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ANNEXES 1 to 7

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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS

Synthesis of the Commission's management achievements in 2014

Annex 1: Reporting on Policy Achievements: selection of key performance indicators[1]

The following performance indicators are described in detail in the underlying AAR of the respective DG.

DG	Indicator	Target	Current value
AGRI	Agricultural factor income (Net value added at factor cost per annual work unit (AWU) in real terms)	To increase from the 2012 baseline : 13 203 €/AWU	13 471 €/AWU (2014)
AGRI	EU commodity prices compared to world prices	Close to each other ratio 1.00 2013 baseline: 1.15	1.05 (2014)
AGRI	Rural employment rate	To increase from the 2012 baseline : 62.2%	62.4% (2013)
CLIMA	Reduction of GHG emissions (EU 28)	Minus 20 % of greenhouse gas emissions by 2020 compared to 1990 (2020)	Minus 19 % compared to 1990 (2013)
CLIMA	Consumption of ozone depleting substances (or ODS) (HCFCs = hydrochlorofluorocarbons andmethylbromide) (EU 28)	Phasing out of all ODS. Ban on both types of ODS (hydrochlorofluorocarbons or HCFC's and methyl-bromide) by 2020 (2020)	Thanks to its legislation (Regulations on ozone depleting substances or ODS) the EU has achieved a negative consumption (= sum of production plus import minus export) of ODS. The EU has imposed a ban for methyl bromide, one of the 2 main ODS (2014)
CLIMA	Proportion of climate related spending (mainstreaming) in the EU budget)	At least 20 % (2020)	12.5% (2014)
CLIMA	Number of MS having adopted/implemented a climate adaptation strategy or plan	2017: all 28 MS have adopted a plan/strategy 2020: effective implementation (2020)	19 (Austria, Belgium, Denmark, Finland, France, Germany, Hungary, Netherlands, Malta, Poland, Portugal, Spain, United Kingdom, Sweden, Ireland, Lithuania, Luxemburg, Romania, Slovakia) (2014)

[1] Only KPIs relevant for policy achievements where concrete data for the target and current value were available in the AARs have been inserted in the table. All KPIs are described in the AARs of the DGs and Executive Agencies.

DG	Indicator	Target	Current value
CNECT	The difference between roaming and national tariffs to approach zero by 2015	The difference between roaming and national tariffs to approach zero by 2015 (2015)	The EU average for outgoing roaming calls was 16.2 €c/min, EU SMS averages was 5.1 €c/SMS and for data roaming services the EU average was close to 8€c/Mb in the third quarter of 2014, presenting a decrease of around 27% for all services from the previous year. (2014)
CNECT	The entire EU to be covered by broadband above 30 Mbps by 2020	The entire EU to be covered by broadband above 30 Mbps by 2020 (2020)	Next Generation Access (NGA) - the share of households already covered stands at 64% which is higher than last year's 62% (2014)
CNECT	To halve the proportion of the population that has never used internet from 30% to 15% by 2015	To halve the proportion of the population that has never used internet from 30% to 15% by 2015 (2015)	The proportion of the population that never used internet decreased from 20% in 2013 to 18% in 2014. (2014)
CNECT	3% of the EU's GDP should be invested in R&D	3% of the EU's GDP should be invested in R&D (2020)	2.021% (2013)
COMM	Number of participants directly involved in the "Europe for Citizens" (EFC) programme	1 000 000 (2020)	1 100 000 (2014)
COMP	The percentage of State aid foreseen by Member States for horizontal objectives of common interest (such as regional development, employment, environmental protection, promotion of research and development and innovation, risk capital and development of SMEs).	Increase	76.4% (2013)
COMP	The overall level of crisis aid to the financial sector actually used by Member States, expressed as percentage of EU28 2013 GDP.	To stop increasing once the financial crisis is over	8.1% (2013)
COMP	The benchmark for (observable) customer benefits resulting from cartel prohibition decisions	Stable	EUR 1.78-2.64bn (2014)
COMP	The benchmark for (observable) customer benefits resulting from horizontal merger interventions	Stable	EUR 2.02-5.06bn (2014)
DEVCO	Millennium Development Goal 1.1: Proportion of population living below $1.25 (PPP) per day	Halve, between 1990 and 2015, the proportion of people whose income is less than $1.25 a day (2015)	Target achieved five years ahead of schedule (2010)

DG	Indicator	Target	Current value
DEVCO	Millennium Development Goal 2.2: Proportion of pupils starting in grade 1 who reach the last grade of primary school	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling (2015)	While the net enrolment rate in primary school increased substantially between 2000 and 2011, the persistent early school leaving has slowed progress towards this goal in developing regions. The completion rate of primary school remained constant between 2000 and 2012 at 73%. (2012)
DEVCO	Millennium Development Goal 4.1: Under 5 mortality rate	Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate. (from 97 deaths per 1000 live births in 1990) (2015)	53 deaths per 1 000 live births (2012)
DEVCO	Number of partner countries which have improved their overall governance performance as measured by the World Bank's Worldwide Governance indicators	Positive trend in the number of countries improving their overall governance performance (2020)	82 (2013)
DEVCO	CO_2 equivalent emission reduction by 2020 in the context of global action to keep the global temperature rise below 2°C	Developing countries: 26-32 GtCO_2 equivalent Globally: 44 GtCO_2 equivalent (2020)	Preliminary estimates: emissions grew by an average of 3% per year, to 53 GtCO_2e in 2011 and 54 GtCO_2e in 2012. (2012)
DEVCO	GDP per capita partner countries: number of countries with a growing/ stable GDP per capita	Increasing trend in the number of countries with a stable or growing GDP/capita (2020)	a) Number of countries with positive/stable trend: 136 b) Number of countries with negative trend: 7 c) Number of countries where data is not available: 12 (2013)
EAC	Tertiary level attainment (Europe 2020 headline target)	At least 40% of 30-34 year olds should be higher education graduates. (2020)	36.9% (2013)

DG	Indicator	Target	Current value
EAC	Mobility of students or pupils in higher education and in the vocational sector	a) An EU average of at least 20 % of higher education graduates should have had period of higher education-related study or training (including work placements) abroad of at least 3 months or 15 ECTS b) An EU average of at least 6 % of 18-34 year olds with an initial vocational education and training qualification should have had an initial VET-related study or training period of at least 2 weeks or less if documented with Europass (2020)	a) Higher Education: more than 8% of students enrolled came from abroad b) Vocational education and training (VET) estimated to be around: 2-3% (2011)
EAC	Early school leavers (Europe 2020 headline target)	Less than 10% of 18-24-year-olds have at most lower-secondary education and are not enrolled in education or training. (2020)	12% (2013)
EAC	Percentage of EU citizens that associate the EU with cultural diversity	Percentage of EU citizens that associate the EU with cultural diversity (Increase in the percentage by the time of the next survey)	19% (2009)
ECFIN	Number of Member States (MS) in Excessive Deficit Procedure (EDP)	1 MS should exit the EDP in the course of 2015 if the conditions are fulfilled based on notified data for 2014. 6 MS should exit the EDP in the course of 2016 if the conditions are fulfilled based on notified data for 2015. 4 MS should exit the EDP in the course of 2016 if the conditions are fulfilled based on notified data for 2015.	11 MS (2014)
ECFIN	Number of Member States (MS) considered to have an imbalance under the preventive arm of the Macro-economic Imbalances procedure (MIP)	0 MS when all countries in the EU are at internal and external balance	12 MS (2014)
ECFIN	Level of the Euribor-OIS	Indicator to remain at pre-crisis reference values (5 to 9 bps) (over the next years)	8 bps (2014)

DG	Indicator	Target	Current value
ECFIN	Current account balance (in % of GDP) of countries benefitting from Macro-Financial Assistance (MFA) support	Jordan -2.5* Kyrgyzstan -6.6* Georgia -5.0* Tunisia -3.2* Armenia -6.5* Moldova -7.1* Ukraine -3.5 (2020) The instrument of MFA is by nature a short-term crisis related instrument spanning over 2 to 3 years maximum. This means that it is not possible to quantify its specific objectives in terms of indicators/milestones beyond the horizon of the MFA operations themselves or, at most, of the beneficiary countries' programmes agreed (or to be agreed) with the IMF. Therefore, for years going beyond the MFA operation or the IMF projections, the figures reflect the latest figure available, and are marked with an asterisk.	Jordan -7.1 Kyrgyzstan -14.2 Georgia -8.5 Tunisia -7.9 Armenia -8.1 Moldova -6.2 Ukraine -4.1 (2014)
ECFIN	Number of financial exceptions and non-compliance events.	Keep stable/reduce the number of financial exceptions; 100% of decisions to override negative opinions on transactions are properly registered each year (All years)	4 exceptions & 10 non-compliance events. 100% of them have been registered. (2014)
ECHO	% of projects tracking quality standards in food, nutrition, health, shelter and water/sanitation/hygiene intervention sectors	90% (2015)	73% (2014)
ECHO	№ of vulnerable countries with country resilience priorities in place	3 (2014)	7 (2014)
ECHO	Number of EU Aid Volunteers deployed	70 (2014)	70 (2014)
ECHO	Average speed of interventions under the EU Civil Protection Mechanism (from the acceptance of the offer to deployment)	≤ 24 hours (2014)	≤ 24 hours (2014)
ECHO	% of key deliverables implemented from the ECHO Business Process Review	95% (2014)	100% (2014)

DG	Indicator	Target	Current value
EMPL	Adoption of all Partnership Agreements, Operational Programmes and closure decisions in 2014, respecting relevant deadlines, where the Commission has the necessary information	100% (2020)	100% (all PAs and all OPs that took adequately into account the Commission's observations) a) ESF: 128 OPs have been adopted in 2014. 22 OPs are expected to be adopted in carry-over and 37 OPs will be adopted after the MFF amendment. b) FEAD: 25 OPs have been adopted in 2014. 3 OPs are expected to be adopted in carry-over (2014)
EMPL	Youth Guarantee Implementation Plans submitted by MS and assessed by the Commission within 6 weeks	1 (2020)	100% - All national YGIPs submitted to COM, assessed, and feedback sent to MS as planned. YGIPs were subsequently revised and final versions sent back to COM. Implementation phase is underway. (2014)
EMPL	New EURES Portal up and running, including online CV facility	NA (2014)	The new EURES Portal went live at the end of March with the new features. (2014)
EMPL	All Commission actions foreseen for 2014 under the Roadmap for the implementation of the 2013 Social Investment Package completed	100% (2020)	Approximately 90% of the planned activities have been implemented (2014)
ENER	Renewable energy share in gross final EU energy consumption (%)	20% (2020)	15% (2013)
ENER	Energy Efficiency Primary energy savings achieved in 2020 measured against the baseline (%)	20%/ Primary energy consumption not more than 1483 Mtoe/ Final energy consumption not more than 1086 Mtoe (2020)	Primary energy consumption: 1566.5 Mtoe (-15.5%)/ Final energy consumption: 1104.6 Mtoe (-18.6%) (2013)
ENER	Degree of Energy price convergence in the EU (Convergence of retail electricity and gas prices both for industry and household in the EU internal energy market)	2 (Commission internal assumption)- (most/least expensive in the EU – prices excluding VAT and recoverable taxes) (2014)	a) Retail industry electricity prices (most/least expensive in the EU – prices excluding VAT and recoverable taxes) 2.7 (30/06/2014) b) Retail industry gas prices (most/least expensive, prices excluding VAT and recoverable taxes in the mid-consumption band) 1.7 (30/06/2014)
ENER	Completion of the electricity and gas projects of the first Union list of Projects of Common Interest (PCI)	a) Short-term : 48 (2014-16) b) Medium-term : 129 (2017-2020) c) Long-term : 64 (beyond 2020)	7 PCIs completed, 4 of them in electricity and 3 in gas (As of 31 December 2014)

DG	Indicator	Target	Current value
ENV	Resource productivity, measured as GDP (Gross Domestic Product) over DMC (Domestic Material Consumption)	Steady increase indicating decoupling of economic growth from resource use (2013)	1.3 €/kg > 2012 (2013)
ENV	Common birds population	Reverse or halt the decline (2014)	2011 ≈ 2012 (2012)
ENV	Percentage of urban population resident in areas in which daily PM10 concentration exceeds daily limit value	0% (2020)	<25% (2012)
ENV	Percentage of surface water bodies in good ecological status or with good ecological potential	100% unless exemption applies (2015)	43% in 2009 (More recent information will be available when Member States report in 2016) (2009)
ESTAT	Number of data extractions (in millions) made by external users from Eurostat reference databases (EuroBase and Comext) via the Eurostat website, using the Data Explorer or Easy Comext	value of 2012 + 10% = 8.7 Million (2017)	7.8 Million (2014)
ESTAT	a) Percentage of users that rate as "Very good" or "Good" the overall quality of the data and services provided by Eurostat b) Percentage of users that rate as "Very good" or "Good" the overall quality of European statistics.	a) 75% (2017) b) 70% (2017)	a) 70% (2014) b) 64% (2014)
ESTAT	Length of the time series of a sample of statistics: euro indicators (active series)	a) Time series ≥ 15 years (%) = 60% (2017) b) Time series ≥ 10 years (%): ≥ 90% (Annually)	a) 44.5% (2014) b) 95% (2014)
ESTAT	a) Percentage of users that rate as "Very good" or "Good" the timeliness of European statistics for their purposes b) Timeliness of a sample of statistics: Principal European Economic Indicators (PEEIs) and Comext-Extra: average number of days of advance (positive) or delay (negative), in comparison to the legal target: ▪ PEEIs: Euro Area – monthly series ▪ PEEIs: Euro Area – quarterly series ▪ Comext Extra: Data sent by MS to Eurostat	The target is to provide the statistics of the sample according to the legal deadlines, i.e. indicators should be ≥ 0 (a) PPEEIs: Euro Area – monthly series b) PEEIs: Euro Area – quarterly series c) Comext Extra: Data sent by MS to Eurostat Annually)	a) PPEEIs: Euro Area – monthly series: -1.2 b) PEEIs: Euro Area – quarterly series: -10.5 c) Comext Extra: Data sent by MS to Eurostat Annually: +2 (2014)
ESTAT	Percentage of users that rate as "Very good" or "Good" the comparability of European statistics among regions and countries	60% (2017)	58.6% (2014)
FISMA (Formerly MARKT)	Proportion of cross-border originating investment funds	Maintain current growth trend (2012)	a) 21% (2001) b) 45% (2012)
FISMA (Formerly MARKT)	Capital ratios of banks — measured against new qualitative requirements under CRD IV/CRR	Ensure that at any time, the capital ratio of banks meets the capital requirements of CRD IV/CRR (7%)	≈ 10% (Both Group 1-EU International Banks & Group 2- EU Other Banks (2013)

DG	Indicator	Target	Current value
FPI	Number and intensity of conflicts (Number and intensity of conflicts worldwide) : • wars (level 5) • limited wars (level 4) • violent crises (level 3) • non-violent crises (level 2) • disputes (level 1)	Contribute to stabilization or decrease in the number and/or intensity of conflicts compared to the 2012 baseline: 405 conflicts of which: a) 19 wars b) 25 limited wars c) 177 violent crisis d) 85 non-violent crises e) 99 disputes (All years)	424 conflicts of which: a) 21 wars b) 25 limited wars c) 177 violent crisis d) 89 non-violent crises e) 112 disputes (2014)
FPI	Intensity of conflicts in main Common Foreign and Security Policy (CFSP) operations (Intensity of the conflicts where the main CFSP operations intervene)	Decrease in the intensity of the conflicts in: (2013) a) Kosovo (level 1) b) Afghanistan (level 3.5) c) DR Congo (level 4) d) Palestinian territories (level 3) e) Georgia (level 2.5) f) Mali (level 4) g) Ukraine (level 3) (2014)	General decrease in the intensity of the mentioned conflicts where CFSP missions intervene. (2014) a) Kosovo (level 1) b) Afghanistan (level 3.5) c) DR Congo (level 3.5) d) Palestinian territories (3.7) e) Georgia (level 2) f) Mali (level 3.5) g) Ukraine (level 4.5) (2014)
FPI	Percentage of Instrument for Stability/Instrument contributing to Stability and Peace (IfS/IcSP) crisis response measures adopted within 3 months of a crisis context (date of presentation to Political and Security Committee (PSC)). (Percentage of projects adopted within 3 months of a crisis context)	Efficient crisis response: 70% of projects adopted within 3 months of a crisis context (period from date of presentation to PSC) (2020)	68% (2014)
FPI	Number of electoral processes and democratic cycles supported, observed, and followed by means of Election Observation Missions, Election Assessment Teams and Election Experts Missions. (Number of electoral missions)	25 (2020)	19 (plus the corresponding 7 Exploratory Missions) (2014)
GROW (Formerly MARKT)	Level of e-procurement (i.e. value of public procurement for which companies submitted offers electronically, divided by total value of procurement)	100% (2018)	2011: 10.6 No recent data available (Study on e-procurement uptake to be finalised in Q2 2015. For those MS that reported, the average take has increased from 34% in 2012 to 41% in 2013.) (2011)

DG	Indicator	Target	Current value
GROW (Formerly MARKT)	Performance of points of single contact (PSCs) (The PSCs are e-government portals for entrepreneurs active in the service sector)	No MS in low performance category. Increase number of MS in high performance category (to at least 10) (2015)	a) number of Member States in low performance category: 1 b) number of Member States in middle performance category: 25 c) number Member States in high performance category: 2 (This information comes from the study that is still ongoing. Data from January 2015)
GROW (Formerly ENTR)	Number of firms benefiting from debt financing	Value of financing mobilised ranging from €14 billion to €21 billion. Number of firms receiving financing which benefit from guarantees from the programme ranging from 220 000 to 330 000 based on COSME Loan Guarantee Facility4 targets (2020)	As of 30 June 2014, € 25 billion in financing mobilised, and thus reaching 346 000 SMEs As of 30 September 2014, € 18,6 billion in financing mobilised, reaching 356 000 SMEs via SME Guarantee Facility under Competitiveness and Innovation Programme (CIP) (2014)
GROW (Formerly ENTR)	Delivery of the actions announced in the Regulatory Fitness Communication possibly leading to amendments in the legislation	20 Fitness Checks, Evaluations, Cumulative Cost Assessments and Repeals to be delivered by the end of 2016 (2011-2016)	Delivered: 8 measures - Recast of late payment Directive (2011) - Construction Products Regulation (2011) - REACH review (2013) - Cumulative Cost Assessment steel industry (2013) - Cumulative Cost Assessment aluminium industry (2013) - Evaluation of the internal market for products (2013) - Fitness check of the cars type approval system (2013) - Evaluation of the Firearms Directive (2014) (2011-2014)
GROW (Formerly ENTR)	Cumulative number of operational Galileo and Copernicus satellites	Galileo (30 satellites) Copernicus (8 satellites) (2020)	Galileo: (4 satellites) Copernicus (1 satellite) (2014)
GROW (Formerly ENTR)	Share of Horizon 2020 projects with activities close to the market or to developing applications measured by the Technology Readiness Level (TRL) measured for the space part of Horizon 2020 under ENTR responsibility	60% of the budget for the biannual work programme will be devoted to projects with a TRL of at least 4 (= demonstration through a trial and/or external input) (End 2015)	51% of the H2020 Space 2014 budget (2014)

DG	Indicator	Target	Current value
HOME	Number of mobility partnerships	Increase the number of mobility partnerships (baseline in 2013 was 6 mobility partnerships) (2014)	8 (2014)
JRC	Policy-support impact (cases where JRC work sublimated at the level of policy making,assesses the impact of JRC's policy support work)	300 (2014)	338 (2014)
JRC	Nr Peer-reviewed publications listed in ISI (JRC's scientific productivity)	600 (2014)	720 (2014)
JRC	International collaborations (the proportion of peer-reviewed scientific articles jointly produced with scientists from non-EU countries)	20% (2014)	24% (2014)
JRC	Cashed competitive income (% of institutional budget)	15% (2014)	18.6% (2014)
JUST	Cumulative number of legal professionals in the EU that have received training on EU law or law of another Member State	700 000 (2020)	240 000 (2013)
JUST	Use of the e-Justice portal (thousands hits): (Milestone and target numbers based on average increase in use of 50% per year to 2016, and of 20% per year from 2016 to 2020)	7 000 (2020)	2 320 (2014)
JUST	Progress towards equal participation in the labour market: a) Female employment rate, 20-64 age group b) Employment rate of people with disabilities c) The unadjusted gender pay gap d) Share of non-executive board directors who are women	a) 71% (2020) b) 55% (2020) c) 14% (2020) d) 40% (2020)	a) 62.6% (2013) b) 47.9% (2013) c) 16.4% (2013) d) 20.2% (2014 (Oct))
JUST	Percentage of Europeans who consider themselves as "well" or "very well" informed of the rights they enjoy as citizens of the Union	51% (2020)	36% (2012)
MARE	Number of stocks that are fished at Maximum Sustainable Yield (MSY) levels (Fishing at MSY rates means fishing a stock at a rate such that the average long-term catches are the highest that the stock can provide over the long-term)	Exploitation at MSY rate for all commercially exploited stocks. (By 2015 where possible and by 2020 at the latest)	a) Northeast Atlantic: 27 stocks assessed as being at MSY in 2014 (11 in 2010) b) Mediterranean and Black Seas: 11 in 2014 (21 in 2010)
MARE	Number of stocks for which the fishing mortality rate has been assessed compared to MSY	Scientific assessment of MSY rate is achieved for all commercially exploited stocks on a progressive, incremental basis. (By 2015 where possible and by 2020 at the latest)	a) Northeast Atlantic: 50 stocks assessed with respect to MSY (early 2015) b) Mediterranean and Black Seas: max. 93 stocks assessed with respect to MSY (2014). There remain huge gaps in the coverage. Only a proportion of the stocks are assessed every year, and there is no systematic approach to assessing stocks year-by-year.

DG	Indicator	Target	Current value
MARE	Economic growth in the blue economy of the EU	Growth in maritime regions is ≥ 0.5% above the growth in non-maritime regions (2020)	0.4% (2011)
MARE	Profitability of the EU fishing fleet by sea basin	Net profit margin of the fleets: global average of at least 10%-12% (2023)	Net profit margin of the EU fishing fleet by sea basin: - Mediterranean and Black Sea: 1% - North Atlantic: 3% - Baltic Sea: 5% - North Sea and East Arctic: 8% - EU distant water fleet: 9% (2012, latest figures available).
MARE	(Change in) EU production of fisheries and aquaculture products (catching sector and aquaculture) (This indicator measures the impacts of Common Fisheries Policy (CFP) on increasing catch opportunities and of policies towards fostering aquaculture production in the EU.)	a) +18% compared to the baseline 2012, as a result of reaching all EU stocks at MSY. (by 2020) b) +19% compared to the baseline 2012. (2023)	a) Volume of EU catches (landings): 4.3 million tonnes (2012) b) Volume of EU aquaculture production: 1.11 million tonnes (2012)
MARE	Contribution to long-term sustainability of fisheries worldwide, measured by the number of emblematic tuna stocks fished with a fishing mortality rate being at or below Fmsy (fishing mortality that produces the maximum sustainable yield) levels as per relevant scientific advice.	17 stocks (2020)	15 (2014)
MOVE	(A competitive Single European Transport Area): Labour productivity of transport sector (gross value added/total employment)	Increase (All years)	2012: € 49 644 per person employed 2011-2012: + 1.09% (2012)
MOVE	(Infrastructure): Volume of private, public or public-private partnership investment in projects of common interest	€ 500 billion of investments realised on the entire trans-European Transport network (TEN-T network), of which € 250 billion on the core network (target date set to 2022 due to n+2 rule) (2022)	0 (Since the 1st calls for project proposal under the Connecting Europe Facility (CEF) closed on the 3rd of March 2015, and since the CEF Debt instrument to be managed by the EIB has not yet been approved, no projects were financed with the help of the CEF in 2014) (2014)
MOVE	(Innovation and sustainable and low-carbon transport): Greenhouse Gas Emissions (GHG emissions) from transport (excluding maritime international bunkers)	888 Mt CO2 eq. in 2030 (20% reduction by 2030 compared to 2008) and 341 Mt CO2 eq. in 2050 (60% reduction by 2050 compared to 1990) (2030/2050)	2012: 1027.6 Mt CO2 eq 2008-2012: -7.4% (2012)

DG	Indicator	Target	Current value
MOVE	(Safe and secure transport): Fatalities in road transport accidents	Max. 15750 (EU28), i.e. 50% reduction from 2010 (2020)	25700 (2014)
MOVE	(Indicator linked to the internal control objectives): % of payments made by the contractual deadline	100% (All years)	96% (2014)
NEAR (Formerly ELARG)	Comprehensive assessment of the political reforms achieved by the candidate countries and the potential candidates as provided by the annual strategy paper and the progress reports and their subsequent endorsement by the College	Enlargement package's assessments endorsed by the College. (2014)	Latest enlargement package adopted by the College on 8 October 2014, following the assessment and recommendations provided by DG Enlargement (2014)
NEAR (Formerly ELARG)	Degree to which Council decisions and conclusions do endorse the Commission's strategic input and recommendations	Commission's strategic input and recommendations endorsed by the Council (2014)	The Commission's strategic input and recommendations have been largely endorsed by the Council in its conclusions of 16 December 2014, with the exception of the recommendation to open accession negotiations with the former Yugoslav Republic of Macedonia, while acknowledging in general the assessment of the Commission on the country (2014)
NEAR (Formerly ELARG)	Number of IPA II Country/Multi country Strategy Papers and country/Multicountry action programmes adopted	a) Adoption of 7 IPA II Country Strategy Papers b) Adoption of 7 IPA II country action programme c) Adoption of 1 IPA II Multi Country Strategy Paper d) Adoption of 3 IPA II Multi-Country Programmes (2014)	a) 7 Country Strategy Papers adopted b) 12 Country Action programmes adopted c) 1 Multi-country strategy paper adopted d) 2 Multi-country Action programmes adopted (2014)
NEAR (Formerly ELARG)	Percentage of budgetary execution rate (commitment and payments)	a) Commitment target MP 2014 ≥ 90 % b) Payment target MP 2014 ≥ 90 % (2014)	a) Commitments – Execution: - Operational credits: 97% - Administrative credits: 100% b) Payments- Execution: - Operational credits: 100% - Administrative credits: 90% (2014)

DG	Indicator	Target	Current value
NEAR (Formerly ELARG)	Reduction of percentage of cases of late payment of invoices and reduction of amount of late payment interest paid (compared to 2013)	a) Late payment percentage out of all payments in 2013: 13.06% b) Late interest paid in 2013: EUR 10 295.86 (2014)	a) Late payment percentage out of all payments in 2014: 10.02% b) Late interest paid in 2014:EUR 39 777.19 (2014)
OP	Percentage of Official Journal issues produced without delay in 23 or 24 language versions	100% (2014)	99% (2014)
OP	Access to official documents – Status of the single repository (CELLAR): (a) System availability (Availability of the technical infrastructure (hardware, network, IT systems) (b) Information availability (Availability of OJ authentic (content and metadata) for online access and reuse)	(a) > 99% (b) 99% (2014)	(a) 99.1% (b) 100% (2014)
OP	Number of documentary units (notices) in the CELLAR available for EUR-Lex	7.7 million (2014)	7.6 million (2014)
OP	Number of visits to EU Bookshop website	1.6 million (2014)	1.9 million (2014)
PMO	Value for money: I. Missions (Number of tariff agreements concluded) II. Medical services (Agreements with partners approved and/or signed)	Not mentioned	Preliminary results: EUR 1.5 million saved over 12 month period due to negotiated tariffs, more specifically 14 tariff agreements covering 23 airline companies. Medical Services: Call for expression of interest was published in the Official Journal on 15/10/2014, calling for submissions from providers of medical and paramedical services in 16 Member States. Negotiation of agreements with providers in the Member States is ongoing. Certain agreements already concluded with Brussels-based hospitals. (2014)
REGIO	Jobs created	1 122 833 (2015)	663 419 (59.1%) (2014)
REGIO	Number of enterprises cooperating with supported research institutions	28 395 (2015)	24 762 (87.2%) (2014)

DG	Indicator	Target	Current value
REGIO	Number of enterprises receiving support	208 736 (2015)	171 850 (82.3%) (2014)
RTD	3% of the EU's GDP to be invested in R&D	3% (2020)	2.02% (2013)
RTD	The EU Innovation Output Indicator	To be decided (Target to be defined at a later stage based on country-specific progress of Member States with respect to the whole of the indicator and its components.) (To be decided (Target to be defined at a later stage based on country-specific progress of Member States with respect to the whole of the indicator and its components.))	101.6(2012) 101.7 (2011) 100.0 (2010)
RTD	Progress in the implementation of the Innovation Union commitments	34 out of 34 (2020)	34 out of 34 (2014)
RTD	Share of Horizon 2020 funds allocated to SMEs	20% (2020)	18.8% (2014)
RTD	Share of grants signed with a time to grant within 245 days (8 months)	100% (2020)	95% (2014)
SANTE (Formerly SANCO)	Consumer conditions	67% (2020)	62% (2012)
SANTE (Formerly SANCO)	Number of Healthy Life Years at birth	2 years increase (2020)	EU-28 Female: 61.9 Male: 61.3 (2012)
SANTE (Formerly SANCO)	Reduction in the incidence of main food-borne disease in the EU (BSE & Salmonella)	a) Classical BSE: Progressive reduction to maximum 5 cases by 2020 b) Salmonella: sustained negative trend to reach < 60 000 cases by 2020 (2020)	a) Classical BSE: 8 cases (2014) b) Salmonella: 82694 (2013)
SANTE (Formerly SANCO)	Reduction in the incidence of foot and mouth disease in the EU	Keep disease freedom (2014)	no cases (2014)
SG	Percentage of impact assessments carried out for initiatives with impact assessment requirement	99% (2014)	97.1% (2014)

DG	Indicator	Target	Current value
TAXUD	Effectiveness of the legal framework with regard to the fight against tax fraud and tax evasion	a) Achieved b) On going c) Not started (2014)	a) 12 b) 20 c) 2 (2014)
TAXUD	Degree of simplification of rules due to the application of the Union Customs legislation	The full impact of simplification will occur once the entire UCC comprising all relevant IT systems has been implemented, which will be at the end of 2020. (2020)	In 2014, the UCC has not yet been applicable and even for those provisions that would not depend on an IT system, the degree of simplification will be assessed as of June 2016 (2014)
TAXUD	Availability of Taxation and Customs IT systems	A) Taxation IT systems: - VIES on the web: 95% - CCN/CSI: 99,90%; - EMCS: 97% B) Customs IT systems: - Centralised IT customs applications: 97% - NCTS, ECS and ICS: 99% - CCN/CSI system : 99,90% (All years)	A) Taxation IT systems : - VIES on the web: 99,92%; - CCN/CSI: 99,89%; - EMCS: 99,12% B) Customs IT systems: - Centralised IT customs applications: 99% - NCTS, ECS and ICS: 99%) - CCN/CSI system: 99.8% (2014)
TAXUD	Collaboration robustness between programme stakeholders resulting from Joint Action activities in the Fiscalis 2020 and Customs 2020 programmes	FISCALIS 2020 Programme a) Awareness rate % (75%) b) Network opportunity % (80%) c) Lasting networking effect % (90%) d) Number of face to face meetings (295) e) number of on-line groups (31) CUSTOMS 2020 Programme a) Awareness rate % (75%) b) Network opportunity % (80%) c) Lasting networking effect % (90%) d) Number of face to face meetings (380) e) Number of on-line groups (41) (2020)	FISCALIS 2020 Programme a) Awareness rate % (data not yet available) b) Network opportunity % (79%) c) Lasting networking effect % (75%) d) Number of face to face meetings (301) e) number of on-line groups (109) CUSTOMS 2020 Programme a) Awareness rate % (data not yet available) b) Network opportunity % (94%) c) Lasting networking effect % (84%) d) Number of face to face meetings (299) e) Number of on-line groups (117) (2014)
TAXUD	Percentage of requirements of all internal control standards effectively implemented	% requirements effectively implemented > 90% (All years)	94% (2014)
TRADE	Value or percentage of EU trade covered by zero or preferential duties	80% (2017)	EU27 imports covered by zero or preferential duties: 79% (2013)

DG	Indicator	Target	Current value
TRADE	Level of EU investment in third countries and third country investment into the EU	In the mid-term, given the uncertainty of the global economic outlook, maintain investment flows. In the long-term (2020), maintain positive growth (2020)	EU27 Foreign Direct Investment (FDI) with Africa, Caribbean, Pacific countries (ACP) (billion euro) (a) outward stocks: 223 b) inward stocks: 98)
TRADE	Value or diversification of preferential imports from developing countries (incl. ACP countries) into the EU, Free Trade Areas, Generalised Scheme of Preferences, Economic Partnership Agreements (GSP, FTAs, EPAs)	In the mid-term, given the uncertainty of the global economic outlook, maintain trade growth. In the long-term (2020), growing and increasingly diversified preferential imports from developing countries to the EU (2020)	EU28 merchandise imports from ACP: 92% (2013)
TRADE	Preference utilisation rates of agreements provisionally applied or entered into force (Extent to which operators use the EU preferential agreements)	Improve the percentage according to recent trend (All years)	Preference utilisation - EU imports FTA 2010 2011 2012 2013 S-Africa 89% 89% 90% 91% Mexico 65% 69% 69% 67% Chile 89% 91% 93% 93% Korea 59% 77% 81% Preference utilisation - EU exports FTA 2011 2012 2013 Mexico 58% 52% 48% Chile 81% 79% 78% Korea na 63% 66% (2013)

Annex 2: Scope and amount at risk of the reservations (EUR million)

Summary of 2014 reservations:

Policy area	Title of reservation	Service	Type	Scope Expenditure under reservation	Amount at risk under reservation
Agriculture	EAGF market measures for 4 aid schemes in 7 Member States	AGRI	Financial	495	78
	EAGF direct support for 15 paying agencies in 6 Member States	AGRI	Financial	17 832	832
	IPARD pre-accession measures for Turkey	AGRI	Financial	101	5
	EAFRD expenditure for rural development measures for 28 paying agencies in 16 Member States	AGRI	Financial	8 826	533
Cohesion	2007-2013 ERDF/Cohesion Fund for operational programmes in 12 Member States, 4 European Territorial Cooperation programmes	REGIO	Financial	2 612	224
	2007-2013 IPA for 2 operational programmes	REGIO	Financial	109	17
	2000-2006 ERDF/Cohesion Fund management and control systems in 4 Member States	REGIO	Reputational	-	-
	2007-2013 ESF for operational programmes in 11 Member States	EMPL	Financial	2 713	169
	2000-2006 ESF for operational programmes in 3 Member States	EMPL	Reputational	-	-
	European Fisheries Fund (EFF) management and control systems for 5 Member States	MARE	Financial	216	7
External Aid	All DEVCO activities and management cycles (overall, covering its EU and EDF budgets)	DEVCO	Financial	7 515	206
	Common Foreign and Security Policy (CFSP)	FPI	Financial	263	6
	IPA/CARDS/PHARE - Indirect Management by Beneficiary Countries (IMBC)	ELARG	Financial	162	4
	Indirect Management by other Entrusted Entities (IMEE)	ELARG	Reputational	-	-
Other internal policies	Lifelong Learning Programme (LLP)	EACEA	Financial	58	4
	EU Registry Emissions Trading System (EU ETS) - significant security weaknesses remaining	CLIMA	Reputational	-	-
Research Family	CIP - ICT Policy Support Programme	CNECT	Financial	93	3
	Research FP7 - incl. FP7 funds paid via ECSEL (Artemis & ENIAC)	CNECT	Financial	874	40
	Research FP7 - incl. FP7 funds paid via IMI	RTD	Financial	1 939	111
	Research FP7 - incl. FP7 funds paid via GSA	ENTR	Financial	93	2
	Research FP7	ENER	Financial	119	4
	Research FP7	MOVE	Financial	12	1
	Research FP7 – Space & Security	REA	Financial	224	6
	Research FP7 – SMEs	REA	Financial	136	33
Administration	Accountability in European Schools	HR	Reputational	-	-
Total amount at risk under reservation				**44 392**	**2 285**

2014 Overall amount at risk and corrective capacity (EUR million)

Service	Family	Total 2014 expenditure	Amount at risk Range		Corrective capacity
			Lowest value	Highest value	
AGRI	Agriculture	55 650	1 727		863
BEPA	Administration	1	0		0
BUDG	Administration	40	0		0
CHAFEA	Other internal policies	61	1		1
CLIMA	Other internal policies	34	0		1
CNECT	Research Family	1 127	34	48	17
COMM	Other internal policies	151	1		1
COMP	Administration	6	0		0
DEVCO	External Aid	7 515	271		60
DGT	Administration	22	0		0
DIGIT	Administration	174	0		0
EAC	Other internal policies	1 527	13		5
EACEA	Other internal policies	613	9		1
EASME	Research Family	123	2		0
ECFIN	Other internal policies	234	0	3	0
ECHO	External Aid	1 404	0	13	6
ELARG	External Aid	819	12		23
EMPL	Cohesion	11 334	278	403	317
ENER	Research Family	610	9		23
ENTR	Research Family	1 864	6	27	26
ENV	Other internal policies	308	3		7
EPSO/EUSA	Administration	26	0		0
ERCEA	Research Family	1 009	17		2
ESTAT	Administration	64	0		0
FPI	External Aid	534	6		1
HOME	Cohesion	758	15		23
HR	Administration	244	0		0
IAS	Administration	0	0		0
INEA	Research Family	606	7		16
JRC	Administration	506	0		0
JUST	Other internal policies	153	2		3
MARE	Cohesion	768	16	25	27
MARKT	Administration	58	0	1	0
MOVE	Research Family	384	6		12
OIB	Administration	385	0		0
OIL	Administration	96	0		0
OLAF	Administration	74	0		0
OP	Administration	119	0		0
PMO	Administration	3 689	0	30	1
REA	Research Family	1 097	25		11
REGIO	Cohesion	43 910	1 086	2 250	1 207
RTD	Research Family	3 739	105		45
SANCO	Other internal policies	420	2	3	2
SCIC	Administration	63	0	1	0
SG	Administration	12	0		0
SJ	Administration	5	0		0
TAXUD	Other internal policies	86	0		1
TRADE	External Aid	16	0		0
Total		**142 439**	**3 651**	**5 036**	**2 703**

Annex 3: Definition of the amount at risk

The Court of Auditors has expressed in its 2012 Annual Report the need for a more coherent approach for quantifying key elements of the reservations and, in particular, the amount at risk. Furthermore, the discharge authority has criticised the fact that the concept of amount at risk was not defined in the Synthesis Report. It is therefore necessary to define in a more prominent and less technical manner the various concepts used:

Scope refers to the volume of expenditure for the reporting year. Unless specifically indicated, expenditure is measured in terms of payments made during the financial year by ABB budget item (at 4-digit level).

Error rate is the best estimation by the authorising officer by delegation, taking into account all relevant information available and using professional judgement, of the value of the transactions which were not entirely in full conformity with the applicable regulatory and contractual provisions at the time the payment was made; expressed as a percentage of the total expenditure. The terms ex-ante and ex-post are used by reference to the time the payment is made.

> "All relevant information available" notably includes control indicators and results from all controls implemented by the authorising officer as well as from audit reports. If the expenditure is directly managed by the Commission the estimation of the error rate largely rests on the results of ex-post audits or checks of a sample of payments. In case the authorising officer relies on Member States agencies or on other bodies for the management of EU funds (shared and indirect management), the authorising officer assesses the internal control systems implemented by these agencies and bodies to estimate the error rate for each of them.

Residual error rate is the best estimation by the authorising officer by delegation, taking into account all relevant information available and using professional judgement, of the value of the expenditure which was not in full conformity with the applicable regulatory and contractual provision after all corrective measures have been implemented; expressed as a percentage of the total expenditure.

> We refer to a **multi-annual residual error rate** when the estimation is made over several years, either cumulative for multi-annual programmes; or as a rolling average for annual programmes for which the control cycle, including ex-post controls aimed to detect and correct errors, exceeds a single year.

Amount at risk is defined as the value of the fraction of the transactions which is estimated not to be in full conformity with the applicable regulatory and contractual requirements after application of all controls (corrective measures) intended to mitigate compliance risks.

Total amount at risk is the total amount at risk of expenditure under reservation increased with the maximum amount at risk (by up to 2%) of the expenditure for which no reservation has been made because the error is estimated not to exceed the 2% materiality threshold.

Financial exposure refers to the same concept as amount at risk but expressed as a percentage, i.e. the amount at risk over the scope.

Annex 4: Executive Agencies, Decentralised Agencies and Joint Undertakings

In line with practices in most Member States, using agencies to carry out predetermined key tasks[1] has become an established and even further increasing way the European Union works.

Beyond the Discharge Authority's *general* discharge procedure covering the Commission[2] (see table below), *separate* discharge proceedings apply to the following Entrusted Entities:

- Executive Agencies (albeit only for their operating budget);
- Decentralised EU Agencies;
- Joint Undertakings which financial rules are based on Article 208 of the Financial Regulation (FR)[3];
- Joint Undertakings operating under Article 209 of the Financial Regulation which constituent acts (by derogation to Article 209 of the Financial Regulation) foresee a separate discharge procedure[4].

Table 1. Discharge arrangements by type of entrusted entity

Entrusted Entities	Covered by the Discharge for the Commission	Separate discharge decision on the implementation of the funds by the entrusted body[5]
Executive Agencies[6]		

1 These cannot be related to policy-making activities.

2 The 2012 Synthesis report confirmed that the declaration of assurance by each Director-General as Authorising Officer by Delegation covers all resources assigned to his/her Directorate-General, irrespective of the management mode used and irrespective of whether the entrusted body is subject to a separate discharge decision.

3 Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). There are presently two Joint Undertakings operating under Article 208 of the Financial Regulation: SESAR Joint Undertaking and Fusion for Energy Joint Undertaking (F4E JU).

4 There are presently six Joint Undertakings operating under Article 209 of the Financial Regulation: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU), Clean Sky 2 JU (CS 2 JU), Innovative Medicines Initiative 2 JU (IMI 2 JU), ECSEL JU, Bio-Based Industries JU (BBI JU) and Shift to Rail JU (S2R JU).

5 Where there is a separate discharge for the actual implementation of the funds by the entrusted body, the Commission discharge only covers the oversight and effective supervision of the body.

6 The budget implementation through executive agencies falls under direct management (Financial Regulation Article 58.1.(a)).

Administrative budget Operational budget	YES YES	YES NO
Decentralised EU Agencies[7 8]	YES	YES
Joint Undertakings	YES	YES
European Investment Bank and European Investment Fund	YES	NO
International Organisations	YES	NO
Member States' National Agencies (DG EAC) **and Third Countries** (External Relations)	YES	NO

1. Executive Agencies

Executive Agencies operate within a clear institutional framework, governed by a single legal basis[9]. Their tasks relate to the management of Union programmes or actions, they are set up for a limited period and they are located at the place where the Commission and its services are located[10]. The Commission's responsibility for executive agencies is clear: the Commission creates them (after prior information to the budgetary authority, including a cost-benefit-analysis, and subject to the positive opinion of the Committee for the executive agencies[11]), maintains a degree of control over their activity, and appoints the Director of the executive agency and Members of the Steering Committee. The Commission's requirements on the Internal Control Standards (ICSs) and Annual Activity Reports (AARs) are also applicable to the Executive Agencies. Since the most recent revision of the FR (cf. FR articles 58.1.a and 62), the executive agencies have been re-classified as being integral part of the Commission's *direct* management: the parent DG's Director-General is the Authorising

7 Except two self-financed agencies (CPVO, OHIM).

8 Some traditional agencies implement operational European Commission budget (Frontex, the European GNSS Agency (GSA), the European Maritime Security Agency (EMSA)).

9 Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L 11, 16.1.2003).

10 All executive agencies are located in Brussels, except for CHAFEA (in Luxembourg).

11 Former regulatory procedure which is now the examination procedure with the requirement of a positive opinion in the Committee according to Article 13(1)(c) of Regulation 182/2011.

Officer by Delegation for the Executive Agency's operating subsidy (i.e. the Executive Agency's administrative budget[12]) and the Executive Agency's Director is the Authorising Officer by Delegation for the operational budget (i.e. the Executive Agency's programmes budget).

The Multiannual Financial Framework 2014-2020[13] foresees an important increase in the budget allocated to certain EU programmes. To manage these programmes efficiently and transparently the Commission envisaged a more extensive use, by more parent DGs, of the six existing executive agencies. With this in mind the mandates of the six existing executive agencies were expanded in December 2013 to cover the management of an increased share of the new spending programmes. The budgetary impact of this delegation was included in an Amending letter to the 2014 budget. As an example: EACI has been renamed into EASME, is being expanded to work for seven parent DGs, and will have a six-fold increased budget (the EACI budget for programmes 2007-2013 was EUR 1.7 billion; the EASME budget for 2014-2020 is EUR 10.9 billion).

In 2014, the six executive agencies and their respective parent Directorate(s)-General, which have delegated the implementation of (parts of) their programmes to them, are:

Table 2. The 6 executive agencies and their respective parent DGs

Executive Agencies	**Parent DGs**
European Research Council Executive Agency (**ERCEA**)	RTD
Research Executive Agency (**REA**)	RTD, ENTR/GROW, EAC, CNECT, AGRI, (HOME as from 2015)
Executive Agency for Small and Medium-sized Enterprises (**EASME**, *formerly EACI*)	ENTR/GROW, ENV, ENER, RTD, CNECT, CLIMA, MARE
Education, Audiovisual and Culture Executive Agency (**EACEA**)	EAC, ECHO, COMM/HOME (the Citizenship programme has been transferred end-2014), CNECT
Innovation and Networks Executive	MOVE, CNECT, ENER, RTD

12 The Executive Agency's director is Authorising Officer (AO) for the execution of the Executive Agency's administrative budget.

13 Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the Multiannual Financial Framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Agency (**INEA**, *formerly TEN-T EA*)	
Consumers, Health and Food Executive Agency (**CHAFEA**, *formerly EAHC*)	SANCO/SANTE, AGRI, JUST

All executive agencies are subject to the Financial Regulation adopted by the Commission, governing the establishment and implementation of their operating and increasingly important operational budgets. The effectiveness of the Commission's supervision of the executive agencies is thus of great importance. Their respective roles and responsibilities and notably the content of supervisory tasks of the Commission and the associated reporting obligations of the agencies are formalised in the six individual instruments of delegation and are further detailed in the Memoranda of Understanding signed between the director of each agency and the delegating partner DG(s). These obligations are enforced *inter alia* though the Commission's presence in Steering Committees and coordination meetings, the Commission's monitoring of internal control systems, budget implementation and the follow-up of audits.

In order to help DGs that use or intend to use executive agencies to manage their funding programmes, the Commission adopted Decision C(2014)9109[14] establishing guidelines for the establishment and operation of executive agencies financed by the general budget of the Union.

The guidelines provide more detailed guidance and practical information on how to prepare the decision setting up an executive agency and the decisions amending the mandate of and the delegation to an executive agency.

The executive agencies' high occupation rate of the authorised posts was maintained in 2014 at 95.3 %. The breakdown of staff employed on 31/12/2014 by the executive agencies was as follows:

Table 3. Breakdown of staff employed by the executive agencies

31/12/2014	**Temporary agents***	**Contract agents**	***Total***	***Total Authorised under the EU budget***
EASME	61	222	*283*	*308*
CHAFEA	10	39	*49*	*50*
EACEA	101	314	*415*	*436*
ERCEA	99	289 [15]	*388*	*389*
REA	139	409	*548*	*580*

14 Commission Decision C(2014)9109 of 02/12/2014 establishing guidelines for the establishment and operation of executive agencies financed by the general budget of the Union

15 This figure is made up of 277 contract agents and 12 seconded national experts.

INEA	44	107	*151*	*162*
Total	*454*	*1380*	***1834***	***1925***

*Officials seconded by the Commission and agents recruited by the agency

The executive agencies must adopt the Commission's internal control standards and report on their effective implementation in the AAR. In 2014, the executive agencies did not report important difficulties in implementing the control standards. Given the transition phase for the gradual extension of their activities, the executive agencies most affected by the transfer of programmes obviously continue to put emphasis on the standards related to staff allocation, organisational structure, processes and procedures (Internal Control Standards number 3, 7 and 8).

2. Decentralised Agencies

The decentralised EU Agencies (also known as "traditional" or "regulatory" agencies) are bodies falling within the scope of Article 208 of the Financial Regulation or similar provisions foreseen by their constituent acts, i.e. they are independent legal entities under European public law, distinct from the EU institutions (Council, Parliament, Commission, etc.), and most receive (or are likely to receive) a contribution charged to the EU budget.

In 2014, there were 32[16] decentralised agencies operational in different EU countries. While most of them are fully financed from the EU budget, some are partially financed by fees and charges and some are even fully self-financed. Among these 32 decentralised agencies, the Office for Harmonisation in the Internal Market (OHIM) and the Community Plant Variety Office (CPVO) are two fully self-financed agencies which are reviewed by the European Court of Auditors but do not fall under the discharge procedure by the European Parliament (see below). In addition to these 32 decentralised agencies, there are two other EU bodies which in terms of budgetary and financial arrangements follow largely the regime of decentralised agencies. The EIT (European Institute of Innovation and Technology) is set up as a *sui generis* structure due mainly to its governance model. It is financed from public (including from the EU budget) and private funds, and is subject to Article 208 of the Financial Regulation. The Euratom Supply Agency (ESA)[17] is founded under the Euratom

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[16] In addition to those 32 decentralised agencies, two new Union bodies will have the governance structure and the financial rules based on Framework Financial Regulation for decentralised agencies as well, i.e. the Single Resolution Board (SRB) which becomes operational in 2015 and the European Public Prosecutor's Office (EPPO) which is in preparation. They are not included in the scope of this 2014 report.

There are also three former second-pillar agencies (European Defence Agency (EDA), European Union Satellite Centre (SatCen), European Union Institute for Security Studies (EUISS)) which are financed by national authorities on an intergovernmental basis and do not fall under the scope of Article 208 FR and the FFR. They are not covered by the European Court of Auditors or the Discharge, and are not included in the scope of this report either.

[17] The Euratom Supply Agency (ESA) is not to be confused with the intergovernmental organisation ESA (the European Space Agency), the latter which is not included in the scope of this report. DG GROW

Treaty. Both these agencies are reviewed by the European Court of Auditors and fall under the discharge procedure by the European Parliament as well.

Decentralised agencies play an important role in implementing EU policies, especially tasks of a technical, scientific, operational and/or regulatory nature foreseen in their constituent acts. They also support cooperation between the EU and national authorities in important policy areas, by pooling technical and specialist expertise from both the EU institutions and national authorities. In exceptional, duly justified cases and when the obligations set out in Article 8 of the Framework Financial Regulation are met, the agencies may also be entrusted by relevant DG with *operational* budget implementation tasks. The EU budget for 2014 foresaw that the 32 decentralised agencies budget in 2014 would amount to EUR 1 940 million, of which EUR 814 million from the EU budget. The EU budget for 2014 authorised 6 023 officials and temporary agents, whereas the agencies employed an estimated number of 1 800 contract staff and seconded national experts.

EU decentralised agencies have been established on a case-by-case basis over the years – to respond to emerging and specific needs – and thus they operate under somewhat diverse conditions. The Common Approach on EU decentralised agencies, agreed in July 2012 by the European Parliament, the Council and the Commission, defines a more coherent and efficient framework for the functioning of agencies. In its Roadmap of December 2012, the Commission set out in detail how it intended to follow-up on the Common Approach: it listed a number of initiatives for which action was needed on its side and/or on the side of agencies, the Member States, the European Parliament and the Council. The initiatives are a direct translation of the provisions of the Common Approach into concrete deliverables.

In April 2015, the Commission issued a second progress report on the implementation of the Common Approach[18]. In line with its previous commitments, throughout 2013 and 2014, the Commission has invested considerable efforts to deliver on the actions under its responsibility in the roadmap to follow-up to the Common Approach. The Commission has also performed a thorough case by case analysis upon preparation of its legislative proposals to align them with the principles of the Common Approach. Among a number of initiatives finalised during 2014 is the streamlining of reporting obligations. The revised Framework Financial Regulation provides for a Consolidated Annual Activity Report (CAAR template) which includes information on the implementation of the agency work programme, budget, staff policy plan, agencies' management and internal control systems; it foresees earlier reporting and alignment of reporting practices and deadlines with those of the Commission. The reforms undertaken in the framework of the Common Approach remain highly relevant in the

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cooperates with the European Space Agency for the implementation of the GNSS (Galileo and EGNOS) and Copernicus space programmes. The Commission has reasonable assurance that the control mechanisms supporting the financial reporting of ESA about the implementation of the Copernicus programme and the EU satellite navigation programmes (EGNOS and Galileo) is reliable.

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years to come. The main objective of its work has been to ensure more balanced governance, improved efficiency and accountability and greater coherence.

The Commission adopted also in July 2013 a Communication[19] which sets out a programming of the staffing and contribution levels of each decentralised agency under the new for 2014-2020, with a view to ensuring compatibility of agency resources with the constraints set in this regard by the new multiannual financial framework 2014-2020. The 2014 budget as adopted by the European Parliament and the Council was broadly in line with the staffing level set out in the Commission's Communication. Altogether, 27 posts were added in the Conciliation on the 2014 budget as compared to the initial Commission request in its 2014 draft budget, notably for the three financial supervision authorities (European Banking Authority (EBA),European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Market Authority (ESMA)).

In 2013, the European Parliament, the Council and the Commission agreed to set up an inter-institutional working group on agencies' resources in the framework of the conciliation for the 2014 EU budget. As provided for by the Multi-Annual Financial Framework 2014-2020, the three Institutions committed to progressively reducing the staffing levels of all EU institutions, bodies and agencies by 5% over five years and agreed on the need for a closer and more permanent scrutiny of the development of decentralised agencies to ensure a coherent approach. The Inter-institutional Working Group on agencies' resources met twice in 2014 and is expected to continue its work until the end of 2017, when the 2018 budget is expected to be adopted and the 5% target achieved.

The European Court of Auditors concluded in 2014 on the results from its audits of the 2013 annual accounts of the 32 decentralised agencies and of the EIT and the ESA. Its opinion was positive for all decentralised agencies, except for Frontex and for the EIT which were issued a qualified European Court of Auditors opinion in terms of, respectively, insufficient control evidence being available to enable the European Court of Auditors to form an opinion on the legality and regularity of the underlying transactions, and a material level of error in relation to the legality and regularity of the underlying transactions.

In April 2015, from the 30[20] decentralised agencies and the EIT and ESA reviewed by the European Parliament, all were granted discharge by the European Parliament for 2013, except the EIT for which the European Parliament postponed its decision.

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[19] COM (2013)519 final

[20] The two fully self-financed decentralised agencies (CPVO, OHIM) are not covered by the European Parliament. Nevertheless the Common Approach foresees that decentralised agencies that are self-financed should submit to the European Parliament, the Council and the Commission an annual report on the execution of their budget and take duly into account their requests and recommendations.

3. Joint Undertakings[21]

For the management of the Joint Technology Initiatives in the Research & Innovation area, seven Joint Undertakings were created for executing the FP7 budget on behalf of parent DGs RTD, CNECT and MOVE: i.e. ARTEMIS Joint Undertaking in the area of embedded computing systems, ENIAC in nano-electronics, Innovative Medecines Initiative Joint Undertaking (IMI) in innovative medicines, Clean Sky Joint Undertaking in aeronautics, Fuel Cells and Hydrogen Joint Undertaking (FCH) in the area of fuel cells and hydrogen, SESAR Joint Undertaking in air traffic management (single European Sky), and the European Joint Undertaking for ITER - Fusion for Energy (F4E) in energy research. These are separate and independent legal entities.

Four Joint Undertakings (Clean Sky, IMI, FCH and SESAR) follow the bipartite model, involving the Commission and the relevant industry's representatives. The three others (ENIAC, ARTEMIS and F4E) follow the tripartite model, involving in addition the public sector representatives from the Joint Technology Initiatives member states (which may be different from the 28 EU Member States).

In 2014 two new Joint Undertakings (Bio Based Industries Joint Undertaking (BBI) and SHIFT²RAIL Joint Undertaking) were launched, and ARTEMIS and ENIAC were merged into one ECSEL Joint Undertaking (Electronic Components and Systems for European Leadership joint undertaking). Clean Sky, IMI and FCH were re-established and SESAR's mandate has been extended. This brought the number of Joint Undertakings active at the end of 2014 to eight.

The current Financial Regulation takes into account the experience with the setting up of the Joint Technology Initiatives under FP7 and in particular their specific structure and the contribution of the industry. As a result, depending on the corresponding provisions in their constituent acts, Public-Private Partnership bodies may be assimilated as to their financial rules to agencies (Article 208 bodies with the Framework Financial Regulation - for SESAR and F4E) or adopt their financial rules in accordance with a Model Financial Regulation specifically applicable to Public-Private bodies (Article 209 bodies with the Model Financial Regulation - for the six other Joint Undertakings).

The Commission's supervisory arrangements over the Joint Undertakings are ensured by the partner DGs monitoring the Joint Undertaking's set-up of its internal control system (when preparing for its budgetary autonomy), the delegation agreement concluded between each Joint Undertaking and the Commission and the Commission's representation on its governing Board (when having become autonomous). Partner DGs have to report in their own AAR on these supervision modalities and on the assessment of whether any serious control issue within the Joint Undertaking would affect their own (reputational and/or financial) assurance building process. For 2014, DGs RTD and CNECT in their AARs included the operational

21 Joint Undertakings are established on the basis of art. 187 TFEU (ex-Article 171 of the EC Treaty) which allows the Commission to set up Joint Undertakings for "the efficient execution of Community research, technological development and demonstration programmes".

budget entrusted to the Joint Undertakings IMI, ECSEL (ARTEMIS and ENIAC) into the calculation of the scope and exposure of their reservations on the FP7 research grants programme.

The European Court of Auditors concluded in 2014 on the results from its audits of the 2013 annual accounts of the Joint Undertakings. In its opinion, the transactions underlying the annual accounts were legal and regular in all material respects for four Joint Undertakings (F4E, Clean Sky, FCH, SESAR). The three other (ENIAC, ARTEMIS and IMI) were subject to a qualified European Court of Auditors' opinion in terms of insufficient ex-post audit evidence being available to enable the European Court of Auditors to form an opinion on the legality and regularity of the underlying transactions.

In April 2015, five out of the seven Joint Undertakings (as active during 2013) were granted discharge by the European Parliament related to the implementation of the budget for the financial year 2013. For ARTEMIS and ENIAC (ECSEL), the European Parliament postponed its decisions.

Annex 5: Compliance with payment time limits

(Article 111.5 RAP)

Since 2013, the **statutory time limits** for payments have been laid down in the Rules of Application of the Financial Regulation [22] (hereinafter RAP). There are also some exceptionally applied time limits which are detailed in sector-specific regulations. The entry into force of the new Financial Regulation and its rules of application brought with it changes to payment limits. The Commission's standard contracts have been redrafted to take on board the new regulatory requirements.

Article 92 of the Financial Regulation foresees that payments to creditors must be made within deadlines of 30, 60 or 90 days, depending on how demanding it is to test the deliverables against the contractual obligations. For contracts and grant agreements for which payment depends on the approval of a report or a certificate, the time limit for the purposes of the payment periods is no longer automatically suspended until the report or certificate in question has been approved.

The period of two months remains valid for payments under Article 87 of the Regulation of the European Parliament and the Council [23] laying down the general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

Compliance with payment time limits has been reported by the Services in their Annual Activity Reports since 2007[24]. In accordance with the applicable rules, the payment times reported in this annex have been calculated as follows:

For payments related to contracts and grant agreements signed before 2013 the time limits specified in the Financial Regulation of 2007 are applied.

- where the payment is contingent upon the approval of a report, the time from approval of the report until payment;
- where no report is required, the time from reception of the payment request until payment.

For payments related to contracts and grant agreements signed as from 2013, the Financial Regulation of 2012 is applied: "where no report is required and where the payment is contingent upon the approval of a report, the time from reception of the payment request until payment."

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22 Commission Delegated Regulation (EU) N° 1268/2012 of 29 October 2012 (OJ L 362, 312.12.2012, p.1).

23 Regulation (EC) No 1083/2006 of the European Parliament and of the Council laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

24 Based on available data in ABAC as of end of the financial year 2007.

The Commission's global average payment time is monitored by the Accounting Officer. It has evolved as follows in recent years:

	2012	**2013**	**2014**
Global average payment time	24.9 days	24.5 days	28.2 days

The data shows that the global average payment time of the Commission services is below 30 days and it has steadily increased in 2014. There is clearly scope for reducing payment times further. Thus services are encouraged to continue their efforts in this regard and to implement follow up measures whenever payment time problems are identified.

The table below illustrates the evolution of the "***late payments***" i.e. *payments made after expiry of the statutory time limit in recent* years. The data used has been extracted from the ABAC accounting system:

	2012	**2013**	**2014**
Late payments in number	11.9 %	17.0 %	19.8%
Late payments in value	13.6 %	18.5%	23.3%
Average number of overdue days[25]	41.9	37.5	52.1

Regrettably, the number of late payments and the amounts associated with them have increased significantly in 2014. This result is believed to be linked to the more stringent requirements associated with the current Financial Regulation. Another reason is associated with the lack of payment appropriations which has adversely affected several DGs' ability to pay on time.

The new multiannual financial framework (MFF) 2014-2020 entails for the first time a reduction in the budgetary means available compared to the previous MFF. Pressure on the payment ceilings has been much higher in 2014 than in previous years, mainly because of the weight of the unpaid commitments from the 2007-2013 programmes. Moreover, the reduction in the payments ceilings is particularly sharp during the first two years of the new framework with a payment ceilings which is almost EUR 9 billion lower in 2014 than the amount budgeted in 2013.

Concerning the ***interest paid for late payments*** [26] (see figures in the table below) **the total amount paid by the Commission in 2014 increases sharply when compared to 2013.** The

[25] i.e. above the statutory time limit.

abnormally high amount of interest paid in 2014 is mainly due to the lack of payment appropriations.

	2012	2013	2014
Interest paid for late payments	738 959.75 €	659 342.16 €	3 027 123.88 €

In such a budgetary framework, payments delays and interest paid increased as a consequence of payment shortages. For that reason DG BUDG has summarised some possible measures which could be applied by the Authorising Officer to actively manage payment appropriations.

The other **causes of late payments** include the complexities of evaluating the supporting documents that are a prerequisite for payment. This is particularly onerous when the supporting documents are reports of a technical nature that sometimes have to be assessed by external experts. Other causes are associated with difficulties in coordinating the financial and operational checks of payment requests, and issues with the management of payment suspensions.

The 2009 Communication establishing Commission-internal payment targets provided a clear incentive to services to reduce their payment times. Significant improvements were noted in particular considering that from 2009 to 2011 the global average payment time fell from 34 to 26 days. However improvements in recent time have been less marked with current payment times fixed at around 30 days. There is scope for reducing payment times further especially since both volume and value of late payments rose substantially in 2014. When setting up action plans in this area, services' should focus on further reducing late payments from their current levels of 19.8% of payments in terms of their number, 23.3 % of their value. **The aim should be to meet the statutory payment time for every payment.**

[26] i.e. no longer conditional upon the presentation of a request for payment (with the exception of amounts below 200 euros).

Annex 6: Report on negotiated procedures 2014

(24 April 2015)

1. Legal basis

Article 53 of the Rules of application of the Financial Regulation requires authorising officers by delegation to record contracts concluded under negotiated procedures. Furthermore, the Commission is required to annex a report on negotiated procedures to the summary of the annual activity reports (AAR) referred to in Article 66.9 of the Financial Regulation.

2. Methodology

A distinction has been made between the 45 Directorates-general, services, offices and executive agencies which normally do not provide external aid, and those three Directorates-general (DEVCO, ELARG and FPI) which conclude procurement contracts in the area of external relations (different legal basis: Chapter 3 of Title IV of Part Two of the Financial Regulation) or award contracts on their own account, but outside of the territory of the European Union.

These three Directorates-general have special characteristics as regards data collection (decentralised services, …), the total number of contracts concluded, thresholds to be applied for the recording of negotiated procedures (€ 20 000), as well as the possibility to have recourse to negotiated procedures in the framework of the rapid reaction mechanism (extreme urgency). For these reasons, a separate approach has been used for procurement contracts of these three Directorates-general.

3. Overall results of negotiated procedures recorded

3.1. The 45 Directorates-general, services or offices, excluding the three "external relations" Directorates-general

On the basis of the data received, the following statistics were registered: **108** negotiated procedures with a total value of € 285 million were processed out of a total of **663** procedures (negotiated, restricted or open) for contracts over € 60,000 with a total value of € **3018** million.

For the Commission, the average proportion of negotiated procedures in relation to all procedures amounts to **16.3%** in number (14.1% in 2013), which represents some **9.5%** of all procedures in value (8.1% in 2013).

An authorising service is considered to have concluded a "distinctly higher" proportion of negotiated procedures "than the average recorded for the Institution" if it exceeds the average proportion by 50%, or if the increase from one year to the next is over 10%. Thus, the reference threshold for this year is fixed at **24.4%** (21.1% in 2013).

Some 10 Directorates-general or services out of the 45 exceeded the reference threshold, and another 3 increased their number of negotiated procedures by more than 10% compared to the previous year. Among those 13 services, it should be noted that 6 Directorates-general concluded only one to five negotiated procedures, but because of the low number of procedures conducted by each of them (up to 8), the average was exceeded. In addition, 19 out of 45 Directorates-general have not used any negotiated procedure, including 11 services that awarded no contract at all.

The assessment of negotiated procedures compared with the previous year shows an increase in the order of **2.2** percentage points in terms of relative number and an increase of **15.9** percentage points in terms of relative value.

3.2. The three "external relations" Directorates-general

On the basis of the data received, the following statistics were registered: **124** negotiated procedures for a total value of contracts of € 109 million were processed out of a total of **468** procedures for contracts over € 20 000 with a total value of about € 665 million.

For the three "external relations" Directorates-general, the average proportion of negotiated procedures in relation to all procedures amounts to **26.5**% in number, which represents some 16.4% of all procedures in value terms. Only one Directorate-general exceeds the reference threshold of 39.7% (average + 50%).

If compared with previous years, these Directorates-general have registered an increase of **1** percentage point in number of negotiated procedures in relation to all procedures compared to the previous year.

4. ANALYSIS OF THE JUSTIFICATIONS AND CORRECTIVE MEASURES

The following categories of justifications have been presented by those Directorates-general who exceeded the thresholds:

- **Statistical deviations** due to the low number of contracts awarded under all procedures. Indeed 10 out of the 13 DGs have carried out less than 15 procurement procedures as a whole.
- **Objective situations of the economic activity sector**, where the number of operators may be very limited or even in a monopoly situation (for reasons of intellectual property, specific expertise, medical services etc.) for instance for electronic databases licences. Situations of technical captivity may also arise especially in the IT domain (proprietary software or maintenance of complex servers hosting critical information systems, etc).
- **Situations of emergency or crisis** that cannot be foreseen by the contracting authority, as is the case for the electoral missions in Afghanistan and the Election Experts Mission in Libya, or to ensure business continuity when a replacement of business service was necessary after the supplier was declared bankrupt.
- **Similar services/works** as provided for in the initial tender specifications. Some services in charge of large inter-institutional procedures are faced with estimations of needs at the beginning of (usually framework) contracts that do not always match the consumption trend of the contract during its execution. The leading service must then use a negotiated procedure on behalf of all institutions party to the contract to increase the ceiling of the framework contract in question.
- **Unsuccessful open or restricted procedure**, leading to a negotiated procedure.

Besides it should be highlighted that the number of negotiated procedures in 2014 compared to 2013 has stagnated (from 103 to 108), while the overall number of procurement procedures has decreased significantly (from 733 to 663).

Several corrective measures have already been proposed or implemented by the Directorates-general concerned:

- Regular update of **standard model documents and guidance documents** on procurement.
- **Training and improved inter-service communication**. The Central Financial Service provides regular practical training sessions on procurement.
- **Improvement of the system of evaluation of needs** of Directorates-general/services and an **improved programming** of procurement procedures. The Commission's horizontal services will continue their active communication and consultation policy with the other DGs, institutions, agencies and other bodies along the following axes:
    - permanent exchange of information via regular meetings with user services and agencies in appropriate fora;
    - ad-hoc surveys prior to the initiation of (inter-institutional) procurement procedures for the evaluation of needs;
    - better estimate of needs of inter-institutional framework contracts and better monitoring with semester consumption reports from user services or agencies;

Annex 7: Summary of Waivers of recoveries of established amounts receivable in 2014

(Article 91.5 RAP)

In accordance with Article 91(5) of the Rules of Application, the Commission is required to report each year to the budgetary authority, in an annex to the summary of the Annual Activity Reports, on the waivers of recovery involving 100.000 € or more.

The following table shows the total amount and the number of waivers above 100.000 € per Directorate-General/Service for the EC budget and the European Development Fund for the financial year 2014.

EC budget:

Directorate-General/Service	Amount of waivers in €	Number of waivers
CNECT	1 403 787.20	5
COMP	19 191 585.85	2
DEVCO	7 227 383.25	9
EAC	648 000.00	1
ECHO	577 993.50	1
ENER	816 347.43	5
ENTR	105 361.41	1
ENV	962 440.80	1
OP	126 380.88	1
RTD	1 593 500.26	8
Total:	32 652 780.58	34

European Development Fund:

Directorate-General/Service	Amount of waivers in €	Number of waivers
EDF	467 356.74	1

Guarantee Fund:

Directorate-General/Service	Amount of waivers in €	Number of waivers
GF (Research - FP7)	995 969.03	6