)		
An off-programme meeting on post-agreement preparations was organised by EU in the framework of the Brussels conference. The meeting was chaired by NEAR and followed by exchanges with UN IATF and WB. Contribution to a study commissioned by UN IATF to better explore complementarity between planning work of the EU, WB, and UN. Implementation of recommendations from the study to be pursued early 2018.		
Furthermore, in the framework of the 2017 SM, EUD Syria incorporated a component specifically focussed on research and analysis to enhance the analytical and monitoring capacity of the Syria team. The aim is to better inform the EU on local conflict dynamics and political economy dimensions, as well as to increase preparedness to support the recovery process in case of a genuine political settlement.		
Another component of the 2017 SM was the continuation of a project on city and neighbourhood profiling that aims to assess needs/damages/functionality of infrastructure in a selected number of priority cities and towns. This work is to be complemented by JRC through the provision of remote sensing analyses (satellite imagery).		
Description	Indicator	Target date
Revive bilateral relations with Morocco after a year (2016) marked by tensions revolving around EU Court of Justice's decision on EU-Morocco free trade agreement on agricultural and fisheries products	Depending on outcome of appeal to ECJ ruling: <ul style="list-style-type: none"> • Resume political dialogue with Morocco (EEAS in the lead) • Engage discussions on multi-annual programming for the 2018 – 2020 period • Engage discussions on Partnership Priorities 	Throughout 2017
Latest known results (situation on 31/12/2017)		
In 2017 the EU and Morocco negotiated an agreement in the form of an exchange of letters on the modification of Protocols I and IV to the Association Agreement in view of reviving our partnership.		
Description	Indicator	Target date
Roll out of the Joint communication to the European Parliament and the Council on "Strengthening EU support for Tunisia"	<ul style="list-style-type: none"> • Pursue the implementation of the financial and non-financial provisions of the 	Throughout 2017

	joint communication <ul style="list-style-type: none"> • Inter-service group on Southern Mediterranean 	Throughout 2017 March/April 2017 for the first ISG
Latest known results (situation on 31/12/2017) Strategic Priorities have been drafted; formal adoption at association Council foreseen in May 2018. As requested by Commissioner Hahn, the Tunisian government has developed a 6-months Roadmap to show the advancement of key reforms. In parallel, the Tunisians have elaborated a "long term vision for relations between Tunisia and the EU".		
Description	Indicator	Target date
Palestine	<ul style="list-style-type: none"> • Discussion on Area C (CGEA) • Signature of International Declaration with UNRWA 	Throughout 2017
Latest known results (situation on 31/12/2017) The follow-up to CGEA is on-going. The Joint EU- UNRWA Declaration on support to UNRWA (2017-2020) was signed in Brussels on 7 June by Commissioner Hahn, HRVP Mogherini and UNRWA Commissioner-General Krähenbühl.		
Description	Indicator	Target date
ENI mid-term evaluation for MTR 2014-2020	Completion Decide planning reference: 2017/NEAR+/002	End 2017
Latest known results (situation on 31/12/2017) The ENI mid-term evaluation has been completed and has become an input to the MTR Report for External Financial Instruments finalised in December 2017.		
Description	Indicator	Target date
New security-related actions for the Southern Neighbourhood in the fields of integrated border management, monitoring drugs markets and contribution to NATO's Building Integrity Programme (EUR 11 million)	<ul style="list-style-type: none"> • Support the implementation of action point 7 on capacity-building for the EU neighbouring countries of the June 2016 Warsaw EU-NATO Declaration • Preparation and adoption of new action 	June/September 2017
Latest known results (situation on 31/12/2017) The AAP 2017 Neighbourhood South Security adopted.		
Description	Indicator	Target date
Strategic framework for supporting Security Sector	<ul style="list-style-type: none"> • Support to the roll-out of the ENP review for the 	Throughout 2017

Reform	<p>Security Chapter</p> <ul style="list-style-type: none"> • Support to the implementation of the joint EC/EEAS Communication on Sector Security Reform (2016) • Participation of DG NEAR in the Task Force of the Security Union 	
<p>Latest known results (situation on 31/12/2017)</p> <ul style="list-style-type: none"> • Work on-going on piloting EU SSR coordination matrices for Lebanon and Georgia and developing a SSR monitoring and evaluation framework • Neighbourhood and Enlargement policy objectives promoted in the work of the Security Union Task Force 		
Description	Indicator	Target date
Strengthening the capacities of civil society in the Southern Neighbourhood	<p>Preparation and adoption of new regional actions aimed at engaging a partnership with civil society for equality and rights (EUR 15-21 million)</p> <p>Setting up of a mechanism for structured dialogue with civil society at regional level</p> <p>Organisation of the annual Civil Society Forum</p>	<p>September 2017</p> <p>May 2017</p>
<p>Latest known results (situation on 31/12/2017)</p> <p>An Action document was adopted in September 2017 covering support for civil society and actions to reinforce awareness of violence against women and girls.</p> <p>The contract for the "Civil Society Hub" was signed in December 2017.</p> <p>A Civil Society Forum was held in July 2017.</p>		
<p>Main expenditure outputs</p>		
Description	Indicator	Target date
Multiannual programming process and joint programming (2017–2020)	<p>Multiannual (2017–2020) programming process with four or five³¹ Neighbourhood south countries is launched and completed.</p> <p>Multiannual (2017–2020) programming process with 5 Neighbourhood East countries and 1 regional is launched.</p>	Throughout 2017

³¹ Depends on a pending decision on the revision or extension of Libya's programming document

Latest known results (situation on 31/12/2017)

- Multiannual Programming 2017-2020 process is completed in Egypt, Palestine, Lebanon, Jordan and Tunisia.
- Multiannual programming 2018-2020 process is launched in Algeria, with a view to adopt a Single Support Framework at the Association Council foreseen in May 2018.
- Joint Programming: process has been relaunched in Algeria, Egypt and Tunisia.
- Palestine has materialised the first-ever European Joint Strategy, endorsed by HoMs on 22 December 2016, in line with the EU Global Strategy, the revised Neighbourhood Policy and the revised **Consensus on Development**.

In 2017 4 multiannual programming documents for ENI East covering 2017 – 2020 have been adopted (Armenia, Georgia, Moldova, Regional East.) Those for Azerbaijan, Belarus, and Ukraine will cover the period 2018 – 2020 and the processes have been launched.

Description	Indicator	Target date
ENI Annual programmes	2017 ENI country action programmes and regional programmes adopted Relevant special measures adopted (including Ukraine and possibly Libya)	Throughout 2017

Latest known results (situation on 31/12/2017)

- 2017 Special Measures (EUR 35 million) for Syria were adopted in December 2017 through urgent written procedure.
- ENI South Annual Action Plans 2017 were adopted for the bilateral and the regional.

All AAPs adopted for 2017 together with Regional Action Plans 2017 for ENI East

Description	Indicator	Target date
ENI and ENPI implementation/ budgetary execution	Benchmarks for KPIs on contract and payment are met.	December 2017

Latest known results (situation on 31/12/2017)

Not all benchmarks for financial indicators could be met.

KPI 1 Forecasted payments vs payment execution:

Under-execution of payments on ENI budget lines is mainly due to Budget Support payments for a number of countries which were not executed, either because of the failure of the beneficiary country to deliver on time on agreed benchmarks or results, or because of unforeseen significant political events (change of government, etc.).

An additional important source of under execution relates to several NIF projects where the implementation was slower than expected due to the limited fiscal space, which led to the postponement of payments to 2018.

KPI 2: Forecasted contracts vs signed contracts

Not meeting the target is mainly due to delays in launching the calls for proposals (due to registration restrictions).

In order to increase the accuracy of the forecasting exercise and anticipate/forecast as accurately as possible the disbursements during the reference year, individualised meetings are held within the delegation (Finance and Contracts, Operations with each program

manager) and each forecast and procurement is reviewed. The monitoring of procurement and payment execution will be done via the Live Dashboard.

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	TAIEX events contributing to the implementation of AA/DCFTA and to current or future agreements implying approximation with EU laws and norms (East and South)	Throughout 2017

Latest known results (situation on 31/12/2017)

217 TAIEX events contributed to the implementation of current or future agreements implying approximation with EU laws and norms including contributions to the implementation of AA/DCFTA.

Specific objective: 2

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

Related to spending programmes ENI

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

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

Source of data: Events facility contract managed by NEAR

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

Latest known results 2017

The Eastern partnership Summit has reformed the institutional setup of the multilateral meetings to make them more strategic and results-oriented.

In 2017 97 policy dialogues took place under the events contract.

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

Definition: The main four priority areas of the EaP were defined at the Riga summit in 2015. Progress can be monitored in the sectoral policy platforms and other relevant

activities/events. DG NEAR mainly supports the different processes through policy coordination and financial assistance.

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

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

Latest known results 2017

Market opportunities: The DCFTA Initiative East Facility, with the EIB, became fully operational and signed a number of guarantee agreements with intermediary financing institutions. A new contract with the EIB on local currency hedging for a credit line was signed in October. The DCFTA Facility Phase II, managed by the EBRD, was also signed in December.

Interconnections: The extension of the core TEN-T network to Neighbourhood East was agreed amongst partner countries (except Georgia) and EUMS. A delegated act has been prepared for adoption.

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

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

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

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

Whilst in recent years there has been progress on specific regional agenda-setting, there is also a need to ensure cross-cutting political and financial support to these agendas. This

can be achieved with a closer involvement of ministers in charge of international cooperation/national budgets etc.

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

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

Latest known results 2017

Three ministerials organised in 2017:

- UfM ministerial meeting on Water in Malta, April 2017
- UfM Ministerial on Sustainable Urban Development in Cairo, May 2017
- UfM Ministerial Women in Cairo, Nov 2017

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

Latest known results 2017

The Ministerial Declaration on Co-operation and Planning was adopted in June 2016 and the next Regional Forum is to be organised in 2018.

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

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

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

Baseline 2014	Interim Milestone	Target 2020
N.A.		Tangible progress in the key elements for regional integration and cooperation identified in the Ministerial Declarations, such as: <ul style="list-style-type: none"> • Regional transport network identified • Progress in depolluting the Mediterranean • Electricity

		connections between countries enhanced
Latest known results 2017		
<p>Technical work on the identification of the RTA (Residential Twinning Advisors) was finalised.</p> <p>A Ministerial declaration was adopted in 2017 creating an Urban Agenda for the Mediterranean.</p> <p>A mechanism to monitor the implementation of the UfM Ministerial declaration is being discussed.</p>		
Result indicator: Number of Financing Agreements signed with partner countries under the new ENI CBC programmes		
<p>Definition: The signature of the Financing Agreement (FAs) between the Commission and partner countries in the new ENI-CBC programmes, allows for the implementation of the ENI-CBC programmes adopted by the Commission.</p> <p>16 ENI-CBC programmes were included in the ENI-CBC programming documents. An additional programme was included (Baltic Sea) but its implementation is part of DG REGIO's portfolio. The total EU's financial contribution amounts to approximately EUR 1 billion.</p> <p>Out of the above 16 programmes, only 13 were adopted by the Commission in 2015. Due to political reasons, two programmes (PL-RU and LT-RU) were not submitted to the Commission for adoption in 2015, and the other programme (Mid-Atlantic), although submitted, has not been adopted by the Commission yet.</p> <p>23 FAs needs to be signed in 2016 to implement the 13 ENI-CBC adopted programmes. If some of the remaining 3 programmes were adopted by the Commission in 2016 then additional FAs would be signed in 2016/2017.</p> <p>Source of data: DG Near as responsible DG for the ENI-CBC programmes</p>		
Baseline 2015	Interim Milestone	Target 2016
0	n/a	23 FAs signed between the Commission & participating countries which correspond to the 13 ENI-CBC programmes adopted by the Commission. If some of the 3 remaining ENI-CBC Programmes were adopted, then additional FAs would be signed in 2016/2017
Latest known results 2017		
<p>Out of the 23 Financing Agreements, all were signed by the end of 2017. The implementation of 15 ENI-CBC programmes adopted in 2015 and 2016 was secured: 13 programmes were adopted by the Commission in 2015 and 2 additional ones (Poland-Russia and Lithuania-Russia) in 2016.</p> <p>The 2 additional FAs (with Israel and with Egypt) are to be signed within the first half of 2018.</p>		

Main outputs in 2017:		
Policy-related outputs		
Description	Indicator	Target date
Eastern Partnership Summit 2017	Reaching of key deliverable milestones by November Summit, as part of the "20 deliverables for 2020" Summit held	November 2017
Latest known results (situation on 31/12/2017)		
A successful summit was held on 24 November 2017 adopting a Summit Declaration, including "20 deliverables for 2020" as well as a new institutional setup.		
Description	Indicator	Target date
Progress on agreement on key connectivity priority projects along the core transport and energy network	Political commitment at Ministerial level Financial mechanisms agreed with countries and IFIs	November 2017
Latest known results (situation on 31/12/2017)		
For transport, investment action plan (incl. a single project pipeline) has been drafted and its political agreement is expected in 2018. For energy, discussions in 2017 continued and a special EaP working group meeting on investments was held in December.		
Description	Indicator	Target date
Six large scale funding schemes (1 per EaP country) to develop the capacity of CSOs to constructively engage with governments at grassroots, local and national level, as well as to support technical expertise in key sectors	Number of funding schemes in place	Throughout 2017
Latest known results (situation on 31/12/2017)		
Ongoing in all countries		
Description	Indicator	Target date
Eastern Partnership Civil Society Fellowships	20 fellows complete their training and have improved skills to generate evidence-based policy input to advance the quality of public debate on crucial policy issues within the Eastern Partnership.	Throughout 2017
Latest known results (situation on 31/12/2017)		
Ongoing, with a mid-term event scheduled for Q1 2018.		
Description	Indicator	Target date

Regular multi-stakeholder policy dialogue through the Civil Society Forums	Continued support to the EaP Civil Society Forum and its National Platforms, and to Neighbourhood South Civil Society Forum	Throughout 2017
Latest known results (situation on 31/12/2017)		
New grant under negotiation, to be signed Q1 2018.		
Description	Indicator	Target date
Regional high level conference on Freedom of Expression, building on the event organised in 2015 by the Latvian presidency	Conference held	Second half of 2017 with preparatory work during the course of the year
Latest known results (situation on 31/12/2017)		
Successful Easter Partnership media conference held under Estonian Presidency in the run up to the Summit in Kyiv in September 2017.		
Description	Indicator	Target date
Support to the Union for the Mediterranean (UfM)	Support the UfM sector policy dialogue with partner countries; Provide institutional support to the UfM; Qualitative assessment of commitments made in declarations adopted at the Ministerial Meetings of the Union for the Mediterranean and of progress reports presented at these meetings.	Throughout 2017
Latest known results (situation on 31/12/2017)		
<p>Progress was made in the fields of employment and employability, and women's rights. The Ministerial Declaration on women contains necessary follow-up measurement and implementation methodology. Progress was also noted on traditionally difficult sectors, in particular trade, industrial cooperation and transport.</p> <p>Meetings of the Environment and Climate working groups and of the Water expert group took place and prepared for Ministerial meetings:</p> <ul style="list-style-type: none"> • UfM Ministerial on Water took place in Malta in April 2017; • UfM Ministerial on Sustainable Urban Development took place in Cairo in May 2017. 		
Description	Indicator	Target date
2017 ENI Multi-country Programmes	2017 Programmes adopted by the Commission	Throughout 2017
Latest known results (situation on 31/12/2017)		
<ul style="list-style-type: none"> • AAP 2017 Neighbourhood South Security • Support for Institution-building and International Co-operation in the Southern 		

<p>Neighbourhood</p> <ul style="list-style-type: none"> • Support to economic governance and reforms in the Southern Neighbourhood • Dialogue with civil society for rights and equality • Energy security and Climate Action in the Southern Neighbourhood 2017-2018 • AAP 2017 contribution to the NIF south • Energy security and Climate Action in the Southern Neighbourhood 2017-2018 <p>Multi-country programmes adopted for Eastern Neighbourhood.</p>		
Description	Indicator	Target date
Civil Society Organisations and Local Authorities (CSO-LA) thematic instrument	2017 Country-Based Support Schemes implemented in neighbourhood and enlargement countries (in line with DEVCO-NEAR Service Level Agreement)	Throughout 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>The support schemes were implemented in line with the DEVCO-NEAR Service Level Agreement.</p> <p>In 2017, the Commission has stepped up its support to civil society organisations in Turkey.</p> <p>It was decided to transfer EUR 18 million out of the 2017 annual envelope managed under the indirect management mode to the Civil Society Facility and Media 2016-2017 programme, which are managed centrally by the Commission.</p>		
Description	Indicator	Target date
European Instrument for Democracy and Human Rights (EIDHR)	2017 Country-Based Support Schemes implemented in neighbourhood and enlargement countries (in line with DEVCO-NEAR Service Level Agreement)	Throughout 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>In 2017 the implementation of the 2016 CBSS was completed in all NEAR countries, for a total contracted amount of 23,72 million EUR. Implementation of the 2017 CBSS will continue until end of 2018</p>		
Description	Indicator	Target date
Cross-border Cooperation (CBC)	Two Financing Agreements signed with Partner Countries participating in the two ENI CBC Programmes adopted in 2016, covering the period 2014-2020 (PL-RU and LT-RU).	Throughout 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>By the end of 2017, 23 out of 25 Financing Agreements to implement the 15 ENI CBC programmes for 2014-2020 were signed, including the two foreseen PL-RU and LT-RU. The other two FAs are to be signed in early 2018.</p>		

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument (TAIEX)	Number of TAIEX activities.	Throughout 2017
Latest known results (situation on 31/12/2017)		
213 TAIEX events including multi-regional, multi-beneficiary and single country workshops, expert missions and study visits were undertaken during 2017.		

Main expenditure outputs		
Description	Indicator	Target date
2017 ENI Multi-country Programmes	2017 Programs adopted by the Commission	Throughout 2017
Latest known results (situation on 31/12/2017)		
The regional action programme 2017 for Eastern Neighbourhood was adopted.		
Description	Indicator	Target date
CBC	Sign Financing Agreements between the European Commission and Partner Countries participating in 13 ENI CBC Programs adopted in 2015, covering the period 2014-2020, worth 1 billion EUR.	Throughout 2017
Latest known results (situation on 31/12/2017)		
Out of the 25 Financing Agreements foreseen to be signed in 2017, 23 were signed by the end of the year. The remaining 2 Financing Agreements (with Israel and with Egypt) are to be signed within the first half of 2018		

General objective 1 – A Stronger Global Actor – Enlargement

Specific objective: 3

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

Related to spending programme IPA

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

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

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

These indicators have been introduced in the enlargement country reports of 2015. For further details, please see the Communication on the EU Enlargement Strategy³².

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

Source of data: Annual enlargement country reports – European Commission

Baseline 2015	Interim Milestone 2018	Target 2020
Five cases of early stage of preparation in these areas	Reduced number of cases of early stage of preparation in these areas	A majority of countries are moderately prepared in these areas ³³

Latest known results 2017

According to the 2018 country reports³⁴, candidate countries and the potential candidates made "some progress" (19 cases across all countries for the different areas) and "good progress" (6 cases across all countries for the different areas) towards meeting the political criteria. In Turkey there has been backsliding in public administration reform, functioning of the judiciary, and freedom of expression).

There have been five cases of early stage of preparation in these areas, and one case of "early stage / some level of preparation".

³² COM (2016) 715 final, 09.11.2016

³³ Assuming that there will not be any backsliding on these areas, the target implies that by 2020 at least 3 more countries become moderately prepared on the functioning of the judiciary; at least four more countries become moderately prepared on the fight against corruption; at least four more countries become moderately prepared on the fight against organised crime; at least four more countries become moderately prepared on freedom of expression. As for the public administration reform area, a majority of countries are moderately prepared in this area already in 2015.

³⁴ Adoption and Publication scheduled for April 2018

There has been no change in the number of countries in the category "moderately prepared"

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

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

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

These indicators have been introduced in the enlargement country reports of 2015. For further details, please see the Communication on the EU Enlargement Strategy³⁵.

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

Source of data: Annual enlargement country reports – European Commission

Baseline 2015	Interim Milestone 2018	Target 2020
Four cases of early stage of preparation in these areas	Reduced number of cases of early stage of preparation in these areas	A majority of countries reach a good level of preparation in these areas ³⁶

Latest known results 2017

According to the 2018 country reports³⁷, candidate countries and the potential candidates made some progress on meeting the economic criteria; however, in some countries, there has been no progress or even backsliding in one of the two economic criteria.

This indicator remained stable in 2017 compared to the baseline.

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

Definition: These indicators aim at showing where the seven enlargement countries stand in terms of their preparations for fulfilling the obligations stemming from the membership, including the alignment to the *acquis*.

In each of the *acquis* chapters³⁸, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced

For further details, please see the Communication on the EU Enlargement Strategy³⁹.

³⁵ COM (2016) 715 final, 09.11.2016

³⁶ Assuming that there will not be any backsliding on these areas, the target implies that by 2020 at least two more countries reach a good level of preparation on the functioning market economy; at least three more countries reach a good level of preparation on the capacity to cope with competitive pressures and market forces within the Union.

³⁷ Adoption and publication scheduled for April 2018.

³⁸ BiH and Kosovo are assessed according to the European Standards, not the chapter structure.

³⁹ COM (2016) 715 final, 09.11.2016

These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy and financial assistance as regards the third accession criteria⁴⁰. DG NEAR role is to support the enlargement countries to address the issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.

Source of data: Annual enlargement country reports – European Commission

Baseline 2015	Interim Milestone 2018	Target 2020
51 cases of early stage of preparation in the 35 chapters ⁴¹ .	Reduced number of cases of early stage of preparation in these areas	A majority of countries are moderately prepared in these areas.

Latest known results 2017

30 cases of early stage of preparation⁴²

Result indicator: Public Administration Reform (PAR) strategy framework, which is in line with the Principles of Public Administration

Definition: This indicator aims at showing the progress of the seven enlargement countries with the preparation, adoption and implementation of a strategic framework on PAR, addressing the following core areas of PAR: Policy development and coordination, Public service and human resources management; Accountability of Administration and Service delivery. These core areas are in line with the new approach on PAR, as advocated since the 2014-15 enlargement strategy and further defined by the Principles of Public Administration.

Source of data: National authorities in the Enlargement countries leading Public Administration Reforms

Baseline 2015	Interim Milestone 2018	Target 2020
3 countries	5 countries are implementing a PAR strategy framework in line with the Principles of Public Administration	7 countries are implementing a PAR strategy framework

Latest known results 2017

4 countries (Albania, Montenegro, Serbia and Kosovo) are implementing a PAR strategy in line with the Principles of Public Administration. The former Yugoslav Republic of Macedonia is close to adopting the PAR strategy, and Bosnia and Herzegovina is expected to adopt such strategy in course of 2018. Turkey has not so far shown commitment to developing a specific PAR strategy, since some aspects of PAR are covered in various planning documents. The PAR Special Groups meet in all six Western Balkan countries either once or twice a year to assess progress in implementation of PAR.

Result indicator: Public Financial Management (PFM) reform programmes

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

The 2013-14 and 2014-15 enlargement strategies have gradually introduced a new policy on Public Financial Management (PFM) in the enlargement countries. Improved public

⁴⁰ This criteria is about the administrative and institutional capacity to effectively implement the *acquis* and ability to take on the obligations of membership.

⁴¹ BiH and Kosovo are assessed according to the European Standards, not the chapter structure.

⁴² This excludes Bosnia-Herzegovina which did not receive a score in 2017

financial management, including revenue administration and collection are of fundamental importance for the functioning of the state and for implementing the reforms needed for EU integration. Countries have been invited to prepare "credible and relevant" PFM reform programmes/strategies

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

Source of data: Ministries of Finance in the Enlargement countries

Baseline 2015	Interim Milestone 2018	Target 2020
Only 1 country implements a credible and relevant PFM reform programmes	5 countries are implementing credible and relevant PFM reform programmes	All 7 countries are implementing credible and relevant PFM reform programmes by 2020

Latest known results 2017

5 countries (Albania, Serbia, Montenegro, Kosovo and the former Yugoslav Republic of Macedonia) are implementing credible and relevant PFM reform programmes/ strategies. A PFM strategy is under preparation in Bosnia and Herzegovina, while so far Turkey has not shown interest in developing a specific PFM strategy.

Main outputs in 2017:

Policy-related outputs

Description	Indicator	Target date
Preparations for the 2017 enlargement package The guidance to be provided will, inter alia, cover the links with the Economic Reform Programmes and include the final stage of the recalibration exercise. The package will also provide substantial guidance on the reform process.	Guidance note issued and process launched.	Preparatory work throughout 2017 Guidance note issued by September

Latest known results (situation on 31/12/2017)

The guidance note was issued and preparations for the Enlargement package 2018 have started. All staff involved in the preparations in DG NEAR HQ, EUD delegations and in line DGs have been informed about the changes in the methodology (final stage of recalibration) and relevant timelines. Preparations for consultations with external stakeholders have been launched.

Description	Indicator	Target date
Accession negotiations This includes preparing	Ongoing work with negotiating countries progress on accession	Throughout 2017

<p>screening reports, opening and closing Benchmark Reports, and Draft Common Positions (DCP), as well as monitoring progress in fulfilling the rule of law interim benchmarks for Serbia and Montenegro in view of preparing non-papers (twice a year) to the Member States and interim benchmark reports (IBAR).</p>	<p>negotiations.</p> <ul style="list-style-type: none"> • Turkey: no chapter currently under discussion in Council • Montenegro/Serbia: prepare and present DCPs and benchmark assessment reports to COELA on chapters where the necessary conditions have been fulfilled (opening, interim or closing benchmarks) 	
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Latest known results (situation on 31/12/2017)

DG NEAR has been monitoring progress in the implementation of the action plans in Chapters 23 and 24 for Serbia and Montenegro, including the participation in peer-review missions. The DG contributed to the 6 monthly non-papers to the Council, reporting on progress made in implementing the action plans by both countries.

Since the Presidency conclusions of December 2016, agreed by the overwhelming majority of Member States, under the currently prevailing circumstances in Turkey, no new chapters are considered for opening.

Montenegro: in 2017 all necessary reports, including the bi-annual reports on chapters 23 & 24 and all necessary DCPs on negotiating chapters were presented to COELA. Based on the chapter-specific work and the overall progress on rule of law, this led to the opening of four chapters (1,2,3,22) and the provisional closure of one chapter (30).

Serbia: in 2017 all necessary work, including the bi-annual reports on rule of law and all necessary DCPs were presented to COELA. This led to the opening of five chapters and the provisional closure of one chapter.

Progress has been monitored in the implementation of the action plans in Chapters 23 and 24 for Serbia and Montenegro, including the participation in peer-review missions. Contributions were drafted to the 6 monthly non-papers to the Council, reporting on progress made in implementing the action plans by both countries.

Since the Presidency conclusions of December 2016, agreed by the overwhelming majority of Member States, under the currently prevailing circumstances in Turkey, no new chapters are considered for opening.

Description	Indicator	Target date
<p>Contribution to Kosovo-Serbia normalisation</p>	<p>Support to the Pristina-Belgrade dialogue process</p> <p>In 2017, support expected on the implementation of agreements on telecommunications and energy.</p>	<p>Throughout 2017</p>

Latest known results (situation on 31/12/2017)

High level dialogue meetings continued. The agreement on Justice entered into force in October. The EU continued facilitating the dialogue between Belgrade and Pristina. The support on the Implementation of the agreements on telecoms and energy did not include

financial resources.		
Description	Indicator	Target date
Commission Opinion on the merits of Bosnia and Herzegovina's application for EU membership	Preparatory work This will include: in-depth analysis of detailed answers from BiH on all areas of the EU acquis and necessary follow up; deployment of a large number of expert missions; comprehensive stakeholder consultation and – possibly drafting of the opinion itself.	Throughout 2017; final adoption likely to be in 2018.
Latest known results (situation on 31/12/2017)		
Preparatory work for the Opinion was ongoing. A number of peer reviews/expert missions took place in 2017 (notably in the area of rule of law). Consultations with international organisations and NGOs were carried out in 2017 and will continue in 2018. Thorough analytical work will start as soon as the answers from BiH authorities are received, including a large number of missions during 2018.		
Description	Indicator	Target date
Reform Agenda for Bosnia and Herzegovina	Monitoring in close coordination with International Financing Institutions of the implementation of the BiH Reform Agenda.	Throughout 2017
Latest known results (situation on 31/12/2017)		
BiH authorities regularly submit reports on implementation of the Reform Agenda to the Commission. Policy dialogue on Reform Agenda implementation takes place in meetings under the SAA. Throughout 2017, DG NEAR also received regular reports from the EUD/EUSR and held meetings with IFIs, in particular the IMF, the World Bank and the EBRD to discuss progress in implementation of the Reform Agenda.		
Description	Indicator	Target date
Albania: follow-up to the Commission's conditional recommendation to open accession negotiations	Monitoring fulfilment of conditions in Albania; Report as appropriate to the Council on Albania's progress on the required reforms.	Throughout 2017
Latest known results (situation on 31/12/2017)		
Deployed monitoring mission to oversee the vetting; continued oversight and technical assistance for the justice reform implementation, regular report to EU Member States.		
Description	Indicator	Target date
The former Yugoslav Republic of Macedonia – follow-up on Commission's conditional recommendation	Fulfilment by the authorities of the political agreement and implementation of the urgent reform priorities, which would allow Commission report back to	Throughout 2017

	Council on its recommendation.	
Latest known results (situation on 31/12/2017)		
The new government started to address the political agreement and implementation of the urgent reform priorities.		
Description	Indicator	Target date
Kosovo - implementation of the SAA and European Reform Agenda	Implement the SAA through organisation of Sub Committees, SA Committee etc. and monitor and assist the authorities to be able to deliver on the objectives of the European Reform Agenda.	Throughout 2017
Latest known results (situation on 31/12/2017)		
All SA bodies met as planned but implementation of the Stabilisation and Association Agreement (SAA) between the EU and Kosovo, and the associated European Reform Agenda (ERA) has lagged behind, although the ERA has, more positively, become a key priority for the new government.		
Description	Indicator	Target date
Coordination of the Economic Reform Programmes (ERP) exercise for the enlargement countries and preparation of a new guidance note for the 2018 exercise	2017 assessments and draft council conclusions adopted Guidance note adopted and circulated to partners	By end 2017, according to schedule fixed in 2016. → Adoption and circulation of guidance note to partners before 1 June 2017
Latest known results (situation on 31/12/2017)		
The Council conclusions on the ERPs were adopted in May 2017. Guidance note on 2018 ERP exercise was adopted and circulated according to schedule and is being implemented.		
Description	Indicator	Target date
Preparation and adoption of comprehensive public administration reform (PAR) programmes and public financial management reform programmes (PFM) to support the development of horizontal capacities to implement the acquis.	Number of countries in which PAR and PFM strategies and/or action plan are prepared/updated in line with the Principles of Public Administration	At least 4 countries.
Latest known results (situation on 31/12/2017)		
4 countries are implementing a PAR strategy framework in line with the Principles of Public Administration, while Bosnia and Herzegovina is finalising it. 5 countries are implementing credible and relevant PFM reform programmes Albania adopted a PFM strategy for the period 2014-2020. The 2014 IPA II Annual Action Programme provides budget support for the implementation of the PFM strategy. The		

Cross-cutting Strategy for Public Administration Reform (PAR) was adopted for the period 2015-2020. We support the implementation of the Strategy with a budget support approved under IPA 2015.

Bosnia and Herzegovina started the preparation of a new countrywide public administration reform strategic framework in 2016 and it is expected to be adopted in 2018. A countrywide public financial management strategy is under preparation.

Kosovo has a PAR strategic Package in place since 2015 made by the Strategy on Policy Planning and Coordination, the Better Regulation Strategy and the PAR Modernisation Strategy. The first two have been revised in 2017 and updated with more realistic planning. The third one will be revised for a mid-term review in 2018.

Montenegro: the country has had a PAR strategy since 2016 and a PFM strategy since 2015. The 2017 IPA II country action programme provides budget support for the implementation of the PAR strategy.

Serbia is implementing a PAR strategy and a PFM reform programme. Both reforms are supported through a Sector Reform contract part of IPA 2015, to be implemented in the period 2016-2018.

The former Yugoslav Republic of Macedonia's PAR strategy has expired in 2015. Since then, there is a new draft strategy under preparation. Work has significantly intensified in 2017 and the country is about finalising the new PAR strategy.

PFM strategy and Reform Programme were adopted in December 2017 by the government.

Description	Indicator	Target date
Monitoring the Stabilisation and association agreements (SAA) and the implementation of structural reforms in the Western Balkans (WB)	SAA Council, Committee, and Sub-committee / Special Groups meetings taking place with the Western Balkans. Preparing, participating in and reporting on these meetings.	All Western Balkans partners: 1 SA Council 1 SA Committee 7 Sub-committees + PAR Special Group (and, for Kosovo, a normalisation Special Group)

Latest known results (situation on 31/12/2017)

Albania: the SA Council Sub-Committee, the 7 Sub-committees and the PAR SG took place according to the target, and report has been assured.

Bosnia and Herzegovina: As part of the 2nd cycle of SAA meetings, 6 sub-committees took place in 2017. The remaining sub-committee, the PAR Special Group and the SA Committee and SA Council of this cycle will take place in early 2018 as planned.

Kosovo: In 2017 the foreseen SA Council (17 November 2017), the SA committee (5 October 2017), and all the sub-committees and the Special Groups on PAR and on normalisation took place.

Montenegro: In 2017 all the foreseen SAA Council and Committee, the seven Sub-Committees and the PAR Special Group took place.

Serbia: In 2017 the foreseen SAA Council, the SAA committee, the sub-committees and the PAR Special Group took place.

The former Yugoslav Republic of Macedonia: in 2017 the foreseen SA Council (18 July 2017), the SA committee (29 June 2017), and all the sub-committees and the Special Group on PAR took place.

Description	Indicator	Target date
Support to the Western Balkan Integrative Internal Security Governance	Ongoing work to design a specific plan of actions, including financial support	End 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>Draft action plan for the three Integrative Internal Security Governance pillars (1.counteracting terrorism and preventing violent extremism; 2.organised crime; 3.border management) was drafted, including financial support, and is to be approved on 16 March 2018, by the IISG board, in Brdo.</p> <p>The Western Balkans Prime Ministers welcomed the IISG concept at the Sarajevo Leaders' Meeting on 16 March 2017.</p> <p>In September 2017, Ministers took ownership of the IISG process and begun drawing up action plans to present to the donor community for funding.</p> <p>DG NEAR has signed interlinked contracts in December as a result of this approach.</p>		
Description	Indicator	Target date
Deployment of Europol Liaison Officers	Action grant to Europol adopted to deploy liaison officers in the region helping the beneficiaries in improving police intelligence, operations and cooperation	End 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>All related documentation to the action grant has been finalised.</p> <p>Europol Liaison Officers to be posted in the course of 2018, in Belgrade, Sarajevo and Tirana.</p> <p>The project will contribute to the Western Balkans- Integrative Internal Security Governance.</p>		
Description	Indicator	Target date
Support to P/CVE in the Western Balkans	Support to the deployment of DG HOME Radicalisation Awareness Network (RAN) in the WB Implementation of small pilot actions on preventing and countering violent extremism (P/CVE) Call for proposals launched under the PVE window of the 2017 Civil society Facility	End 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>Support to the deployment of EU expertise and methodology through Radicalisation Awareness Network (RAN) model in the Western Balkans has been provided under IPA. The project "<i>Support to Prevention and Countering Violent Extremism (P/CVE) in the Western Balkans</i>", 2017-2019 EU contribution EUR 3 million, supports the Integrative Internal Security Governance pillar on preventing violent extremism and counter-terrorism, under which amongst other activities a Western Balkan RAN (P/CVE) regional platform will be</p>		

established.

Programmes on preventing violent extremism were launched under the Civil Society Facility at the bilateral level (e.g. in Albania). Under the multi-country envelope, one lot under the call for proposals will result in the award of a contract on P/CVE to Civil Society Organisations.

International organisations involved in P/CVE in the Western Balkans have joined the consortium. Implementation, inspired by the RAN has led to the roll-out of the Prevent-Refer-Address (PRA) mechanism. Several activities are under implementation.

The EEAS Counter-terrorism expert in Sarajevo plays an essential coordinating role.

Description	Indicator	Target date
Support to the follow-up of EU-OSCE/ODIHR Electoral Recommendations in the Western Balkans	Implementation of new action	Throughout 2017

Latest known results (situation on 31/12/2017)

Launching conference was held in Warsaw on 8 September 2017.

Consultation and planning visits were organised in:

Montenegro, 4-6 October 2017; Bosnia and Herzegovina, 13-17 November 2017; and Albania, 4-8 December 2017.

A database of the electoral recommendations is under finalisation.

Description	Indicator	Target date
Enhanced political support and monitoring of progress on Roma integration, including better targeted IPA assistance	<p>4th round of Roma integration Seminars to be organised in the former Yugoslav Republic of Macedonia, Serbia, Bosnia Herzegovina, Kosovo*; first seminar in Turkey.</p> <p>Second Roma Award organised in March 2017. Implementation of commitments in Chapter 23 (Serbia, Montenegro) and the Seminar conclusions monitored in Sub-committees, Peer reviews.</p> <p>Roma dimension better included in national IPA programs and revised ISPs, as appropriate; multi-country IPA programme addressing urgent priorities</p>	Throughout 2017

Latest known results (situation on 31/12/2017)

4th round of Roma integration seminars was organised in the former Yugoslav republic of Macedonia and Serbia in 2017. Second Roma Award was organised in March 2017.

DG NEAR event organised at the EP during the second EU Roma Week.

Implementation of commitments in Chapter 23 "Judiciary and fundamental rights" (for

Serbia and Montenegro) and the Roma Seminar conclusions monitored in Sub-committees and Peer reviews.

Roma dimension better included in national IPA programmes and revised IPA Indicative Strategy Papers, as appropriate.

The 2017 Multi country action programme includes a specific new action (EUR 3.750 million) on Roma Education for the Western Balkans and Turkey.

Turkey expressed its intention to organize a first Roma Seminar in 2018.

Description	Indicator	Target date
Launch of modernisation of the EU-Turkey Customs Union	Support DG TRADE in securing agreement on proposed mandate and initiate negotiations. Decide planning reference: 2015/TRADE+/035	Negotiations initiated by mid-2017

Latest known results (situation on 31/12/2017)

The impact assessment and draft mandate have been adopted by the College on 21/12/2016, and submitted to the Council. The Commission made its proposal in December 2016. Now it is up to the Council to decide on the negotiation mandate. In the course of 2017, some Member States have expressed reservations about the need for a swift agreement on the mandate. The Commission however continues to support this important agreement

Description	Indicator	Target date
EU-Turkey Statement implementation, including Joint Action Plan on Migration and visa liberalisation roadmap	Monitor with HOME and Structural Reform Support Service (SRSS) the EU-Turkey Statement, including the Joint Action Plan on Migration and the and visa liberalisation roadmap	Throughout 2017 Periodical reports

Latest known results (situation on 31/12/2017)

Since 18 March 2016, the EC is monitoring the implementation of the EU-Turkey Statement, which covers migration, visa liberalisation, Facility funding, Customs Union etc. On the Statement, the EC has issued four progress reports in 2017, in March, June, September and November (last one as part of the progress report on the European Agenda on Migration). On the implementation of the Roadmap there were still 7 outstanding benchmarks at the end of the reporting period, out of 72 that Turkey must meet. No progress was however achieved on these issues throughout 2017.

Description	Indicator	Target date
High level event on freedom of expression in the Western Balkans	Event held	November 2017 with preparatory work in the course of the year

Latest known results (situation on 31/12/2017)

The EU - Western Balkans Media Days took place on 9 and 10 November 2017 in Tirana, gathering over 250 participants representing media outlets, media-organisations, as well as policymakers. The conference focused on freedom of expression, the economic sustainability of the media sector and its role in the accession process. It was opened by Commissioner Johannes Hahn and Prime Minister of Albania Edi Rama. Very good media coverage.

Description	Indicator	Target date
Enhanced capacities of civil society organisations in the Western Balkans and Turkey	Around 13 new regional thematic networks of CSOs funded (EUR 16 million)	December 2017 Throughout 2017
Implementation of Civil Society Facility (CSF) and media Programmes	Tender for regional TA to CSOs launched Annual monitoring event of the EU Guidelines for support to civil society development Mid-term evaluation of the CSF	Autumn 2017 Throughout 2017

Latest known results (situation on 31/12/2017)

Civil Society Facility regional call for proposals was concluded and 10 contracts signed with regional thematic networks of CSOs (6 further to be signed in Q3 2018).

Tender for regional TACSO slightly postponed.

Annual monitoring event of the EU Guidelines successfully held in Belgrade on 10-11 October 2017 with high level DG NEAR presence.

Mid-term evaluation of the CSF concluded (final report to be published in February 2018).

In 2017, the Commission has stepped up its support to civil society organisations in Turkey. It was decided to transfer EUR 18 million out of the 2017 annual envelope managed under the indirect management mode to the CSF and Media 2016-2017 programme, managed centrally by the Commission.

Description	Indicator	Target date
IPA II Multi-annual and Annual programmes	2017 IPA II country action programmes adopted	Throughout 2017

Latest known results (situation on 31/12/2017)

Albania: The 2017 IPA II country action programmes was adopted on 23 Nov 2017.

Bosnia and Herzegovina: The 2017 IPA annual action programme was adopted on 30 November 2017. The BiH Indicative Strategy Paper was revised in 2017 to include transport sector.

Kosovo: Annual Action Programme for Kosovo* for the year 2017 – Parts I and II were adopted respectively on 29 and 22 November 2017.

Montenegro: the 2017 IPA II country action programmes 'Part 1' and 'Part 2' were adopted respectively on 28 September 2017 and on 07 November 2017.

Serbia: The 2017 IPA II annual action programme was adopted on 8 November 2017.

The former Yugoslav Republic of Macedonia: The 2017 IPA II annual action programme was adopted on 29 November 2017.

All 2017 IPA II action programmes for Turkey have been adopted in December 2017.

Description	Indicator	Target date
Strategy papers for IPA beneficiary countries	Carry out Mid-term review (for BiH: extension of country strategy paper until 2020)	Complete mid 2017

Latest known results (situation on 31/12/2017)
 Mid-term review of IPA II carried out, revision of the Indicative Strategy Papers postponed to Q2 2018.

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	A number of key enlargement policy documents call for a proactive and sequenced role for TAIEX to help the countries concerned meet: i) the operational conclusions of SAA meetings; ii) the recommendations of the enlargement package in line with the recalibrated reporting methodology; and, iii) progress in fulfilling the opening/interim accession negotiations benchmarks, as well as in monitoring their implementation. TAIEX, in close cooperation with geographical units, will map these needs to establish a comprehensive overview of activities to meet them.	Throughout 2017

Latest known results (situation on 31/12/2017)
 TAIEX played a key role in the political and economic stabilisation of the regions covered by the IPA instruments.
 In 2017, strategic TAIEX reinforced its role to serve upfront and proactively the EU strategic objectives throughout the IPA region. As a policy-support instrument, TAIEX ensured a better synergy with the priorities on fundamental and structural reforms and as such functions as a catalyst for reforms in the region.

Main expenditure outputs

Description	Indicator	Target date
IPA I and II implementation and budgetary execution	The benchmarks for KPIs on contract and payment are met	December 2017

Latest known results (situation on 31/12/2017)
 Out of six EU Delegations/Office (EUD/EUO), three met KPIs benchmarks for both contracts and payments and two met at least one of them.
 Albania:
 Payments: KPI Value: 73.90%
 Contracting: KPI Value 48.92%
 Bosnia and Herzegovina:
 Payments: KPI Value: 94.12%
 Contracting: KPI Value 80.30%

<p>Kosovo: Payments: KPI Value: 90.08% Contracting: KPI Value 106.64%</p> <p>Montenegro: Payments: KPI Value: 97.8% Contracting: KPI Value 96.81%</p> <p>Serbia: Payments: KPI Value: 90.01% Contracting: KPI Value 87.83%</p> <p>The former Yugoslav Republic of Macedonia: Payments: KPI Value: 104.73% Contracting: KPI Value 100.33%</p> <p>Turkey: Payments: KPI not met. Value: 113.30% (benchmark between 90% and 110%) Contracting: KPI met. Value 92.96% (benchmark between 90% and 110%)</p>		
Description	Indicator	Target date
Facility for Refugees in Turkey up and running		Throughout 2017
Latest known results (situation on 31/12/2017)		
The full EUR 3 billion allocation of the Facility for Refugees in Turkey for the years 2016-2017 has been committed in 2017, and 72 projects are effectively on-going		
Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	Continued co-ordination of the TAIEX instrument across the Commission to assist enlargement countries with regard to the approximation, application and enforcement of EU legislation	Throughout 2017
Latest known results (situation on 31/12/2017)		
Throughout 2017, 570 TAIEX events were organised for IPA to assist enlargement countries with the approximation, application and enforcement of EU legislation		
Description	Indicator	Target date
Thematic evaluation on support to Economic Governance in enlargement The evaluation should serve to provide advice and evidence in future EU assistance on economic governance. It will assess the performance, good examples and lessons learned from the pre-existing assistance in areas related to economic governance in the enlargement countries.	Completion Decide planning reference: 2016/NEAR/001	June 2017

Latest known results (situation on 31/12/2017)		
The thematic evaluation on support to Economic governance has been completed and presented during the ECO-NET meeting in October 2017 in Brussels. However, the corresponding Staff Working Paper has still to be finalised.		
Description	Indicator	Target date
Thematic evaluation on Public Administration Reform The evaluation should serve to provide advice and evidence in future EU assistance on PAR	Completion Decide planning reference: 2016/NEAR/006	December 2017
Latest known results (situation on 31/12/2017)		
The thematic evaluation on PAR is still on-going and planned to completed in 2018.		
Description	Indicator	Target date
IPA II mid-term evaluation for MTR 2014-2020	Completion Decide planning reference: 2017/NEAR+/001	End 2017
Latest known results (situation on 31/12/2017)		
The IPA II mid-term evaluation has been completed and has become an input to the MTR Report for External Financial Instruments, which was finalised in December 2017.		
Description	Indicator	Target date
Thematic evaluation on the support to SME competitiveness	The evaluation will assess the performance, good examples and lessons learned from the past assistance in the area of SME competitiveness in the enlargement and neighbourhood countries. It should serve to provide evidence and advice in designing future EU assistance. Agenda planning reference: 2016/NEAR/003	3rd quarter
Latest known results (situation on 31/12/2017)		
Comments have been communicated on the draft final report, the evaluation having taken longer than expected.		
Description	Indicator	Target date
Mid-term evaluation of the Civil Society Facility (CSF) for the Western Balkans and Turkey	The evaluation should provide advice for future EU assistance on the support to civil society (Q3-Q4 2016)	The evaluation will be completed end of 2016 and will assess the performance, good examples and lessons learned from the on-going assistance to civil society and media through the CSF

Latest known results (situation on 31/12/2017)

The evaluation has been completed in 2017 and will be published in quarter 2 of 2018.

Specific objective 4:

Improved connectivity within the Western Balkans and with the EU.

Improved good neighbourly relations among Enlargement countries with a view to overcoming the legacy of the past

Related to spending programme IPA

Result indicator: Progress in completing the Core transport network and the Core transport corridors.

Definition: The EU adopted, in January 2014, a new transport infrastructure policy to put in place a powerful European transport network across the 28 Member States. These new guidelines refocus transport financing on a tightly defined new core network, the **Trans-European Transport Core Network (TEN-T core network)**, which will form the backbone for transportation in Europe's single market. It will remove bottlenecks, upgrade infrastructure and streamline cross border transport operations for passengers and businesses throughout the EU. Within the **Western Balkans Six framework**, the European Commission and the six Prime Ministers from the Western Balkans agreed, on 21 April 2015 in Brussels, on **indicative extensions of the TEN-T core network in the Western Balkans region**. In Riga, on 22 June 2015, the Western Balkans Six Transport Ministers confirmed the maps of the comprehensive and core networks extending the TEN-T network in the Western Balkans. A **list of priority projects** was agreed at the Vienna Summit in August 2015.

Source of data: East Europe Transport Observatory (SEETO) Annual Report; Western Balkans Investment Framework Annual Assessment

Baseline 2015	Interim Milestone 2018	Target 2020
24 priority projects on the list agreed in Vienna	At least 33% priority projects approved/under implementation	75% of 24 priority projects identified in Vienna approved/under implementation

Latest known results 2017

54.16 % out of the 24 priority projects approved and under implementation

Result indicator: Progress in implementing the Projects of Energy Community Interest.

Definition: The South East Europe Energy Strategy adopted in October 2013 outlines the key objectives and actions needed to create a regional energy market, as well as the investment needs for energy efficiency and renewable energy. A list of Projects of Energy Community Interest (PECI) was subsequently adopted, identifying in particular the electricity and gas interconnections as key areas that would contribute to the Western Balkans economic development and further EU integration

Source of data: Energy Community Annual Report (revision of the PECI list in 2016); Western Balkans Investment Framework Annual Assessment

Baseline 2015	Interim Milestone 2018	Target 2020
20 electricity and gas	At least 33% of the 20	At least 75% of the 20

projects in 2013 PECI list	relevant PECI project approved/under implementation	relevant PECI projects approved/under implementation
<p>Latest known results 2017</p> <p>25% of the 20 relevant PECI projects approved/under implementation; the indicator is likely to be on track to achieve the 2018 milestone. 5 projects on investment grants approved and under implementation; In addition 5 technical assistance projects approved and under implementation.</p>		
<p>Result indicator: Progress in implementing the soft measures on energy and transport</p>		
<p>Definition: As agreed at the Vienna Summit in August 2015, the Western Balkans countries have to complement the investments through the implementation of soft measures aiming to increase the added value of the infrastructure investments. The soft measures will require limited funding but a strong political commitment. They include measures such as aligning and simplifying border crossing procedures, railway reforms, information systems (ITS), road safety and maintenance schemes, unbundling and third party access, regulator independence, licensing and permitting regimes, customer switching, etc.</p>		
<p>Source of data: Conclusions of Western Balkans Ministerial meetings and Summits</p>		
Baseline 2015	Interim Milestone 2016	Target 2020
<p>40 short and long term measures for energy and transport agreed in Vienna</p> <p>New baseline 2016, updated after the Paris summit: 86 measures for transport/84 measures for energy</p>	<p>50% of short term measures in Vienna list implemented</p>	<p>85% of all 40 soft measures in Vienna list implemented</p>
<p>Latest known results 2017</p> <p><u>Transport:</u></p> <p>In 2017 there are 82 Regional measures (all Western Balkans Six) and 8 National measures (Border crossings), out of which Western Balkans Six have implemented 11 Measures - (Albania 3, Bosnia and Herzegovina 1, Kosovo* 2, Montenegro 2, Serbia 2, the former Yugoslav Republic of Macedonia 1).</p> <p>The implementation of connectivity reform measures (2015-2017) is 12.2 % (the average % for all Western Balkans Six).</p> <p><u>Energy:</u></p> <p>In 2017 there are 83 Measures (all Western Balkans Six) out of which Western Balkans Six in total have implemented 19 Measures - (Albania 2, Bosnia and Herzegovina 2, Kosovo 3, Montenegro 4, Serbia 6, the former Yugoslav Republic of Macedonia 2).</p> <p>The implementation of the CRM (2015-2017) is 22.89% (the average % for all Western Balkans Six).</p> <p>[NOTE: In 2016, at the Paris summit, the 40 measures agreed in Vienna were transformed into 86 measures (transport) and 84 (energy), due to their subdivision into individual country measures. And "soft measures" were renamed into Connectivity reform measures]</p>		
<p>Result indicator: European Commission contributes to smooth organisation of Berlin process summits.</p>		
<p>Definition: The European Commission is looking at boosting regional economic development and connectivity in the Western Balkans as well as to improve good</p>		

neighbourly relations between Western Balkans countries. The aim will be to continue progress achieved to date, notably through the "Berlin process" and the "Western Balkans Six" format, which brings together heads of state and government from the region and is strengthening the countries' ownership of regional co-operation.

Source of data: Conclusions of Western Balkans Ministerial meetings

Baseline 2015	Interim Milestone 2016-2018	Target 2020
N/A	Connectivity Package endorsed by summit At least 2 Western Balkans Ministerial meetings organised in preparation of summit	Connectivity Package endorsed by summit At least 2 Western Balkans Ministerial meetings organised in preparation of summit

Latest known results 2017

The Connectivity package was endorsed at the Trieste summit on 12 July 2017.

In advance, a meeting of Energy Ministers was organised in Skopje in February 2017. Prime Ministers met in Sarajevo in March 2017.

Main outputs in 2017:

Policy-related outputs

Description	Indicator	Target date
2017 connectivity financial assistance package endorsed at the Western Balkans Summit in Italy	Connectivity package endorsed, including confirmation of progress on the connectivity reform measures on transport and energy; progress in completing the Core transport network and the Core transport corridors; progress in implementing the Projects of Energy Community interest	July 2017

Latest known results (situation on 31/12/2017)

At the Trieste summit, Prime Ministers endorsed the 2017 connectivity package, reflecting progress on the connectivity reform measures on transport (12.2% implemented) and energy (22.89% implemented).

Through the package, there has been significant progress in completing the Core transport network and the Core transport corridors (54.16 % out of the 24 priority projects approved and under implementation).

There has been progress in implementing the Projects of Energy Community Interest, as reflected in the biannual update of the PECE list. (25% of the 20 relevant PECE projects approved/under implementation).

Description	Indicator	Target date
Western Balkans 6 Ministerial meetings to confirm progress on the implementation of connectivity reform measures for transport and energy, youth agenda and launch of the WB internal market	Meetings organised Initialling, then Signature, of Transport Community Treaty. Establishment / funding of the Transport Community Secretariat.	Jan-June 2017
Latest known results (situation on 31/12/2017)		
<p>Several 'Sherpas' meetings of Advisors to Prime Ministers monitored the implementation of Connectivity Reform Measures. A Meeting of Ministers of Energy took place in March 2017. Several negotiation sessions took place to finalise the Transport Community Treaty, which was signed at the Trieste Summit, followed by the first Ministerial Council meeting of the Transport Community in December 2017.</p> <p>In Trieste, the Multi-Annual Action Plan for the Regional Economic Area was approved. Trieste also saw an EU-organised Youth Forum. In June, Ministers of Education and of Science. The Positive Agenda for Youth continues to develop. Take-up of Erasmus+ in the region is improving.</p>		
Main expenditure outputs		
Description	Indicator	Target date
2017 IPA II Multi-country Programmes prepared in line with national and regional needs	Programmes adopted by the Commission, including elements concerning the ICTY	Throughout 2017, with ICTY Legacy events completed by December 2017
Latest known results (situation on 31/12/2017)		
<p>Multi-country programmes adopted in July and November 2017 for a total value of EUR 273 million.</p> <p>Support to ICTY has been included. The outreach work of the ICTY came to an end in December 2017 with final legacy event.</p>		
Description	Indicator	Target date
IPA I and II implementation/ budgetary execution	Benchmarks for KPIs on contract and payment are met.	December 2017
Latest known results (situation on 31/12/2017)		
<p>Out of six EU Delegations/Office (EUD/EUO), three met KPIs benchmarks for both contracts and payments and two met at least one of them.</p> <p>Albania: Payments: KPI Value: 73.90% Contracting: KPI Value 48.92%</p> <p>Bosnia and Herzegovina: Payments: KPI Value: 94.12% Contracting: KPI Value 80.30%</p> <p>Kosovo: Payments: KPI Value: 90.08%</p>		

Contracting: KPI Value 106.64%

Montenegro:
 Payments: KPI Value: 97.8%
 Contracting: KPI Value 96.81%

Serbia:
 Payments: KPI Value: 90.01%
 Contracting: KPI Value 87.83%

The former Yugoslav Republic of Macedonia:
 Payments: KPI Value: 104.73%
 Contracting: KPI Value 100.33%

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	<p>Continued organisation of TAIEX regional events to assist enlargement countries in improving and consolidating good neighbourly relations through events of common interest (energy, transport, connectivity, migration, judicial and police cooperation, etc.) and political relevance.</p> <p>TAIEX will continue to promote events aimed at regional reconciliation and overcoming the legacy of the past in the Western Balkans.</p>	Throughout 2017

Latest known results (situation on 31/12/2017)

In 2017, strategic TAIEX reinforced its role to serve upfront and proactively the EU strategic objectives for Enlargement and Neighbourhood. As a policy-support instrument, TAIEX ensured a better synergy with the priorities on fundamental and structural reforms and as such functions as a catalyst for reforms both in the enlargement and neighbourhood regions, by ensuring the provision of targeted expertise in the areas of transport, connectivity, migration, judicial and police cooperation, finance and banking, etc.)

Throughout 2017, 14 TAIEX regional events organised to assist enlargement countries in improving and consolidating good neighbourly relations in the area of information society, connectivity and justice and home affairs.

General objective 2 – Towards a New Policy on Migration

Specific objective: 5 : Stem the influx of irregular migrants to the EU by addressing the root causes of destabilisation, forced displacement and irregular migration in Enlargement and Neighbourhood countries. Promote mobility and mutually beneficial migration.

Related to spending programmes IPA and ENI

Result indicator: Implementation of the Facility for Refugees in Turkey

Definition: The implementation of this facility will be measured by the **amount for which the Steering Committee of the Facility has provided guidance and by the amount committed.**

The Facility for Refugees in Turkey is the answer to the October 2015 **European Council's call for significant additional funding to support refugees in Turkey.** The Facility will provide a joint coordination mechanism for actions financed by the EU budget and national contributions made by the Member States, designed to ensure that the **needs of refugees and host communities are addressed** in a comprehensive and coordinated manner.

To ensure coordination, complementarity and efficiency in the financing, the **Steering Committee** of the Facility will provide strategic guidance and **decide on which types of actions will be supported** and through which financing instruments. The Steering Committee will monitor and assess the implementation of the Facility. It will be composed of representatives of Member States, the Commission and of Turkey, in an advisory capacity.

The assistance provided under the Turkey Refugee Facility will be **conditional on the compliance by Turkey with the EU-Turkey Joint Action Plan**, which aims to bring order into migratory flows and help to stem irregular migration, and the EU-Turkey Statement from 29 November 2015.

DG NEAR will be in charge of **chairing the Steering Committee, managing its secretariat; and implementing the actions conducted under IPA.** This result indicator is of high relevance to measure the results of DG NEAR's action on this specific objective since the Facility will be **managed by DG NEAR** and because **Turkey**, by its geographical position, is **a major first reception and transit countries for migrants.**

Source of data: Facility monitoring reports

Baseline 2015	Interim Milestone 2016	Target 2017
Not applicable	EUR 2 billion, on which Steering Committee has provided guidance	EUR 3 billion on which Steering Committee has provided guidance. Corresponding amounts should be committed by 31.12.17

Latest known results 2017

The full EUR 3 billion allocation of the Facility for Refugees in Turkey for 2016-2017 has been committed by 31.12.17, and 72 projects contracted in the space of 18 months since the Facility became operational. EUR 1.85 billion have so far been disbursed.

Result indicator: Implementation of the EU Regional Trust Fund in response to the Syrian Crisis

Definition: The EU Regional Trust Fund in response to the Syrian Crisis (EUTF) will continue its activities, mainly linked to the contracting and delivery of projects adopted by

two Board meetings and identified until end 2015 and the preparation of a new pipeline of projects, in all the countries affected by the Syrian crisis.

The EUTF was established **in December 2014** with the overall objective to provide a coherent and reinforced **aid response to the Syrian crisis on a regional scale**, responding in the first instance to the needs of refugees from Syria in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards resilience and early recovery.

Following the Commission Communication of 23 September 2015 with proposals on Managing the refugee crisis, the Commission inter alia proposed a **substantial increase of funding in support of Syrian refugees** and their host countries through the Trust Fund, amounting to more than EUR 500 million in appropriations. It has also received contributions and pledges from 19 Member States amounting to EUR 60 million.

The Trust Fund is **managed by DG NEAR** who chairs the TF board and is in charge of developing actions to be submitted to the board.

Source of data: N/A

Baseline 2015	Interim Milestone 2016	Target 2020
2 Board meetings held Actions for EUR 387.5 million adopted EUR 17 .5 million contracted	At least 2 Board meetings held At least Actions for EUR 250 million adopted At least EUR 300 million contracted	At least EUR 1 billion mobilised and implemented through the Fund (target from 23 Sept 2015 communication)

Latest known results 2017

In 2017, projects amounting to EUR 458 million have been adopted in two Operational Board meetings. The newly adopted assistance package brings the overall amount of committed Trust Fund projects to EUR 1.2 billion.

Result indicator: Implementation of the Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa – North of Africa Window.

Definition: The European Commission has launched an “Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa”, made up of **EUR 1.8 billion** from the EU budget and European Development Fund, combined with contributions from EU Member States and other donors. The EU Trust Fund for Africa was signed by the President of the European Commission Jean Claude Juncker, along with 25 EU member states, as well as Norway and Switzerland, and was launched at the Valletta Summit on Migration on November 12th 2015 by European and African partners.

The Trust Fund benefits a coherent group of countries across Africa crossed by the major migration routes. These countries are part of three regional operational windows: the Sahel region and Lake Chad area, the Horn of Africa and the North of Africa.

DG NEAR is in charge of managing the North of Africa window, comprised of Morocco, Algeria, Tunisia, Libya and Egypt.

The North of Africa window will be focused at improving migration management in all its aspects, including contributing to the development of national and regional strategies on migration management, containing and preventing irregular migration and fight against trafficking of human beings, smuggling of migrants and other related crimes, effective return and readmission, international protection and asylum, legal migration and mobility, enhancing synergies between migration and development.

The first operational committee of the North of Africa window will take place around mid 2016 to examine a first pipeline of projects. The preparation of projects for 2017 will start in parallel and it is expected that the following operational committees will be able to achieve a higher level of commitments.

Source of data: Reports of the operational committee of the North of Africa window

Baseline 2015	Interim Milestone 2016	Target 2020
Launching of the North of Africa window – No operational committee + preparation of a first pipeline of projects	Operational committees of the NA window approve a pipeline of EUR 40 million	Projects worth the totality of ENI + MS funds pledged are approved by the operational committees.

Latest known results 2017

By the end of 2017, 9 new programmes were approved for a total amount of EUR 241,1 million capturing the objectives of the EUTF Strategy and responding to his Operational Framework. Programmes

Result indicator: Further Visa liberalisation with relevant countries (i.e. Georgia, Armenia, Ukraine, Kosovo, Turkey)

Definition: Visa liberalisation is the result of 'Visa Liberalisation Dialogues' conducted between the EU and third countries. Through the Visa Dialogues, the EU takes gradual steps towards the **long-term goal of visa-free travel** for short term stays on a case-by-case basis, provided that conditions for well-managed and secure mobility are in place. These dialogues are reserved for enlargement and East neighborhood countries.

Visa-free regime can fulfill the purpose of **increasing people-to-people contacts between the EU and the third countries**, hence helping to develop special relationships between the EU and the concerned Neighbourhood countries or helping to advance the integration process in case of Enlargement countries.

In terms of process, the Commission reports on the implementation by the third country of the related **Visa Liberalisation Action Plan** (VLAP). Once all benchmarks are met by the third country in a sustainable manner, the Commission is in a position to propose to transfer this country to the list of third countries whose nationals are exempt from visa requirement (Regulation 539/2001). Finally, the European Parliament and the Council decide whether to approve the Commission's proposal, taking into account possible migration and security risks.

Within the Commission, DG HOME is in the lead for conducting Visa Liberalisation Dialogues, with support from DG JUST, the EEAS and DG NEAR.

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

Baseline 2015	Interim Milestone 2016	Target 2020
<p>Ukraine: Ukraine meets criteria for visa liberalisation, based on the commitments taken in the sixth VLAP report</p> <p>Georgia: Positive appraisal of benchmarks under the Visa Liberalisation Action Plan</p>	<p>Ukraine: Entry into force of visa liberalisation for Ukraine</p> <p>Georgia: Entry into force of visa liberalisation for Georgia</p> <p>Armenia: Discussions on Armenia's request to launch a Visa Liberalisation Dialogue</p> <p>Kosovo: Visa liberalisation</p>	<p>Armenia: Advancement on fulfilling benchmarks for Visa Liberalisation</p>

<p>Armenia: Preliminary discussions on Visa Liberalisation</p> <p>Kosovo: visa liberalisation dialogue launched with Kosovo on 19 January 2012</p> <p>Turkey: visa liberalization dialogue started in December 2013</p>	<p>possibly granted to Kosovo</p> <p>Turkey: Visa liberalisation granted to Turkish citizens in the Schengen zone by October 2016 once the requirements of the Roadmap are met.</p>	
<p>Latest known results 2017</p> <p>Adoption of first report under the Visa Liberalisation Suspension Mechanism (12/2017): Ukraine continues to fulfil the benchmarks but needs to take immediate actions to ensure full implementation and sustainability of the reforms.</p> <p>Georgia was granted visa free travel for its citizens on 29/3/2017.</p> <p>Armenia: Process completed in 2016.</p> <p>Kosovo: the remaining two benchmarks still need to be met.</p> <p>Turkey: On the implementation of the Visa Liberalisation Roadmap there are still 7 outstanding benchmarks, out of 72, that Turkey must meet. No progress on these issues was achieved throughout 2017. The full implementation of the EU-Turkey Readmission Agreement, including readmission of third-country nationals, is one of the outstanding benchmarks. The Commission is awaiting the proposal from Turkey in 2018 on completion of the remaining benchmarks</p>		
<p>Planned evaluations:</p> <ul style="list-style-type: none"> -Migration and border management, 2019 – thematic; -Security, 2016 –thematic⁴³; 		

Main outputs in 2017:		
Policy-related outputs		
Description	Indicator	Target date
Implementation of EU-Turkey Statement, and visa liberalisation roadmap	Positive Commission reports/findings on implementation	Throughout 2017 Periodic reports
Latest known results (situation on 31/12/2017)		
<p>Since 18 March 2016, the EC is monitoring the implementation of the EU-Turkey Statement, which covers migration, visa liberalisation, Facility funding, Customs Union etc. On the Statement, the EC has issued four progress reports in 2017, in March, June, September and November (last one as part of the progress report on the European Agenda on Migration).</p>		
Description	Indicator	Target date
Alignment with "acquis" by candidates and potential candidates	Monitoring of negotiations and alignment by candidates and potential candidates to EU standards and acquis related in particular to chapters 23 and 24.	Throughout 2017

⁴³ Due to its complex nature, the collection of data required additional time; the field phase of the evaluation was concluded in December 2017; dissemination and publication of the final report is planned before the end of Q2 2018.

Latest known results (situation on 31/12/2017)		
<p>Montenegro: chapters 23 and 24 were opened in 2013. In 2017 Montenegro made some progress especially in further consolidating the legal and institutional frameworks and two non-papers prepared by the Commission identified the gaps that Montenegro needs to address.</p> <p>Serbia: Chapters 23 and 24 were opened in 2016. In 2017 some progress was made, in particular in further aligning the legislative framework and by adopting the Action Plan of the Roma Strategy.</p> <p>Non-negotiating countries monitor acquis alignment continuously within the SAA framework.</p>		
Description	Indicator	Target date
Visa liberalisation process for Kosovo	Monitoring of the implementation of the remaining benchmarks of 2012 visa liberalisation roadmap	In 2017
Latest known results (situation on 31/12/2017)		
The last two benchmarks still need to be met.		
Description	Indicator	Target date
Annex to the Mobility Partnership with Belarus	Finalisation	Second half of 2017 (DG HOME in the lead)
Latest known results (situation on 31/12/2017)		
First High Level Meeting held in 2017.		
Description	Indicator	Target date
Ukraine Visa Liberalisation Process (VLAP)	Continued monitoring of benchmarks notably in the area of Anti-Corruption and provision of guidance on VLAP- relevant national legislation. (DG HOME in the lead).	Throughout 2017
Latest known results (situation on 31/12/2017)		
The first report under the Visa Liberalisation Suspension Mechanism COM (2017) 815 has been adopted on 20/12/2017		
Description	Indicator	Target date
Support to Georgia VLAP implementation	Support to the continuous implementation of the VLAP benchmarks, in particular in the fields of migration and organised crime	Throughout 2017
Latest known results (situation on 31/12/2017)		
<p>Visa free regime was granted to Georgia in 2017. A fully-fledged monitoring system of passengers travelling to the Schengen Area was established in 2017 to ensure proper monitoring and information campaigns on the rules of visa free travel have been regularly conducted. Further cooperation is foreseen under the Mobility Partnership, in particular focusing on: legal migration and mobility; fighting irregular migration and reintegration and asylum.</p>		

Description	Indicator	Target date
Continue implementation of Facility for Refugees in Turkey	Contract all remaining allocated funds under NEAR responsibility with IFIs and as bottom-up projects under the EUTF; monitor and evaluate running programmes; ensure strong visibility; hold periodic Steering Committee meetings	Throughout 2017

Latest known results (situation on 31/12/2017)

As regards the funds of the Facility for Refugees in Turkey managed by DG NEAR, there has been very good progress in 2017. The NEAR allocation – with IFIs and under the EU Trust Fund – has been fully contracted. Four Steering Committee (SC) meetings were held in 2017. Monitoring at Facility level has started. In March 2017 the first draft of the Facility Results Framework was finalised and presented to the SC. The first monitoring findings were presented to the SC in June 2017 and the results from the second cycle to the SC in November 2017. In parallel, the Commission adopted a EUR 14.3 million Support Measure for the monitoring, evaluation, audit and communication of the Facility.

The Commission developed a communication strategy at the beginning of 2017. A number of communication materials have already been produced to illustrate the Facility's purpose and main activities. Several joint high level visibility events, such as opening ceremonies with EU Commissioners, were very successful and well-illustrate the ownership of the Turkish authorities. The Facility benefits from a dedicated webpage.

Description	Indicator	Target date
EU regional Trust Fund in response to the Syrian crisis	Implementing initiatives including the ones mentioned in the Communication on the Central Mediterranean Route	Throughout 2017

Latest known results (situation on 31/12/2017)

In 2017, projects amounting to EUR 458 million have been adopted in two Operational Board meetings and one written procedure covering support to refugees and their overstretched host communities in Turkey, Lebanon, Jordan, Iraq, the Western Balkans and Armenia. Projects focus on education, health care, support of local community, social inclusion and integration in the labour market, agricultural livelihoods as well as refugee protection, research and advocacy and gender equality. The newly adopted assistance package brings the overall amount of committed Trust Fund projects to EUR 1.2 billion.

Description	Indicator	Target date
Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa – North Africa	Implementing initiatives including the ones mentioned in the Communication on the Central Mediterranean Route	Throughout 2017

Latest known results (situation on 31/12/2017)

By the end of 2017, 9 new programs were approved for a total amount of EUR 241,1 million capturing the objectives of the EUTF Strategy and responding to his Operational Framework. Programs:

- support the management of mixed migration flows, as well as integrated border management in Libya;
- promote actions in Egypt, as a strategic response to the migration challenges the country is facing;
- finance a technical cooperation facility for monitoring, evaluation and communication purposes;
- enhance the cooperation on migration between Morocco, Mali, Senegal and Cote d'Ivoire (first cross-window programme - NoA/Sahel);
- finance a regional support to the mainstreaming of migration at local level, a return and reintegration facility and a regional programme about the prevention and fight against smuggling and trafficking;
- support the legal empowerment of migrants in Morocco.

Description	Indicator	Target date
Implementation of the Lebanon and Jordan 'Compacts'	Implementation report jointly drafted by the partner country and the EU	End 2017

Latest known results (situation on 31/12/2017)

All EU commitments of the EU-JO compact have been implemented and notably:

- The 16-17 financial allocation for Jordan has been fully committed;
- A specific "Rules of origin" scheme has been adopted by the EU to help Jordan increase its exports to the EU and create more job opportunities for Syrian refugees in the country

Description	Indicator	Target date
Support migration management in Ukraine	Start of implementation of EUR28 million programme "Support for Migration Management and Asylum Management in Ukraine"	First semester 2017

Latest known results (situation on 31/12/2017)

The programme was launched in December 2016 and implementation is currently ongoing.

Description	Indicator	Target date
Support to Serbia and the former Yugoslav Republic of Macedonia to respond to the refugees and migration crisis	Implementation of ongoing contracts; preparation of additional support; contracting of additional support	Throughout 2017 Throughout 2017 First semester 2017 (estimate)
Support to the deployment of EU guest officers at the borders.	Implementation of ongoing contracts; preparation of additional support taking into consideration possible phase in of EBCG operations; contracting of additional support taking into consideration possible	
Support to DG HOME in negotiating the Status agreement for the possible deployment of the EBCG Agency in Serbia and the former Yugoslav Republic of		

Macedonia	phase in of EBCG operations Support to DG HOME during the negotiations	
Latest known results (situation on 31/12/2017)		
<p>Planned support to Serbia and the former Yugoslav Republic of Macedonia has been implemented throughout 2017. In 2017 additional support has been planned and contracted.</p> <p>In 2017 support to deployment of EU guest officers has continued.</p> <p>In 2017 DG NEAR has supported DG HOME in renegotiating the Status agreement for the possible deployment of the EBCG Agency in Serbia, the former Yugoslav Republic of Macedonia and Albania. No agreement has been reached in 2017.</p>		

Main expenditure outputs		
Description	Indicator	Target date
Facility for Refugees in Turkey up and running		Throughout 2017
Latest known results (situation on 31/12/2017)		
<p>In 2017, the full EUR 3 billion allocation of the Facility for Refugees in Turkey for the years 2016-2017 was committed in 2017, and a total of EUR 1.85 billion have been already disbursed for 72 on-going projects.</p>		
Description	Indicator	Target date
EU regional Trust Fund in response to the Syrian Crisis	Implementing initiatives via the EU regional Trust Fund in response to the Syrian Crisis	Throughout 2017
Latest known results (situation on 31/12/2017)		
<p>In June 2017, the Operational Board approved EUR 275 million in support of refugees and their overstretched host communities in Turkey, Lebanon, Jordan, Iraq, the Western Balkans, and Armenia. Projects will focus on education, health care, support of local community, social inclusion, gender equality.</p> <p>In November 2017 three Action documents for EUR 26,5 million had been approved for Turkey addressing immediate needs in resilience, in particular on higher education and integration of refugees in the labour market. Besides the amended Action for education budget support for Jordan had been approved by the Operational Board for EUR 20 million.</p> <p>In December 2017 EUR 150 million had been approved by the Operational Board to support refugees and their overstretched host communities in Iraq, Jordan, Lebanon and Serbia.</p> <p>Projects will support most affected municipalities in the region, agricultural livelihoods and food security, school construction, upgrading waste-water systems in areas with high refugee concentration, as well as refugee protection, research and advocacy. The newly adopted assistance package brings the overall amount of committed Trust Fund projects to EUR 1.2 billion.</p>		
Description	Indicator	Target date
Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa – North Africa	Commitment of 20% of the funds approved by operational committee for 2017	31.12.2017

Latest known results (situation on 31/12/2017)		
At the end of 2017, contracts have been signed for an amount of EUR 174.6 million. The total amount paid under the North Africa Window during the year is EUR 78 million.		
Description	Indicator	Target date
Support to migration management in Belarus		
Latest known results (situation on 31/12/2017)		
Under the AAP 2016, a new action for a total of EUR7M will help Belarus address the phenomenon of increasing numbers of irregular migrants. The programme will be implemented by the IOM, and will start in Spring 2018.		
Description	Indicator	Target date
TAIEX	Support to VLAP, border management and asylum related matters, including in collaboration with interested line DGs	Throughout 2017
Latest known results (situation on 31/12/2017)		
Throughout 2017, 14 TAIEX events have been organised to support to VLAP, border management and asylum related matters.		

General objective 3 – A Resilient Energy Union with a Forward Looking Climate Change Policy

Specific objective: 6 Increased energy security and more effective climate policies in the Enlargement and Neighbourhood countries as well as increased energy connectivity between the EU and these countries
Related to spending programmes IPA and ENI
Result indicator: Number of sector dialogues on gas, renewable energy and energy Efficiency at regional level.
Definition: Eastern Partnership (EaP): At regional level, meetings of the regional EaP Platform 3 on Energy Security, which supports dialogue in developing electricity, gas and oil interconnections, as well as improving energy efficiency and renewable energy sources. Neighbourhood South: The progressive integration of the energy markets in the Mediterranean is a key aspect of the ENP Review and one of its objectives. Such integration could only be achieved through the establishment and functioning of dedicated international fora where the policy priorities and the actions to implement them are discussed and adopted. In the Mediterranean region, this is currently done through the sector policy dialogues under the UfM umbrella (i.e.: the UfM Energy Platforms in the field of Gas; Regional Electricity Markets; Renewable Energies and Energy Efficiency). The level of activity and relevance of these policy dialogues is measured through the frequency of their meetings and the quantity and quality of the results that are produced therein. Therefore the number of meetings held in the framework of each policy dialogue can be considered as an appropriate indicator to be

employed.

Together with DG ENER, DG NEAR is leading the policy dialogues that are being shaped in the framework of the three UfM Energy Platforms. More specifically, NEAR regularly provides technical input regarding the following aspects: definition of the platforms' work programmes and activities; identification and formulation of policy priorities in the energy sector; logistical aspects that are linked to the organisation of the platforms' meetings. This work is essential to achieve the desired frequency of policy dialogue meeting and the quality of their results. In addition, DG NEAR provides a more political contribution, by regularly cooperating with DG ENER in view of the UfM Energy Ministerial meetings. Finally, DG NEAR manages two contracts with the key technical partners of the UfM Regional Electricity Markets Platform: MEDREG and MED-TSO.

Source of data:

- EaP: Platform 3 meetings funded by regional EaP events facility.
- Neighbourhood South: DG NEAR and DG ENER internal reporting. UfMS activity report and minutes of meetings.

Baseline 2015	Interim Milestone 2016	Target 2020
EaP: 2 per year UfM: 1 meeting of the Regional Electricity Platform (REM) and 1 meeting for the Gas Platform	EaP: 2 meetings per year UfM :The target is 2 meetings per year for each UfM Platform until 2020	UfM :30 meetings in total

Latest known results 2017

EaP : The planned meetings took place

A successful energy dialogue between Egypt and the EU was conducted in July 2017 and a new EU - Egypt Memorandum of Understanding (MOU) for Strategic Partnership on Energy was finalised. An informal UfM ministerial meeting on energy efficiency took place in Malta in May 2017. The preparation of Energy Platforms was completed.

Result indicator: Neighbourhood East - Number of investments from the Neighbourhood Investment Facility (NIF) adopted on Renewable Energy and Energy Efficiency

Definition: Strategic investment projects on Renewable Energy and Energy Efficiency funded by the NIF – Neighbourhood East

Source of data: NIF Board decisions

Baseline 2015	Interim Milestone 2018	Target 2020
0	2 per year	2 per year (based on desk evaluation)

Latest known results 2017

2 Board decisions taken on:

- E5P Belarus
- Green4growth Fund

Result indicator: Neighbourhood South - At least 30% of the Neighbourhood Investment Facility (NIF) grant investments in the Southern Neighbourhood will be devoted by 2020 to facilitate investments in the Renewable Energy and Energy Efficiency Sectors

Definition: Facilitating investments to establishing better and more sustainable **energy** interconnections (between the EU and neighbouring countries and between the neighbouring countries themselves), improving energy efficiency and demand

management, promoting the use of renewable energy sources, strengthening energy security through diversification of energy supplies and energy market integration **are part of the NIF strategic orientations** and priority objectives adopted by the Commission with the agreement of partner countries for the period 2014-2020.

The NIF is a blending designed to combine EU grants with other public and private financing. By reducing, through co-financing, the overall cost or risk of the project or by subsidising interest rates and/or financing technical assistance, the Facility will encourage the beneficiary governments, private sector and/or public institutions to carry out essential investments in sectors which would otherwise be postponed due to lack of resources.

The role of DG NEAR is to discuss and promote with the European Financial Institutions, in close association with the concerned EU Delegations, **the identification and submission to the NIF of investment projects** in the targeted sector.

Source of data: NIF Secretariat and NIF Annual Reports

Baseline 2014	Interim Milestone 2018	Target 2020
The base line was 20% to 25% of NIF grants for the Energy sector	NA	At least 30% of the NIF grant investments in the Southern Neighbourhood will be devoted by 2020 to facilitate investments in the Renewable Energy and Energy Efficiency Sectors

Latest known results 2017

As much as 41% of the NIF annual envelope 2016 (contracted in 2017) has been used for climate-related operations in Neighbourhood South.

NIF projects ongoing, contributing to the 20% target in Neighbourhood East

Result indicator: Progress in implementing the Projects of Energy Community Interest
→ See description of this indicator under Specific objective 4

Main outputs in 2017:

Policy-related outputs

Description	Indicator	Target date
Further integration of the Energy Community Treaty in the Western Balkans	Level of Enforcement of existing Energy Community Acquis (through Berlin Process connectivity reform measures)	By the time of the Summit in Italy, the level of enforcement of these connectivity reforms should allow investments in energy projects

Latest known results (situation on 31/12/2017)

The transformation of the Energy Connectivity Reform Measures into a Regional Electricity Market demonstrates a high level of enforcement of the Energy Community *acquis*. However, there is still a gap between the commitments announced in the Summits and the limited progress in the implementation of the connectivity reform measures by the countries.

Description	Indicator	Target date
	Application of the EU's Security of Supply Regulation, as well as	Once these texts are approved, this will be transposed in the EnC

	elements of the 2016 Winter Package, to the Energy Community	countries, allowing them to apply to those countries as well as between the EU and EnC Contracting Parties.
<p>Latest known results (situation on 31/12/2017)</p> <p>Good progress has been made in view of the application of the Clean Energy Package in the EnC Countries. The package focuses in Renewable Energy and Energy Efficiency and apart to the respective working groups, a new Task Force on Climate has been set up. In December 2017, the EnC High Level Partnership Group agreed for the countries to prepare National Energy and Climate Plans (NECPs); adopt Fuel Quality Directive, Industrial Emission Directive and statistics Regulation; and to incorporate network codes and guideline on gas and electricity.</p>		
Description	Indicator	Target date
Alignment with "acquis" by candidate countries	<p>Outputs related to negotiations and alignment by candidate countries with EU standards, acquis on related chapters (Energy etc.) and Energy Community Treaty obligations.</p> <p>High Level Energy Dialogue with Turkey, in Brussels.</p>	Serbia and Montenegro, in particular, should make further progress to full alignment
<p>Latest known results (situation on 31/12/2017)</p> <p>Accession negotiations continued. However, the formal progress in these negotiations depends on the countries themselves.</p> <p>Montenegro: during the reporting period the country made further progress vis-à-vis compliance towards the Energy Community Treaty obligations, especially in the area of renewable energy. In December 2017 Montenegro submitted their negotiation position for Chapter 27 (which includes climate related <i>acquis</i>).</p> <p>Serbia: in 2017 Serbia made some progress, limited to the area of renewable energy.</p> <p>The candidate countries remain at a moderate level of preparation on alignment and implement for the EU acquis, while there has been limited progress in 2017.</p> <p>On the contrary, the High level dialogue with Turkey did not take place as initially planned in November 2017.</p>		
Description	Indicator	Target date
ENP review roll-out – Priority actions on Energy and climate change policy	<ul style="list-style-type: none"> • Strengthened energy dialogue with Neighbourhood partners. • Action Plan developed as follow-up to the first EaP Ministerial on Environment and Climate Change • Euronest Parliamentary Assembly (Committee on Energy Security) kept regularly informed of 	Throughout 2017

	technical assistance and policy dialogue <ul style="list-style-type: none"> • Regional and sub-regional measures further developed 	
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Latest known results (situation on 31/12/2017)

- A successful energy dialogue between Egypt and the EU was conducted in July 2017 and a new EU -Egypt Memorandum of Understanding (MOU) for Strategic Partnership on Energy was finalised. An informal UfM ministerial meeting on energy efficiency took place in Malta in May 2017. The preparation of Energy Platforms was completed.
- The EU provided support to the Egyptian Ministry of Petroleum for the implementation of the Modernisation Programme, a comprehensive reform program for the energy sector. This is one of the reforms linked to the IMF programme in Egypt.
- The SSF 2017-2020 for Egypt was adopted in October 2017 with 40% of financial allocations foreseen for economic modernisation, energy and environment.
- The bilateral policy dialogue on energy with Jordan in the frame of our Renewable Energy and Energy Efficiency Budget Support Programme continued.
- Morocco pursued its efforts in environmental programmes. In 2017, the EU topped up its support programme in the forestry sector by EUR 12,5 million.
- In Algeria the regional Switchmed programme has been successful and is being translated into the bilateral cooperation.

Close dialogue through EaP Platform and workshops.

Action Plan developed.

Euronest informed.

EU4Energy fully functional;

EU4Climate formulated.

Description	Indicator	Target date
Enlargement – Priority actions for Energy Efficiency and Renewable energy	Contracting and implementation of new regional programme supporting renewable energy and energy efficiency in the Western Balkans	November 2017

Latest known results (situation on 31/12/2017)

EUR 50 million have been contracted for the Regional Energy Efficiency Programme (REEP) Plus and the Green for Growth Fund (GGF).

New High Level Initiative to Scale Up Energy Efficiency Investments with IFIs was launched by NEAR, with Serbia as pilot country for the Western Balkans Six. Policy reforms presented in Belgrade include: i) cost-reflective energy prices; ii) consumption based metering and billing; iii) implementation of three key Energy Efficiency directives; iv) increasing the staff of the Ministry of Energy from 4 to 9. Action Plan with concrete planned

activities to be presented to Serbian authorities in Q1 2018; could have positive spill over effects to rest of Western Balkans Six. Tunisia, Ukraine and Georgia are the pilot countries for the Neighbourhood South and East Regions.

The Energy Efficiency Coordination Group (EECG) within the Energy Community Secretariat in Vienna continued the work on technical level. 22 new pieces of primary and secondary EE legislation identified for WB6, to be implemented via REEP Plus Window 1, monitored by EECG.

Description	Indicator	Target date
Energy Efficiency	Adoption of 2017 Special Measure on Energy Efficiency for Ukraine	2017

Latest known results (situation on 31/12/2017)

The Action Document on "Energy Efficiency Support Programme for Ukraine" was adopted on 16/11/2017 in the framework of the second 2017 Special Measure for Ukraine, Commission Decision C(2017) 7515.

Description	Indicator	Target date
ENP review roll-out: actions related to climate policy	New regional programmes on climate action and green economy formulated	December 2017

Latest known results (situation on 31/12/2017)

Neighbourhood South: Formulation is completed, tendering is ongoing and will be finalised in Q1 2018. Activities to start Q2 2018.

Neighbourhood East: EU4 Climate and EU4 Environment programmes formulated.

Main expenditure outputs

Description	Indicator	Target date
Neighbourhood Investment Facility (NIF) projects	Progress towards the 20% target of EU-budget climate-related	Throughout 2017

Latest known results (situation on 31/12/2017)

As much as 41% of the NIF annual envelope 2016 (contracted in 2017) has been used for climate-related operations in Neighbourhood South.

NIF projects ongoing, contributing to the 20% target in Neighbourhood East.

Description	Indicator	Target date
TAIEX and Twinning	Requests in support of Paris Agreement implementation addressed. Continued and enhanced use of the TAIEX instrument to assist candidate countries in aligning to and implementation of EU standards and legislation/acquis.	Throughout 2017

Latest known results (situation on 31/12/2017)

11 TAIEX events, including workshops, expert missions and study visit on climate change were undertaken in 2017. One of these events was undertaken in cooperation with DG CLIMA through the Regional Implementation of the Paris Agreement Programme (RIPAP) which covers the Western Balkans. Further events under RIPAP are scheduled to take place during 2018.

Since 2005 the Commission has received 83 Twinning project request to approximate with EU legislation/acquis or with EU best practices in the field of environment.

All together 79 projects were implemented. In 2017 two projects covering this sector were launched (former Yugoslav Republic of Macedonia and Georgia).

In the specific area of Energy and Energy efficiency the Commission received 29 Twinning project requests since 2005 and implemented 26 projects.

The latest project launched in 2017 was "Strengthening capacities for energy efficiency in building sector in Croatia".

Description	Indicator	Target date
<p>ENP review roll-out – Priority actions on Energy</p> <p>Development of enhanced collaboration with IFIs on-energy efficiency</p>	<ul style="list-style-type: none"> • EU4Energy national work plans are developed for the newly established programme. • Contracting and implementation of Energy Efficiency / Renewable Energy instruments in Western Balkans • New regional actions for the Southern Neighbourhood on energy security and climate change, mitigation and adaptation (EUR 19 million) are launched • Identification of key investments in energy efficiency in the East is part of the enhanced collaboration with IFIs 	<p>November 2017</p> <p>2017</p> <p>September 2017</p>

Latest known results (situation on 31/12/2017)

EU4Energy national work plans have been developed

Activities of the 3 existing programmes Clima South, CES MED, Sudep continued. Several Sustainable Energy Action Plans (SEAPS) were drafted.

Contracts relating to energy were signed with regional associations of energy regulators, renewable energy and energy efficiency agencies, transit operators.

High-level missions to identify priorities have been held in Ukraine and Georgia. High-level workshop on energy efficiency priorities was also held in Armenia, and further steps are envisaged in 2018.

General objective 4 – A New Boost for Jobs, Growth and Investment

General objective 4 : A New Boost for Jobs, Growth and Investment		
Impact indicator: Europe 2020 target - Employment rate population aged 20-64		
Source of the data: EUROSTAT		
Baseline (2014)	Interim Milestone	Target 2020
69.2%		at least 75%
Latest known results		
<p>DG NEAR will contribute to the specific objective through a variety of policy-related actions. These include completing preparations for the negotiations of modernised Customs Union with Turkey, monitoring the Stabilisation and Association Agreements with the countries of the Western Balkans as well as ensuring financial assistance to Morocco and Tunisia to accompany them in the DCFTA negotiations.</p>		

Specific objective 7: Increased prosperity in the Enlargement and Neighbourhood countries and in the EU through increased economic and trade opportunities between the EU and these countries

Related to spending programmes IPA and ENI

Result indicator: Initiative on the enhancement of EU-Turkey bilateral trade relations and modernisation of the EU-Turkey Customs Union (CU).

Definition: The main policy objective of this initiative is **to enhance the bilateral preferential trade** framework by **extending the CU to other areas** (agriculture, services and public procurement) and improving the functioning of current mechanisms.

This indicator will measure the progress of the negotiation between Turkey and the EU with a view to modernising the EU-Turkey Customs Union.

This indicator is particularly relevant to this specific objective since **Turkey is the EU's 6th biggest trading partner** and accounts for nearly 4% of its total trade. Three fourths of FDI inflows to Turkey originate in the EU, mainly greenfield and services investments. Enhancing economic integration by improving market access in agricultural and public procurement markets, and fostering investments in the services sectors through better opening and regulatory alignment would increase further market integration to the benefits of both parties.

DG NEAR will work jointly with DG TRADE on this initiative, in a supportive and complementary role.

Source of data: European Commission (TRADE and NEAR)

Baseline 2016	Interim Milestone 2017	Target 2018
Existing Customs Union Agreement EU-Turkey (in force since 1996)	Conduct negotiations for modernising Customs Union with Turkey	Upgraded/extended CU in force or provisionally applied, including new mechanisms

Latest known results 2017

The Commission adopted its Recommendation on 21 December 2016 for a Council Decision authorising the opening of negotiations with Turkey on an Agreement on the extension of the scope of the bilateral preferential trade relationship and on the modernisation of the Customs Union. In the first half of 2017, the proposal was intensively discussed in the Council. Although a lot of progress has been made, further discussions will be needed in the Council on a number of issues before work can be concluded. Indeed, in the course of 2017, some Member States have expressed reservations about the need for a swift agreement on the mandate.

It is now up to the Council to continue its deliberations on the Customs Union modernisation and to make a decision on the authorisation of starting the negotiations with Turkey.

Result indicator: DCFTA Facility for Georgia, Moldova and Ukraine

Definition: DG NEAR, jointly with European Financial Institutions (EFIs) – the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) in the first place – has put in place the DCFTA Facility for SMEs to help SMEs to seize new trade opportunities opened thanks to the DCFTA and to comply with the DCFTA provisions.

Source of data: European Commission (TRADE and NEAR)

Baseline 2015	Interim Milestone	Target 2018
		<p>The two DCFTA Facilitation programmes with the EIB and the EBRD will generate approximately 13,750 sub-loans to companies. Other objectives include to:</p> <ul style="list-style-type: none">• improve technical and SPS standards leading to enhance the competitiveness of SMEs in the DCFTA signatory countries• transfer knowledge on how to use the opportunities and address the challenges resulting from the DCFTA implementation.

Latest known results 2017

The implementation of the DCFTAs in the Eastern Neighbourhood is actively supported by Directorate C through continued participation in all formations and levels of the political dialogue. In 2017, DG NEAR actively contributed to the organisation of a Business Forum under the Estonian presidency. It also further advanced the implementation of the Riga priority 'economic development and market opportunities' by supporting EaP Partner Countries to move towards diversified and vibrant economies, to create jobs in new sectors, attract investments and foster employability. It contributed to the development of the External Investment Plan as it relates to Eastern Partner countries.

Through the "EU4Business" initiative, both access to finance and the SME environment are being improved. The initiative has continued to help address the need for structural

reforms, attract foreign direct investment across the region and ensured visibility for relevant EU support across the region.

For transport, an investment action plan for extending the TEN-T core network has been drafted and its political agreement is expected in 2018. Coupled with by institutional and regulatory reforms, it will help to significantly improve strategic transport links, and thus boost growth, trade, and jobs in the region.

Up to mid-2017, the latest data from EBRD show that around 200 sub-loans had been provided under their facility, while the EIB guarantee was only launched in October 2017 and the portfolio of sub-loans is still under preparation.

Planned evaluations:

- Economic governance, 2016 – thematic: The evaluation, including open public consultation has been completed. However, the relevant Staff Working Paper is planned to be completed in 2018⁴⁴.
- Competitiveness, 2016 – thematic: completed in 2017⁴⁵

Main outputs in 2017:

Policy-related outputs

Enlargement

Description	Indicator	Target date
Modernised EU-Turkey Customs Union: Support DG TRADE in securing agreement on proposed mandate and initiate negotiations.	Negotiations initiated Decide planning reference: 2015/TRADE+/035	By mid-2017

Latest known results (situation on 31/12/2017)

Completed. In the first half of 2017, the Commission proposal for the modernisation of the Customs Union was intensively discussed in the Council.

It is now up to the Council to continue its deliberations and decide on the authorisation of starting the negotiations with Turkey.

Description	Indicator	Target date
Coordination of the Economic Reform Programmes (ERP) exercise for the Enlargement countries and preparation of new guidance note for the 2018 ERP exercise.	2017 assessments and draft council conclusions adopted Guidance note adopted and circulated to partners	2017 assessments and draft council conclusions adopted according to schedule fixed in 2016. Adoption and circulation of guidance note to partners before 1 June 2017

⁴⁴ Link: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/170818_thematic_ev_of_economic_governance_-_final_report.pdf, also see Annex 9 of DG NEAR AAR 2017

⁴⁵ Link: https://ec.europa.eu/neighbourhood-enlargement/tenders/monitoring-and-evaluation_en, also see Annex 9 of DG NEAR AAR 2017

Latest known results (situation on 31/12/2017)		
<p>Adequate and timely assessments of Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia and the former Yugoslav Republic of Macedonia Economic Reform Programmes provided according to schedule. Council conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey were adopted on 23 May 2017.</p>		
Description	Indicator	Target date
Support economic growth, private sector development and investments at regional level in the Southern Neighbourhood	<ul style="list-style-type: none"> • Prepare and adopt new regional actions to improve economic governance, SME reform and access to finance (EUR 7 million) • Contribute to the design of new NIP operations and to the set-up of an investment windows under the External Investment Plan • Implement the EU Initiative for Financial Inclusion under NIP 	<p>June/September 2017</p> <p>Throughout 2017</p> <p>Throughout 2017</p>
Latest known results (situation on 31/12/2017)		
<p>In support of policy priorities, new regional programmes were adopted in July 2017 to improve economic governance in cooperation with the IMF (EUR 2 million contribution to the Middle East Technical Assistance Centre) and to enhance the business environment (EUR 6 million), based on EU best practise through the Small Business Act and with a particular focus on access to finance policies.</p> <p>In 2017, the regional experience in the South with the Neighbourhood Investment Platform served as a basis for continuous contribution to the External Investment Plan and the drafting of miscellaneous documents related to the thematic investment windows (adopted by the EIP Strategic Board in September 2017). The first public event for presenting the EIP to a wide country audience was tested in Egypt in November 2017.</p> <p>Continued support for facilitating access to finance was ensured by the roll-out of the "EU Initiative for Financial Inclusion". A number of semi-annual and annual meetings were carried out with the lead EFIs, as regards progress on the individual facilities for MSME finance.</p> <p>Furthermore, the joint EU-EFI Coordination Platform for the EU Initiative has been consolidated with the objective of enhancing our support to Private sector and to improve the design on future SME finance support.</p>		
Description	Indicator	Target date
Foster deeper economic integration in the Western Balkans aiming to achieve an internal market	<p>Action Plan endorsed at Prime Ministers' level at Trieste Summit</p> <p>Assistance and monitoring of implementation in close cooperation with partner organisations (e.g. CEFTA, RCC, WB)</p>	July 2017

Latest known results (situation on 31/12/2017)		
<p>In Trieste, the Multi-Annual Action Plan for the Regional Economic Area was approved. This has four pillars. Countries are responsible for implementing this Roadmap, with the help and support of the RCC and CEFTA.</p>		
Description	Indicator	Target date
Monitoring the Stabilisation and association agreements (SAA) with Western Balkans countries	SAA Council, Committee, and sub-committee meetings taking place with western Balkans countries. DG NEAR prepares, participates in and reports on these meetings	For all WB: 1 annual SAA Council 1 annual SA Committee 7 Sub-committees + PAR Special Group (and, for Kosovo, a normalisation Special Group)
Latest known results (situation on 31/12/2017)		
<p>Albania: The SA Council Sub-Committee, the 7 Sub-committees and the PAR Special Group took place.</p> <p>Bosnia and Herzegovina: As part of the 2nd cycle of SAA meetings, 6 sub-committees took place in 2017. The remaining sub-committee, the PAR Special Group and the SA Committee and SA Council of this cycle will take place in early 2018 as planned.</p> <p>Kosovo: In 2017 the foreseen SA Council (17 November 2017), the SA committee (5 October 2017), and all the sub-committees and the Special Groups on PAR and on normalisation took place.</p> <p>Montenegro: In 2017 all foreseen SAA Council and SAA Committee, the seven Sub-Committees and the PAR Special Group took place.</p> <p>Serbia: In 2017 the foreseen SAA Council, the SAA committee, the sub-committees and the PAR Special Group took place.</p> <p>The former Yugoslav Republic of Macedonia: in 2017 the foreseen SA Council (18 July 2017), the SA committee (29 June 2017), and all the sub-committees and the Special Group on PAR took place.</p>		
Description	Indicator	Target date
Alignment with economic criteria and economic related "acquis" chapters by candidates and potential candidates	Continued support to negotiations and alignment by candidate countries and potential candidates to EU standards and acquis on related chapters (free movement of goods, services, capital, public procurement, company law, intellectual property rights, competition, financial services, taxation, employment, enterprise and industrial policy, research, consumer protection, customs, etc)	Throughout 2017
Latest known results (situation on 31/12/2017)		
<p>Albania is moderately prepared in developing a functioning market economy and has some level of preparation in terms of capacity to cope with competitive pressure and market forces within the Union. Some progress was made regarding alignment with the economic related acquis such as economic and monetary policy, taxation and financial services,</p>		

particularly in reducing the high level of public debt and the high current account deficit. Non-performing loans in the banking sector were reduced significantly and credit growth showed sign of recovering, but access to finance often remained a challenge, especially in the start-up phase. The comprehensive judicial reform advanced but needs to be fully implemented. The new bankruptcy law entered into force and should strengthen the insolvency regime. However, business-relevant regulations remained cumbersome and shortcomings in the rule of law continued to hamper enterprises and deter investments.

Bosnia and Herzegovina is at an early stage in developing a functioning market economy and in building the capacity to cope with competitive pressure and market forces within the Union. Implementation of the Reform Agenda so far has provided the first steps of structural adjustments to its economy. Key remaining issues are weak rule of law, poor business environment, an inefficient and fragmented public administration and major labour market imbalances related to weak institutional capacities, poor education and unsupportive investment climate. The future Commission Opinion is to provide clear guidance on reforms needed to further align with economic criteria and related "acquis chapters".

Kosovo is at an early stage of developing a functioning market economy and in building the capacity to cope with competitive pressure and market forces within the Union. Some progress was made on alignment in economic related chapters of the *acquis*, particularly in improving the business environment, as well as on competition and state aid, e-procurement, free movement of goods and services but ensuring an effective implementation and enforcement capacity remains a challenge. Kosovo adhered to the fiscal rule on budget deficit but war-veterans benefits continue to pose a risk to public finances and the widespread informal economy undermines employment incentives. Among the key remaining issues are the very high unemployment, poor education and unsupportive investment climate.

Montenegro: the country made further progress on alignment in the economic related chapters of the *acquis*, as demonstrated *inter alia* by the opening of chapters 1 and 3. In addition, the Montenegrin government adopted in June 2017 and started to implement a medium-term fiscal strategy 2017-2020, signalling the return to more sustainable public finances practices. Good progress was also made on economic and monetary union with the fulfilment of the opening benchmarks.

Serbia further progressed in aligning with economic related chapters, showing good progress in reducing budget deficit. Concerning progress against EU standards and *acquis*, some progress have been registered in most of the areas, with particular good improvements in the area of agriculture and rural development.

The former Yugoslav Republic of Macedonia has a good level of preparation in developing a functioning market economy. Some progress was made during the reporting period, in particular towards improving public finance management and transparency and on alignment in *acquis* related chapters such as intellectual property, public procurement and company law. Some progress was made towards diversification of exports and higher-value added output in the manufacturing sector. Trade and investment relations with the EU intensified further. Key remaining issues are weak contract enforcement, the large informal economy and structural problems of the labour market, reflected in low activity and high unemployment rates.

Description	Indicator	Target date
Pursue technical support to economic and public institutions' reforms in Southern Neighbourhood countries.	<ul style="list-style-type: none"> Continued support to ongoing economic, business climate and institutional reforms in countries like Tunisia, Morocco and Jordan; 	Throughout 2017

- Contribute to economic diversification in countries like Algeria and Libya;
- Support economic diplomacy efforts by DG GROW in countries like Tunisia;
- Continued support to the private sector through different means (encouraging private-public economic dialogues, support easier access to finance for SMEs, support upgrading of production and mainstreaming of EU technical and SPS regulations by providing technical expertise, etc.)

Latest known results (situation on 31/12/2017)

In 2017, the support to the **Agadir Technical Unit** was pursued. The Unit aims at implementing the Agadir Agreement and strengthen regional trade and economic integration through a new phase (Agadir IV). The emphasis was put on stronger local ownership, including increased financial commitment by the Agadir members, foreseeing the possible adhesion of two new members, Lebanon and Palestine.

At policy level, preparations started in close cooperation with TRADE in view of a possible UfM Ministerial on Trade in 2018. In this context, an UfM Trade SoM was held in December 2017 in order to discuss priorities to be included in the Ministerial agenda.

For **Lebanon**:

- In 2017 a new programme was adopted, Local Development along the Litani River Basin. It will promote public and private partnerships, generate employment opportunities and improve the delivery of basic needs.
- The SSF 2017-2020 was adopted in December 2017. It places greater emphasis on promoting job-creation and growth (30% of total budget), including the development of the private sector.
- For **Jordan**:
- There was a continued support provided to the private sector, with an emphasis on financial inclusion and micro-finance, and to the implementation of the Rules of Origin scheme through 2017.
- A new Trade 4 development programme was adopted under AAP 2017 (including support to Jordan authorities dealing with technical and SPS standards).
- The SSF 2017-2020 was adopted in December 2017 with 60% of financial allocation foreseen for socio-economic development and support to private sector.

For **Egypt**:

- The support to the private sector remained a priority in 2017.
- EUR 10 million was committed for the multi-annual decision "EU Facility for Inclusive Growth and Job Creation" under the AAP 2017. In 2017 a particular focus was given to supporting intellectual property rights agencies in Egypt (for patents and trademarks) as well as supporting innovation and entrepreneurship.
- Two blending operations were contracted with the EIB and the EBRD for the "EU Trade and Competitiveness Programme for Egypt and Jordan", providing access to finance to MSMEs and strengthening value chains.
- The SSF 2017-2020 was adopted in October 2017 with 40% of financial allocations foreseen for economic modernisation, energy and environment.

Efforts have been pursued with **Algeria** to include economic diversification and business climate as the key sectors of the upcoming Single Support Framework.

In **Morocco** blending activities have gone up to EUR 73 million through the Neighbourhood Investment facility to finance the Midelt solar plant and the University of Fez.

Support has continued to ongoing economic, business climate and institutional reforms in **Tunisia**, and concrete objectives have been put in a Roadmap aimed to be formally announced by Commissioner Hahn and Tunisian Minister of International Cooperation in February 2018.

Private sector support continued through the implementation of **regional** activities, in particular in the field of innovation, investment as well as creative industries. This included high-level events, such as the conference on creative industries in Algeria in November 2017, and a series of workshops in cooperation with OECD throughout 2017 to support the implementation of sound and attractive investment policies as well as effective Investment Promotion Agencies in the Southern Mediterranean region.

At policy level, regional coherence was increased in close cooperation with DG GROW by aligning industrial cooperation to the UfM format. In this context the UfM industrial cooperation expert group took place in October 2017 to prepare the work programme 2017-2020 and priorities in view of a possible UfM Ministerial on industrial cooperation in 2018.

Description	Indicator	Target date
Pursue technical support to economic and public institutions' reforms in Eastern Neighbourhood countries including through close cooperation and strategic dialogue with IFIs.	<ul style="list-style-type: none"> • Targeted reforms programs in key policy areas, including the business climate, private sector development, access to finance, governance, anti-corruption, • Annual meetings with WB and IFC, EBRD and EIB for Neighbourhood East, • Strategic discussions on pipeline of blending projects 	Throughout 2017

Latest known results (situation on 31/12/2017)

- Annual meetings with WB and IFC, EBRD and EIB for Neighbourhood East;
- Strategic discussions on pipeline of blending projects;
- Approval of a specific Structural Reform Facility to address key reforms in EaP countries

Policy-related outputs

Neighbourhood

Description	Indicator	Target date
Support economic growth, private sector development and investments at regional level in the Southern Neighbourhood	<ul style="list-style-type: none">• Prepare and adopt new regional actions to improve economic governance, SME reform and access to finance (EUR 7 million)• Contribute to the design of new NIP operations and to the set-up of an investment windows under the External Investment Plan• Implement the EU Initiative for Financial Inclusion under NIP	June/September 2017 Throughout 2017 Throughout 2017

Latest known results (situation on 31/12/2017)

In support of policy priorities, new regional programmes were adopted in July 2017 **to improve economic governance in cooperation with the IMF** (EUR 2 million contribution to the Middle East Technical Assistance Centre) and to enhance the business environment (EUR 6 million), based on EU best practise through the Small Business Act and with a particular focus on access to finance policies.

In 2017, the regional experience in the South with the **Neighbourhood Investment Platform** served as a basis for continuous contribution to the External Investment Plan and the drafting of miscellaneous documents related to the thematic investment windows (adopted by the EIP Strategic Board in September 2017). The first public event for presenting the EIP to a wide country audience was tested in Egypt in November 2017.

Continued support for facilitating **access to finance** was ensured by the roll-out of the "EU Initiative for Financial Inclusion". A number of semi-annual and annual meetings were carried out with the lead EFIs, as regards progress on the individual facilities for MSME finance.

Furthermore, the **joint EU-EFI Coordination Platform** for the EU Initiative has been consolidated with the objective of enhancing our support to Private sector and to improve the design on future SME finance support.

Description	Indicator	Target date
DCFTA with Morocco and Tunisia	Continued participation in EU's awareness raising and negotiation efforts in relation to DCFTA with Morocco and Tunisia. Ensure implementation of financial assistance to accompany the DCFTA negotiations.	Throughout 2017

Latest known results (situation on 31/12/2017)

As a regional contribution in support to DCFTA negotiations, DG NEAR designed and contracted new trade & competitiveness facilities under the Neighbourhood Investment Platform (NIP) for value chain financing in Morocco and Tunisia together with EIB and EBRD, in order to strengthen the trade and export potential of these countries. EBRD has already started its implementation in the two countries in 2017. The nomination of a Chief Negotiator in October 2017 revived the EU-Tunisia ALECA negotiation process. An ambitious work plan for 2018 has been agreed upon between both parties with the objective to finalise negotiations in 2019.

Description	Indicator	Target date
DCFTA Facility for Georgia, Moldova and Ukraine	The two DCFTA Facilitation programmes with the EIB and the EBRD will generate approximately 13750 sub-loans. Improve technical and SPS standards leading to enhance the competitiveness of SMEs in the DCFTA signatory countries.	From now up to 2020

Latest known results (situation on 31/12/2017)

The DCFTA facilities with EIB and EBRD are up and running. A second phase of the DCFTA with the EBRD was approved by the NIP Board in July 2017

The DCFTA Initiative East Facility, with the EIB, was only launched in October 2017 with the signatures of the first batch of guarantee agreements with the local banks, and the portfolio of sub-loans guaranteed is currently under preparation. The DCFTA Facility Phase II with the EBRD was signed in December 2017 to provide additional grant financing for incentive payments as well as support to local currency lending. Also, in October 2017, an agreement with EIB was finalised to provide additional support to local currency lending in Ukraine.

The DCFTA Facility Phase I, managed by the EBRD, had committed almost the full allocation (predominantly in Moldova and Georgia) by the end of 2016. Programmes are ongoing to improve technical and SPS standards in the DCFTA signatory countries.

Concerning Ukraine, the programme EU-SURE adopted as Special Measure in 2015 was contracted and launched under the common branding EU4Business covering all EU country and regional support to economic development in the Eastern Neighbourhood.

The component related to Business Support Centre network started its operation in April 2016 (EUR 40 million).

The contract for the Credit Guarantee Facility for Ukraine (EUR 40 million) was signed with

the European Investment Fund in December 2016.

Concerning Ukraine, the programme EU-SURE adopted as Special Measure in 2015 is currently under implementation under the common branding EU4Business covering all EU country and regional support to economic development in the Eastern Neighbourhood.

Law on Food Safety State Control and Law on Feed Safety and Hygiene were adopted in 2017, accelerating the implementation of the SPS Strategy.

On SMEs and private sector development the EU support further advanced the deregulation process initiated in 2016: the Cabinet of Ministers abolished more than dated 300 regulatory acts.

EU support was also crucial in the adoption of the SMEs Support Strategy and corresponding Action Plan.

Description	Indicator	Target date
External Investment Plan (EIP) - establish a framework to promote private investment in Neighbourhood countries; leverage substantial public funds from the EU, its Member States (MS) and other donors.	Secretariat and web portal set-up (following adoption of the EIP by the co-legislator).	Operational by end 2017

Latest known results (situation on 31/12/2017)

In 2017 DG NEAR continued to support the co-legislative process with the Council and the European Parliament, with the EIP approved and operating as of 28 September 2017. In parallel, and jointly with DG DEVCO, DG NEAR has developed the different components of the plan, in order to start rolling it out immediately after the co-legislative process was concluded.

Main expenditure outputs

Description	Indicator	Target date
Technical Assistance and Information Exchange instrument - TAIEX	TAIEX events contributing to the implementation of AA/DCFTA and to current or future agreements implying approximation with EU laws and norms (East and South)	Throughout 2017

Latest known results (situation on 31/12/2017)

217 TAIEX events contributed to the implementation of current or future agreements implying approximation with EU laws and norms, including contributions to the implementation of AA/DCFTA.

Description	Indicator	Target date
Enterprise Development and Innovation Facility (EDIF) funding in the Western Balkans	SME funding of EUR 28 million made available under EDIF for the Western Balkans	July 2017

Latest known results (situation on 31/12/2017)

On top of the EUR 28 million SME funding, approved in July, additional EUR 20 million were provided under a specific Window for the Serbian companies (EUR 48 million in total made available under EDIF).

Description	Indicator	Target date
Regional Energy Efficiency Programme (REEP) and Green for Growth Fund (GGF) funding in the Western Balkans	Funding of additional EUR 50 million contracted for energy efficiency activities within SMEs, residential and public buildings as well as for small renewable energy projects.	February 2017
<p>Latest known results (situation on 31/12/2017)</p> <p>REEP Plus replenishment of EUR 30 million has been contracted with EBRD and KfW; first residential credit line with commercial banks signed in Bosnia and Herzegovina in July, the rest expected in the first semester of 2018, notably in Serbia in quarter 1 2018.</p> <p>GGF has benefited from additional EUR 20 million of subscription of shares, but only in December 2017. Delay was due to protracted negotiations on tenor and remuneration, as well as coordination issues with other Commission services.</p>		
Description	Indicator	Target date
Thematic evaluation on support to Economic Governance in enlargement and neighbourhood countries	<p>The evaluation should serve to provide advice and evidence in future EU assistance on economic governance. (ongoing through 2016)</p> <p>Agenda planning reference: 2016/NEAR/001</p>	The evaluation will be completed end 2016 and will assess the performance, good examples and lessons learned from the pre-existing assistance in areas related to economic governance.
<p>Latest known results (situation on 31/12/2017)</p> <p>The final report was approved on 18 August 2017 and has been published on DG NEAR's web-site. A Staff Working Document presenting the evaluation's results and current state of play on support to Economic Governance is being prepared. The evaluation's recommendations are also discussed in-house for the preparation of the follow up action plan.</p>		