



2018

Annual Activity Report

DG Justice and Consumers



FOREWORD

This report lays out the work and performance of DG JUST in 2018, the final full year before the end of the current Commission mandate. It covers a wide range of activities in the areas of civil and commercial justice, criminal justice, fundamental rights and the rule of law, Equality and citizenship and Consumers.

In 2018 DG JUST has put forward a number of new initiatives (security standards for ID cards, eEvidence, the whistleblowing directive, company law package, election package, an adequacy decision with Japan on data protection) responding to new developments in the European Union.

We have been also working intensively in advancing initiatives launched in previous years. Examples include the implementation and monitoring of the General Data Protection Regulation, the negotiations of the Work-Life Balance Directive, the new rules on sales of goods and the supply of digital content in the area of contract law. For the New Deal for Consumers dedicated Consumer Dialogues in all EU Member States have been organised as part of the outreach of the new proposed legislation.

In 2018 DG JUST replied to over 1000 citizen complaints and prepared the Commission's position in over 140 preliminary rulings cases. We treated around 160 infringement cases throughout the year.

Internally, we have aimed at improving working conditions and well-being at work by creating social corners in our buildings.

Arriving at the end of the mandate, DG JUST can be proud of its achievements throughout the last years. Colleagues in DG JUST have performed outstandingly and EU citizens will yield the fruits of this work. I am sure that also during this year of change DG JUST will be able to meet the challenges that lie ahead.

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THE DG IN BRIEF

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

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

To uphold common values, DG JUST is ensuring and promoting respect of the rule of law, the Charter of Fundamental Rights and specific rights such as data protection, freedom of expression, free movement, electoral rights and other EU citizen's rights, gender equality, non-discrimination, rights of the child, consumer protection and rights to a fair trial and of defence in criminal proceedings.

To make the lives of citizens and businesses easier and safer, DG JUST works on the modernisation of insolvency, company and contract laws, fair market conditions for consumers and companies, the participation of women in the labour market, social inclusion of vulnerable groups, including Roma, mutual recognition and enforcement of judicial decisions in civil and criminal matters, and the fight against money laundering and fraud against EU financial interests.

DG Justice and Consumers has limited financial resources at its disposal to allow implementation of its policies on the ground (total 2018 budget amounting to EUR 183.47 million, representing 0.11% of the total EU budget).

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

- the **direct management mode** - grants and procurement - with the support of the Consumers, Health, Agriculture and Food executive agency (CHAFEA) for the Consumers programme. In terms of payments this represents 63.6% (EUR 119.5 million)

- the **indirect management mode**. The EU has established agencies in the area of Justice and Consumers to support EU Member States and their citizens in coping with new tasks of specific nature. Each agency is unique and fulfils an individual function. Together, the European Institute for Gender Equality (EIGE), the European Union Agency for Fundamental Rights (FRA) and the European Union's Judicial Cooperation Unit (EUROJUST) provide information and advice, prepare and take decisions, oversee operations and support policy making. DG Justice and Consumers pays the subsidies voted by the budgetary authority for the agencies. In terms of payments this represents 36.4% (EUR 68.5 million).

In terms of Human Resources, a total of 460 statutory management and staff members were working for DG Justice and Consumers.

EXECUTIVE SUMMARY

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

The executive summary has four subsections:

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

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

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

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

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

A Connected Digital Single Market

The **General Data Protection Regulation** entered into application on 25 May 2018. Thereafter the Commission started monitoring its implementation by Member States. EU grants were allocated to a number of national data protection authorities to support them in reaching out to citizens and Small and Medium Enterprise. The Commission actively contributed to the work of the European Data Protection Board in enforcing data protection rules.

DG JUST achieved significant progress in the negotiations on the proposals for two Directives concerning harmonised rules for conformity and remedies for **the sales of goods** and for **the supply of digital content**. This paved the way for adoption of both proposals by the Commission early in 2019.

A Deeper and Fairer Internal Market with a Strengthened Industry Base

In May 2018 the Commission published the first results of an investigation of consumer markets in the area of Telecommunication and other digital services. The Commission coordinated checks on websites ("**sweep**") aimed to identify breaches of EU consumer law in the "telecom" sector. The national authorities followed their national procedures to enforce corrective actions and bringing back in line the websites that released potential infringements of EU consumer law. The final results of the enforcement phase will be published in the first quarter 2019.

The Commission adopted a "**New Deal for Consumers**", an initiative composed of proposals for two directives on better enforcement and modernisation of the existing EU consumer protection rules, and on representative actions for the protection of the collective interests of consumers. The Commission presented the proposals to citizens and stakeholders and collected their feedback in the 27 dedicated **Consumer Dialogues**.

In 2018 the Council negotiations progressed well on DG JUST proposal for a regulation concerning **conflict laws rules applicable to the third-party** effects of assignments. This legislative proposal is a part of an important initiative for financial markets, which aims to determine with legal certainty which national law shall apply to the third part effects of transactions in claims and securities.

In its comprehensive **company law package**, adopted in April, the Commission proposed new company law rules to make it easier for companies to merge, divide or move within the Single Market. The new rules will also ensure that employees' rights are well protected and tax abuse is prevented.

An Area of Justice and Fundamental Rights Based on Mutual Trust

In the **2018 European Semester**, 5 Member States (Croatia, Italy, Cyprus, Portugal, Slovakia) received a country-specific recommendation on the need to improve the effectiveness of their justice systems. DG JUST also monitored 10 Member States (Belgium, Bulgaria, Spain, Ireland, Latvia, Hungary, Malta, Poland, Romania, Slovenia), in which justice reforms have been ongoing, and participated in the monitoring of justice

reforms in Greece as part of the economic adjustment program.

DG JUST prepared the **2018 EU Justice Scoreboard** to assist the Member States to achieve more effective justice by providing objective, reliable and comparable data on the quality, independence and efficiency of justice systems in all Member States.

In 2018, the Commission pursued its efforts to uphold the respect of the **rule of law and democracy** in the European Union. In this context, the Commission launched an infringement procedure against Hungary raising serious concerns about implementation of the EU acquis on asylum and free movement as well as the Charter of Fundamental Rights of the EU. In September the Commission decided to refer Poland to the Court of Justice of the EU for violations of the principles of judicial independence by the new law on the Supreme Court, and also decided to ask the Court of Justice to order interim measures until the Court has issued a final judgement on the case.

The proposal for a "**Whistleblowing Directive**" adopted by the Commission in April aims at protecting persons reporting on breaches of Union law, providing them with internal and external channels of reporting, prohibiting retaliation and establishing protection measures in case retaliation occurs.

In 2018 the Commission took action to strengthen the EU **anti-money laundering framework and supervision** by adopting the 5th Anti-Money Laundering Directive in July and the Anti-Money Laundering package, which includes an amended Regulation increasing the supervisory powers of the European Banking Authority in September.

To improve the criminal justice response in cyberspace, the Commission adopted proposals for a Regulation on European Production and Preservation Orders for **electronic evidence** in criminal matters and for a Directive laying down harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings.

In the judicial cooperation in civil matters, the Commission adopted two new proposals to revise the Service of Documents and Taking of Evidence Regulations in order to digitalise and modernise judicial cooperation, notably to increase the use of electronic communication, and make it cheaper and faster to European citizens and businesses.

The Commission proposed two Council Implementing Decisions in relation to the recruitment process of the **European Public Prosecutor's Office (EPPO)** key staff, on the appointment of the members of the selection panel and its operating rules.

Co-legislators reached political agreement on the proposals for a directive and a regulation concerning establishing **ECRIS-TCN** system. It will identify Member States holding criminal records information on third country nationals and stateless persons convicted in the EU.

The Council adopted a new strategy and action plan on the development of **e-Justice**, the policy through which access to justice is simplified and improved while cross-border legal procedures are digitalised. The strategy sets three main objectives for the period 2019-2023, namely work on improving access to information in the area of justice, further digitalisation of judicial and extrajudicial proceedings, which will offer easier and faster access to the courts, and the technical implementation and management of the national e-justice systems.

In 2018 the Commission carried out a mid-term evaluation of the EU Framework for **National Roma Integration Strategies**. The evaluation confirmed the priority areas as key to Roma inclusion and they continue to be valid today. It also identified shortcomings in the initial design of the framework, goals that were not ambitious enough or certain actions targeting antigypsyism were found insufficient. The main evaluation conclusions were reflected in a Communication adopted in December 2018. DG JUST continued to promote actively diversity management through Diversity Charters in Member States. In

2018 two new **Diversity Charters** were launched in Romania and Lithuania.

The impact of the Code of Conduct on **countering illegal hate speech** has been regularly monitored and results of assessment carried out in 2018 show that this self-regulatory tool contributed to quickly achieving tangible results on the removal of illegal hate speech by IT companies.

The Commission finalised the negotiations with Japan on exchanging and protecting personal data. The talks with Japan resulted in the agreement on a set of "Supplementary Rules" providing additional safeguards for personal data transferred from the EU, plus a number of assurances and commitments as regards government access, including on a new complaint mechanism. On the basis of the strong protection guarantees, the Commission adopted its **adequacy decision on Japan** in early 2019.

In the international dimension of privacy, DG JUST together with representatives of the European Data Protection Board carried out the second Annual Review of the **EU-US Privacy Shield**. The Commission's report published in December 2018 shows that the U.S. continues to ensure an adequate level of protection for personal data transferred under the Privacy Shield from the EU to participating companies in the U.S. The steps taken by the U.S. authorities to implement the recommendations made by the Commission in last year's report have improved the functioning of the framework.

A revised Regulation on **data protection for EU institutions, bodies, offices and agencies** entered into application on 11 December 2018. It brings data protection in the EU institutions in line with the General Data Protection Regulation.

During 2018, the co-legislators with the Commission's support made significant progress on the proposal for a **Directive on work-life balance** for parents and carers, to reach a provisional agreement in January 2019. The Directive will modernise family leaves and allow for more flexible working arrangements. It will enable parents and people with caring responsibilities to better balance their work and family lives, encourage a better sharing of caring responsibilities between women and men and eventually address the women underrepresentation on the labour market.

Under the Multiannual Financial Framework 2021-2027, the Commission proposed to create a Justice, Rights and Values Fund with a total budget of EUR 947 million. It aims at simplifying the existing programmes to support the promotion and strengthening of justice, values and rights in Europe. This Fund includes two funding programmes: the **Rights and Values programme** and **Justice programme**. The Council reached a partial general approach on its negotiating position for both programmes in December 2018. Following the adoption of the European Parliament reports early 2019, the negotiations will take place in 2019.

A Union of Democratic Change

In view of the European elections in May 2019, the Commission supports the increase of EU citizens' participation. To this end issued its third report on the right of EU citizens to vote and stand in municipal elections in their Member State of residence as well as put forward a set of **measures for securing free and fair European elections**. The objective of the Commission proposals is to address potential threats to elections and thereby strengthen the resilience of the Union's democratic systems.

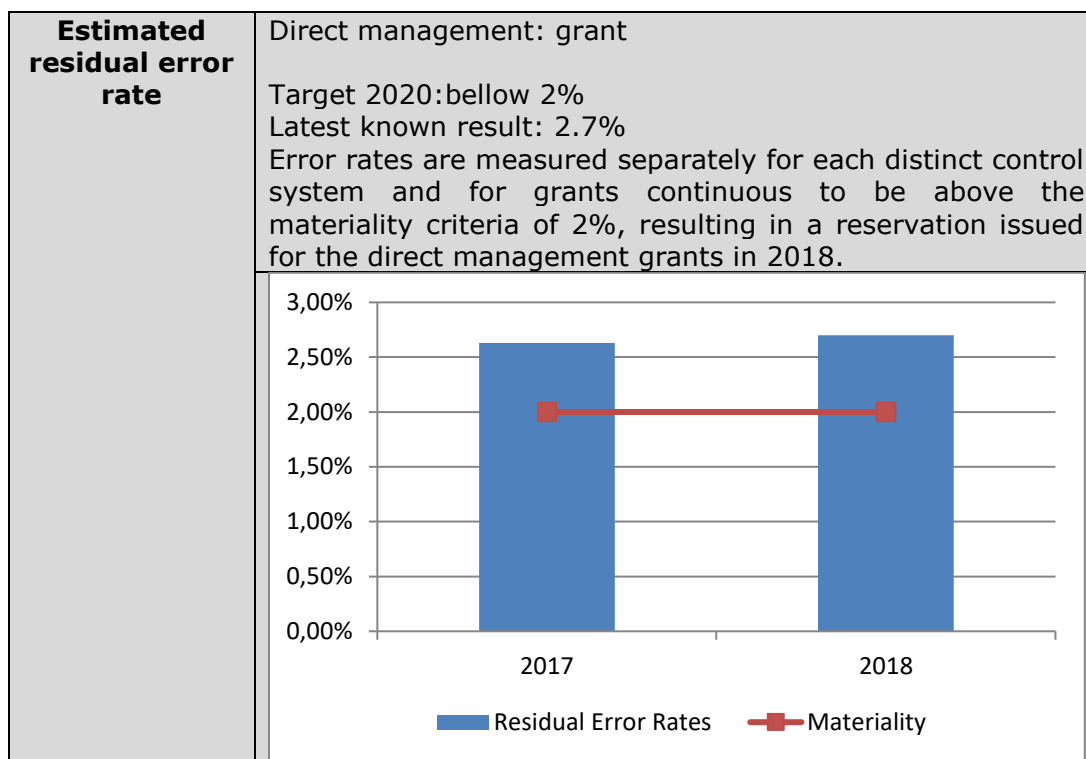
b) Key Performance Indicators (KPIs)

| Result/Impact indicator (description) | Target (or milestones) | Latest known results as per Annual Activity Report ⁴ | | | | | | | | | | | | | | | |
|---|--|--|------|---------|-------------------|-----------------|----|----|------|----|----|------|----|----|---------------|---|----|
| Variation in consumers' confidence in cross-border online shopping | Baseline: 36.7 % Target 2020: Increase of about 5 percentage points Latest known result (2018): 48.3 % | <table border="1"> <caption>Data for Variation in consumers' confidence in cross-border online shopping</caption> <thead> <tr> <th>Year</th> <th>Results</th> <th>Milestones/target</th> </tr> </thead> <tbody> <tr> <td>2014 (baseline)</td> <td>37</td> <td>37</td> </tr> <tr> <td>2016</td> <td>58</td> <td>38</td> </tr> <tr> <td>2018</td> <td>48</td> <td>40</td> </tr> <tr> <td>2020 (target)</td> <td>-</td> <td>42</td> </tr> </tbody> </table> | Year | Results | Milestones/target | 2014 (baseline) | 37 | 37 | 2016 | 58 | 38 | 2018 | 48 | 40 | 2020 (target) | - | 42 |
| Year | Results | Milestones/target | | | | | | | | | | | | | | | |
| 2014 (baseline) | 37 | 37 | | | | | | | | | | | | | | | |
| 2016 | 58 | 38 | | | | | | | | | | | | | | | |
| 2018 | 48 | 40 | | | | | | | | | | | | | | | |
| 2020 (target) | - | 42 | | | | | | | | | | | | | | | |
| Consumer conditions index | Baseline: 62 Target 2020:66 Latest known result (2018): 63.04 | <table border="1"> <caption>Data for Consumer conditions index</caption> <thead> <tr> <th>Year</th> <th>Results</th> <th>Milestones/target</th> </tr> </thead> <tbody> <tr> <td>2014 (baseline)</td> <td>62</td> <td>62</td> </tr> <tr> <td>2016</td> <td>65</td> <td>63</td> </tr> <tr> <td>2018</td> <td>63</td> <td>64</td> </tr> <tr> <td>2020 (target)</td> <td>-</td> <td>66</td> </tr> </tbody> </table> | Year | Results | Milestones/target | 2014 (baseline) | 62 | 62 | 2016 | 65 | 63 | 2018 | 63 | 64 | 2020 (target) | - | 66 |
| Year | Results | Milestones/target | | | | | | | | | | | | | | | |
| 2014 (baseline) | 62 | 62 | | | | | | | | | | | | | | | |
| 2016 | 65 | 63 | | | | | | | | | | | | | | | |
| 2018 | 63 | 64 | | | | | | | | | | | | | | | |
| 2020 (target) | - | 66 | | | | | | | | | | | | | | | |

⁴ It should be noted that 2016 data (reported in the 2017 Consumer Scoreboard) marked a very large increase for both indicators. The decrease reported in 2018 compared to 2016 is also significant, but smaller (so that over 4 years the balance remains positive).

| Percentage of member states who in year y +1 implemented reforms to their judicial system made in the context of the European Semester in year y | Target 2020: 100 % of monitored Member States show some progress Latest known result (2017): 100% | | | | | | | | | | | | | | | | | |
|---|---|---|--|------|------------|------|------|------|------|------|--------|------|--------|------|--------|------|--------|------|
| | | Milestone/target | Result | | | | | | | | | | | | | | | |
| | 2015 | 4 Member States received justice-related country-specific recommendations (CSRs) | X | | | | | | | | | | | | | | | |
| | 2016 ⁵ | 6 Member States received justice-related CSRs (2 Members States from 2015 and 4 new ones) | 100% (4 Member States made at least limited progress) | | | | | | | | | | | | | | | |
| | 2017 | 5 Member States received justice-related CSRs [2 MS from 2015 and 3 from 2016] | 100% (the 6 MS that received justice-related CSR in 2016 made at least limited progress) | | | | | | | | | | | | | | | |
| 2018 | 5 Member States received justice-related CSRs [2 MS from 2015 and 3 from 2016] | 100% (the 5 MS that received justice-related CSR in 2017 made at least limited progress). | | | | | | | | | | | | | | | | |
| Number of exchanges of information in the European Criminal Records Information System (ECRIS) | Baseline: 300.000 (2012) Target 2020: 3.500.000 Latest known result (2018): 2.963.789 | | | | | | | | | | | | | | | | | |
| | <table border="1"> <caption>Total volume of ECRIS messages</caption> <thead> <tr> <th>Year</th> <th>Volume (k)</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>300k</td> </tr> <tr> <td>2013</td> <td>863k</td> </tr> <tr> <td>2014</td> <td>1,257k</td> </tr> <tr> <td>2015</td> <td>1,812k</td> </tr> <tr> <td>2016</td> <td>1,978k</td> </tr> <tr> <td>2017</td> <td>2,574k</td> </tr> <tr> <td>2018</td> <td>2,964k</td> </tr> </tbody> </table> | | | Year | Volume (k) | 2012 | 300k | 2013 | 863k | 2014 | 1,257k | 2015 | 1,812k | 2016 | 1,978k | 2017 | 2,574k | 2018 |
| Year | Volume (k) | | | | | | | | | | | | | | | | | |
| 2012 | 300k | | | | | | | | | | | | | | | | | |
| 2013 | 863k | | | | | | | | | | | | | | | | | |
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| 2015 | 1,812k | | | | | | | | | | | | | | | | | |
| 2016 | 1,978k | | | | | | | | | | | | | | | | | |
| 2017 | 2,574k | | | | | | | | | | | | | | | | | |
| 2018 | 2,964k | | | | | | | | | | | | | | | | | |

⁵ Target and result for 2016 were updated to enhance coherence of measurement.



c) Key conclusions on financial management and internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, (the staff of) DG Justice and Consumers conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control principles, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these principles. DG Justice and Consumers has assessed the internal control systems during the reporting year and has concluded that the internal control principles are implemented and function as intended. Please refer to AAR Section 2.1.3 for further details.

In addition, DG Justice and Consumers has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2.1 for further details.

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

d) Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the DG and the Commissioners on management matters, also the main elements of this report and assurance declaration, including the reservations envisaged have been brought to the attention of Commissioner Věra Jourová, responsible for Justice, Consumers and Gender Equality.

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

This part intends to describe the key results and progress noted in the main areas of DG JUST's work: civil justice, criminal law, fundamental rights and rule of law, equality and Union citizenship, and consumers in 2018. It presents DG JUST contribution to the general objectives of the Juncker Commission and Europe 2020 strategy and the core horizontal processes of the Commission.

DG JUST is responsible for three financial programmes: Rights, Equality and Citizenship (REC) programme (2014-2020), Justice programme (2014-2020) and Consumer programme (2014-2020). The results of the mid-term evaluations of the current programmes show their benefit and relevance to achieve their relevant specific objectives, namely:

- The Rights, Equality and Citizenship programme: to contribute to protection of rights and empowering citizens, promote non-discrimination and equality; contribute to the Commission's priority "An area of Justice and Fundamental Rights based on mutual trust".
- The Justice programme: to facilitate and support judicial cooperation in civil and criminal matters, support and promote judicial training, facilitate effective access to justice for all citizens, as well as to support initiatives in the field of drugs policy.
- The Consumer programme: to consolidate and enhance product safety, promote consumers right to information, education and safeguarding their interests, as well as to support enforcement consumer rights.

In the area of DG Justice and Consumers a number of specialised agencies cope with tasks of a legal, technical and scientific nature. The Consumers, Health, Agriculture and Food Executive agency (CHAFEA) is entrusted with the management of the Consumer programme. Three decentralised agencies support DG JUST and Member states in implementing evidence based policies by providing high quality data in core areas such as: (i) non-discrimination and combatting racism, xenophobia and other forms of intolerance (EU Agency for Fundamental Rights); (ii) expertise and technical support on a diverse range of gender-related topics (European Institute for Gender Equality (EIGE)), and (iii) promotion of cooperation and coordination between the competent judicial authorities in the EU countries involved in investigations and prosecutions of serious cross-border criminal cases (EUROJUST).

A Connected Digital Single Market

General objective 2 A Connected Digital Single Market

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

Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. The closer the value is to 1, the better. The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human

Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%).

Source of the data: [DESI](#)

| Baseline (DESI-2015) | Target (2020) | Latest known results (DESI-2018) |
|---|-------------------------|--|
| 45 (baseline adjusted: before: 46 acc. to new scale) ⁶ | Increase | 54 |

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

Until May 2018, the Commission actively prepared the entry into application of the General Data Protection Regulation (GDPR) 2016/679, by issuing a Guidance (Communication) and information materials aimed at helping stakeholders getting ready for the new rules, disseminated through an awareness-raising campaign targeting in particular individuals and SMEs. After May, the Commission started monitoring the implementation by Member States of the General Data Protection Regulation. EU Grants were allocated to a number of national data protection authorities to support them in reaching out to citizens and SMEs. The result of the official selection procedure carried out by the selection committee was based on the budget available and the quality of the projects submitted. Similar grants were prepared for allocation in 2019. The Commission also collected feedback from stakeholders on the implementation of the General Data Protection Regulation, including through a dedicated multi-stakeholder group composed of representatives from industry, civil society, practitioners and academics. In parallel, the Commission actively contributed to the work of the European Data Protection Board, composed of the national data protection authorities, the enforcers of data protection rules, which issued guidelines on key aspects of the new data protection legislative framework.

| Specific objective 2.1 Highest level of protection of privacy and personal data | | Related to spending programme Rights, Equality and Citizenship | |
|--|--|---|---|
| Result indicator: awareness of individuals and Member States of the new data protection rules incl. existence of supervisory authorities | | | |
| Source of data: EU Commission | | | |
| Baseline (2015) | Interim Milestone (not applicable) | Target (2022) | Latest known results (2015 ⁷) |
| Current awareness level: 37% have heard about a public authority in their country responsible for protecting their rights regarding their personal data (EB 431 (2015)) | | >50% | 37% |

⁶ DESI has been updated, the indicator list has slightly changed; in addition, move from 0-1 scale to 0-100 scale

⁷ DG JUST will request national data protection supervisory authorities to provide data regarding awareness of individuals and Member States of the new data protection rules including existence of supervisory authorities. DG JUST will also submit its report about the GDPR in 2020.

| Result indicator: Number of Schengen evaluations per year | | | | | |
|--|-------------------|------|------|--|--------------------------------------|
| Source of data: : EU Commission | | | | | |
| Baseline (2015) | Interim Milestone | | | Target (2019) Schengen evaluation, annual planning agreed with MS | Latest known results (2018) |
| | 2016 | 2017 | 2018 | | |
| 5 | 6 | 6 | 6 | Total of 27 (+5) | 6 |

| Main outputs in 2018: | | | |
|--|--|--------|---|
| Important items from work programmes/financing decisions/operational programmes ⁸ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to national data protection authorities in reaching out to stakeholders | Number of grants agreements signed in 2018 | 10 | 9 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support negotiations for the proposal on Data protection rules for EU institutions | Adoption by co-legislators | Q1 | Adopted by co-legislators on 23 October 2018 ⁹ |
| Guidance on General Data Protection Regulation PLAN/2017/2169 | Adoption by the Commission | Q1 | Guidance adopted by Commission on 24 January 2018 |

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

In 2018 DG JUST achieved significant progress in the negotiations on the proposals for two draft Directives concerning harmonised rules for conformity and remedies for the sales of goods and for the supply of digital content. The sales of goods proposal received a preliminary agreement from the European Parliament in February 2018 followed by a general approach in the Council in December 2018. On the digital content proposal, trilogue negotiations continued in parallel. This paved the way for a formal adoption of both proposals early in 2019.

In June 2018, following the Commission Communication "Artificial Intelligence for

⁸ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

⁹ Regulation (EU) 2018/1725

Europe" (COM(2018)237), the Commission appointed an Expert Group on liability and new technologies. The Group has been tasked with assessing whether and to what extent existing liability schemes are adapted to emerging market realities. In addition to providing expertise on the implementation of the Product Liability Directive, the Expert Group is considering national tort law and specific national liability regimes. The Group has met regularly in 2018 and it continues its work in view of reporting on the legal challenges of the new technologies by mid-2019.

| | | | |
|---|---------------------------------|--|---------------------------------------|
| Specific objective 2.2 Increased share of businesses and consumers engaging in online cross-border trade of goods and digital content, enhanced consumer and business confidence in buying and selling online, as well as in accessing and making use of digital content | | Related to spending programmes Rights, Equality and Citizenship Consumer | |
| Result indicator: Variation in business confidence in cross-border online selling Source of data: Retailers' survey informing Consumer Conditions Scoreboard, frequency: biennial | | | |
| Baseline (2014) ¹⁰ | Interim Milestone n/a | Target (2020) | Latest known results (2018) |
| For 52.3% of retailers currently selling online, <i>differences in national consumer protection rules and/or differences in national contract law</i> ¹¹ are important obstacles to developing their sales to other EU countries | n/a | By 2020, the share of EU retailers still thinking that consumer contract law differences constitute an obstacle to cross-border e-commerce should decrease significantly. This decrease could reach up to 10 percentage points | 44.6% |
| Result indicator: Variation in consumers' confidence in cross-border online shopping. Source of data: Consumer survey informing the Consumer Conditions Scoreboard, frequency: biennial | | | |
| Baseline (2014) ¹² | Interim Milestone n/a | Target (2020) | Latest known results (2018) |
| 36.7% of EU consumers feel confident about purchasing online from another EU country | n/a | Increase of about 5 percentage points | 48.3% |

¹⁰ The survey on Retailers Attitudes towards cross border trade and consumer protection was conducted in 2014 but results were published in 2015 (in the framework of the 11th Consumer Conditions Scoreboard). Due to a methodology change in the survey on which the indicator is based ("Retailers attitudes towards cross border trade and consumer protection"), the figure for 2014 is not directly observable. It is therefore estimated on the basis of the change observed between 2014 and 2016.

¹¹ The indicator refers to the % of respondents who have expressed their agreement on the fact that any of the two obstacles is important.

¹² The survey on Retailers Attitudes towards cross border trade and consumer protection was conducted in 2014 but results were published in 2015 (in the framework of the 11th Consumer Conditions Scoreboard). Due to a methodology change in the survey on which the indicator is based ("Consumers attitudes towards cross border trade and consumer protection"), the figure for 2014 is not directly observable. It is therefore estimated on the basis of the change observed between 2014 and 2016.

| | | | |
|--|---------------------------------|---|--|
| Result indicator: Increase in the share of businesses and consumers engaging in cross-border trade online | | | |
| Source of the data: for <u>businesses</u> : Retailer survey informing Consumer Conditions Scoreboard (biennial), for <u>consumers</u> : Annual survey on ICT usage in households and by individuals, Eurostat | | | |
| Baseline (2014) ¹³ | Interim Milestone n/a | Target (2020) | Latest known results (2018) |
| <p>Businesses: Among all EU retailers, 11% sell online to consumers in other EU countries.</p> <p>Among businesses who sell online, about 27% sell cross-border.</p> <p>Consumers: Among all EU consumers, 15% buy online from another EU country.</p> <p>Among consumers buying online, about 29% buy cross-border.</p> | n/a | <p>Businesses: Increase by 5 percentage points of retailers selling online cross-border.</p> <p>Consumers: Increase the number of online buyers who make cross-border purchases by 5.3 percentage points.</p> | <p>Businesses: Among all EU retailers, 13.1% sell online to consumers in other EU countries.</p> <p>Among businesses who sell online, about 32.3% sell cross border.</p> <p>Consumers: Among all EU consumers, 21.3% buy online from another EU country.</p> <p>Among consumers buying online, about 35.8% buy cross border.</p> |

| Main outputs in 2018: | | | |
|------------------------------|-----------|--------|--|
| Output description | Indicator | Target | Latest known results (situation on |
| | | | |

¹³ The survey on Retailers Attitudes towards cross border trade and consumer protection was conducted in 2014 but results were published in 2015 (in the framework of the 11th Consumer Conditions Scoreboard). Due to a methodology change in the survey on which the indicator is based ("Retailers attitudes towards cross border trade and consumer protection"), the figure for 2014 is not directly observable. It is therefore estimated on the basis of the change observed between 2014 and 2016.

| | | | |
|--|--|---------|---|
| | | | 31/12/2018) |
| Participate in the negotiations for Directive concerning contracts for the supply of digital content | Adoption by co-legislators | 2018 | Trilogue negotiations ongoing |
| Participate in the negotiations for Directive concerning contracts for the sales of goods | Significant progress in the negotiations in the EP and in the Council working group. | 2018 | General approach at the JHA Council in December 2018 |
| Initiative on Robotics and Artificial Intelligence (CNECT in co-lead) PLAN/2017/1777 | Adoption by the Commission | Q1 2018 | COM(2018)237 of 25.4.2018 Expert Group on liability and new technologies started work in June 2018 |
| Behavioural Study on the digitalisation of the marketing and distance selling of retail financial services | Publication of the Study | Q4 2018 | Q1 2019 Publication to be coupled with the launch of a consultation on DMFS Directive |

A Deeper and Fairer Internal Market with a Strengthened Industrial Base

| General objective 4 A Deeper and Fairer Internal Market with a Strengthened Industrial Base | | |
|--|------------------|--------------------------------|
| Impact indicator: Intra-EU trade in goods (% of GDP) | | |
| Source of the data: Eurostat | | |
| Baseline (2014) | Target (2020) | Latest known results (2017) |
| 20.3% (baseline adjusted) | Increase | 21.7% ¹⁴ |
| Bookmark | | |
| Impact indicator: Intra-EU trade in services (% of GDP) | | |
| Source of the data: Eurostat | | |
| Baseline (2014) | Target (2020) | Latest known results (2017) |
| 6.3% | Increase | 7.5% ¹⁵ |

¹⁴ Own estimate based on Eurostat data

¹⁵ Own estimate based on Eurostat data

| | | |
|--------------------------|--|--|
| | | |
| Bookmark | | |

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

DG JUST continued throughout 2018 to contribute to the inter-institutional negotiations of the consumer specific elements in the Clean Energy Package (e.g. Energy Efficiency for Buildings Directive, Energy Efficiency Directive, Renewable Energy Directive, Electricity Directive and Regulation etc.). The adopted package will give more choice to European energy consumers and will strengthen their rights. Formal adoption of the last instruments is scheduled for the first months of 2019. Furthermore, last year DG JUST rolled out a pilot awareness-raising campaign on energy efficiency and energy poverty. It focused on increasing awareness of consumers in Czech Republic, Greece, Portugal, and Romania about their rights under existing energy legislation, and provided them with energy-saving tips and information on options for low-cost energy efficiency improvements. First provisional indicators about the overall impact of the campaign are positive: the total number of citizens reached through all activities (website, roadshow, media relations and media buying) reached about 87 million, at a cost of 0.2 EUR per contact.¹⁶

In 2018, DG JUST ensured that consumer policy aspects were integrated in several Commission initiatives in the area of a green, low-carbon and circular economy and contributed to other initiatives which support more sustainable consumption patterns. Moreover, DG JUST published the results of an EU-wide behavioural study, which provided policy-relevant insights on consumer attitudes and behaviour regarding the durability and reparability of products.¹⁷ The study report provides policy recommendations for further in-depth examination and will feed into relevant work streams in the context of the implementation of the EU Circular Economy Action Plan. In October, European consumer protection authorities took part in a workshop organised by DG JUST where they exchanged experience in enforcement of EU consumer law application on unfair premature obsolescence practices. DG JUST also chaired and moderated consumer panels at several high-level Circular Economy/Green Economy conferences and workshops throughout 2018. It also provided technical and policy input to many green economy initiatives, such as Eco-design and Energy labelling product measures, the development of a repair-scoring index, the ongoing Product Policy review, the Single-Use-Plastics proposal, the Long-Term Strategy on Greenhouse Gas emission reductions, the renewed Strategy for the EU Ecolabel and various initiatives supporting green mobility.

| | | | |
|---|--------------------------|--|---------------|
| Specific objective 4.1 Empowered energy consumers and enhanced competition through improved and comparable information on billing and offers, and improved tools for comparison and switching. A coherent framework to protect and incentivise consumers to opt for smarter consumption modes and self-generation. | | Related to spending programme Consumer Programme | |
| Result indicator Performance of consumer energy markets as measured by the Consumer Markets Scoreboard | | | |
| Source of the data: Consumer Markets Scoreboard | | | |
| Baseline | Interim Milestone | Target | Latest |

¹⁶ When calculating the total reach of different types of activities, we cannot control for the duplication and multiplication effects.

¹⁷ https://ec.europa.eu/info/live-work-travel-eu/consumers/sustainable-consumption_en#behaviouralstudyonconsumersengagementinthecirculareconomy

| | | | | |
|---|--------------------------|------|-----------------------|---------------------------------------|
| (2013) | 2015 | 2017 | 2020 | known results (2017) |
| 73 | 76.7 | 77 | 78 | 77.8 |
| Result indicator: Comparability of offers by different electricity providers (on a scale from 0 to 10) | | | | |
| Source of data: Market Monitoring Survey, reported in Consumer Markets Scoreboard | | | | |
| Baseline (2013) | Interim Milestone | | Target 2020 | Latest known results (2017) |
| | 2015 | 2017 | | |
| 6.4 | 6.7 | 6.9 | 7 | 6.8 |
| Result indicator: Comparability of offers by different gas providers (on a scale from 0 to 10) | | | | |
| Source of data: Market Monitoring Survey, reported in Consumer Markets Scoreboard | | | | |
| Baseline (2013) | Interim Milestone | | Target 2020 | Latest known results (2017) |
| | 2015 | 2017 | | |
| 6.6 | 7.1 | 7.2 | 7.3 | 7.2 |

| Main outputs in 2018: | | | |
|---|---------------------------------------|----------|--|
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Organising a multi-stakeholder dialogue to achieve convergence on the main elements of market performance, consumer satisfaction and consumer protection in the new markets for active energy consumption products and services | Report of the multi-stakeholder group | End 2018 | Due to delays in the adoption of the Clean Energy package (DG ENER in lead), the initiative was postponed to 2019. Only with a stable legislative framework for the "new market designs" a dialogue can start. |
| Event organised together with JRC on driving behavioural change through billing information | Scientific conference | Q3 2018 | Replaced by a workshop, co-organised with BEUC on June 6 2018, following several ECCG Members' request for an action to build the capacity of consumer organisations in the areas of collective |

| | | | |
|---|---|----------|--|
| | | | switching and collective purchasing. |
| Awareness-raising campaign on energy efficiency and energy poverty: KPI measurement | Report covering 4 out of 4 countries covered | End 2018 | 87 million citizens reached |
| Development of a possible Tool/Guidance for enforcers to help them to check the accuracy of environmental claims and prevent greenwashing | Workshops with the enforcement authorities and scientists to develop the tool for enforcers | End 2018 | Further to the discussions with consumer protection authorities an internal website was launched dedicated to building intelligence in law enforcement. Exchanging experiences <u>in order to strengthen enforcement in this area</u> was considered as a more appropriate first step. |

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

In 2018 DG JUST coordinated a number of joint actions with MS authorities aiming at enforcing EU consumer protection rules under the framework of the Consumer Protection Cooperation (CPC) Regulation (EC) 2004/2006. The Commission closely followed the Dieselgate emission scandal, which resulted in the commitment of Volkswagen to continuing executing the repairs free of charge until the end of 2020.¹⁸ Another joint action involving Facebook, Twitter and Google+ resulted in the improved terms of service for more than 250 million social media users in the EU¹⁹. Also, a coordinated action was initiated to improve the transparency of Airbnb pricing and bring their terms of service in line with EU standards.²⁰ In effect Airbnb committed to making the necessary changes to their terms and conditions and improving the presentation of their prices. DG JUST continued to support and build MS authorities capacity in enforcing law via the "E-enforcement academy" project. This project supports the Consumer Protection Cooperation (CPC) and product safety networks' by various training activities and boosts their ability to conduct online investigations.

In May 2018 the Commission published the first results of a concerted investigation of consumer markets ('sweep') in the area of Telecommunication and other digital services.²¹ Out of the 207 websites that were screened (offering fixed/mobile phone, internet, audio and video streaming services), 163 were found with potential infringements of EU consumer law. The Consumer Protection Cooperation (CPC) followed

¹⁸ http://europa.eu/rapid/press-release_IP-18-4549_en.htm

¹⁹ http://europa.eu/rapid/press-release_IP-18-761_en.htm

²⁰ http://europa.eu/rapid/press-release_IP-18-5809_en.htm

²¹ https://ec.europa.eu/info/sites/info/files/results_of_2017_-_telecommunication_sweep_0.pdf

their national enforcement procedures in order to bring those websites back in line and the final results of the enforcement phase will be published within the first quarter of 2019. In November 2018 DG JUST launched next sweep on price transparency and drip-pricing. Authorities from 26 EU- and EEA countries swept 558 websites and the results of the first phase (i.e. investigation phase) will be published within the first quarter of 2019.

In 2018 the Commission continued to work against unfair commercial practices such as those involving marketing products with different characteristics as identical (dual quality products). DG JUST proposed to clarify the applicable EU law within the “New Deal for Consumers” initiative.

The “New Deal for Consumers”, adopted by the College in April 2018, is composed of a Communication and two legislative proposals: for a Directive concerning better enforcement and modernisation of the existing EU consumer protection rules, and a Directive on Representative Actions for the protection of the collective interests of consumers. Furthermore the Commission actively contributed to the negotiations with the European Parliament and Council, which helped receive the Parliament’s negotiation mandates at the end 2018 and beginning of 2019.

In a series of events the Commission presented the “New Deal” proposals to citizens and stakeholders and collected their feedback on consumer issues. In 2018 DG JUST organised 27 thematic Citizens Dialogues, the “Consumer Dialogues”, and a concluding event, “Les Assises des Consommateurs”. Thanks to a wide participation (over 2500 participants) and a generally supportive feedback, Consumer Dialogues had a positive impact on the “New Deal” negotiations.

In November 2018, DG JUST, together with the contractor and the EP/IMCO Committee, organised a high-level conference to take stock of the Pilot Project for SME training on consumer law in the digital age (ConsumerLawReady) and decide about next steps. Having received a very positive feedback from consumer and business communities as well as the Commissioner and MEPs’ support, DG JUST ensured that the project contract would be extended until the end of December 2019.

As announced in the Communication for a “New Deal for Consumers”, DG JUST started preparing *guidance on the application/implementation of Directive 93/13/EEC on unfair terms in consumer contracts*. In addition, it is facilitating an initiative by European business on key principles for better presentation of information to consumers. To this end, several meetings were held with business and consumer stakeholders, which brought significant progress towards finalisation of these key principles which will further be endorsed by business stakeholders.

DG JUST monitored the transposition of the Package Travel Directive 2015/2302 and initiated the launch of infringement proceedings for non-communication against 14 Member States. All Member States but one have now notified transposition measures and, after a completeness check, eight infringement cases have been closed. We continued compliance checks of national transposition measures for the Consumer Rights Directive 2011/83/EU and the Unfair Commercial Practices Directive 2005/29/EC. For the Unfair Commercial Practices Directive, three further infringement proceedings were closed in 2018 due to satisfactory legislative amendments by the relevant Member States, while six cases were still open at the end of 2018. Regarding the Consumer Rights Directive, six EU Pilot cases and three infringement cases were prepared for closure; two infringement proceedings and five EU Pilot cases are currently open. In addition, we opened a new infringement case against a Member State for failure to ensure full and correct implementation of the Unfair Contract Terms Directive 93/13/EEC, in accordance with the relevant CJEU case law. In the field of consumer and marketing law, DG JUST E2 closed 81 CHAPs in 2018, while 66 were still open at the end of 2018. DG JUST E1 closed 10 CHAPs in 2018, which concerned possible infringements of Directive 2018/48/EC on consumer credit.

The 2018 Consumer Markets Scoreboard confirmed the continued improvement of the

functioning of key markets for consumers. The biggest improvements were reported in Eastern Europe while the performance of consumer markets in Southern Europe remain slightly behind average.

As part of its work on consumer evidence, DG JUST finalised in 2018 a study on market segmentation through online personalised pricing and offers and behavioural studies on transparency in online platforms and on marketing through social media, which informed the “New Deal for Consumers” initiative and enforcement activities.

The European Consumer Consultative Group (ECCG) met three times in 2018 in order to provide expert advice to the Commission on EU consumer related facts. The ECCG issued two Opinions, the first one on “Policy recommendations for a safe and secure use of artificial intelligence, automated decision-making, robotics and connected devices in a modern consumer world” which addresses a wide range of issues related to the impact of artificial intelligence on consumers, from data protection, competition, transparency, security, safety and liability, as well as the role of consumer organisations in building trust in artificial intelligence. The “Opinion on smart and flexible electricity services for residential consumers as proposed in the Clean Energy for All Package” provides the consumer perspective on EU policies fostering smart and flexible electricity services, which aim at optimizing the energy system and incorporating renewable electricity.

DG JUST also actively engaged in multilateral and bilateral international exchanges on consumer rights and their enforcement (e.g. in ICPEN, UNCTAD, OECD, and with U.S. and Chinese authorities). A more formal approach to the EU-US transatlantic partnership is currently under consideration for 2019. DG JUST also ensures that consumers’ trust in the digital market is preserved through the insertion of specific provisions on consumer protection in the e-commerce chapters of bilateral trade agreements. This objective will be further pursued in the upcoming multilateral negotiations on e-commerce in the framework of the WTO. In the area of retail financial services, DG JUST launched in June 2018 the evaluation of Directive 2008/48/EC on credit agreements for consumers and in December 2018 that of Directive 2002/65/EC on distance marketing of consumer financial services. The evaluations of both Directives are listed in the 2019 Commission Work Programme as REFIT initiatives and will be finalised by end of 2019.

Finally, DG JUST launched a behavioural study on the digitalisation of marketing and distance selling of retail financial services which is due to be completed by February 2019 and will feed into the aforementioned evaluations.

| | | | |
|--|---------------------------------|--|------------------------------------|
| Specific objective 4.2 Consolidated and improved consumer rights in the internal market | | Related to spending programmes Rights, Equality and Citizenship Consumer | |
| Result indicator: consumer conditions index (data available every two years): | | | |
| <ul style="list-style-type: none"> - Knowledge and Trust - Compliance and Enforcement - Complaints and Dispute Resolution | | | |
| Source of data: Consumer and retailer surveys for the Consumer Conditions Scoreboard (biennial frequency) | | | |
| Baseline (2014) ²² | Interim milestone (2018) | Target (2020) | Latest known results (2018) |
| Knowledge and Trust | 58 | 60 | 55.87 ²³ |

²² Due to a methodology's change in the surveys on which the indicator is based upon (Surveys on Consumers and Retailers attitudes towards cross border trade and consumer protection), the figures for 2014 are not directly observable. They are therefore estimated on the basis of the changes observed between 2014 and 2016 (computed on data based on a comparable methodology).

| | | | |
|--|----|----|-------|
| 55.06 (out of 100) | | | |
| Compliance and Enforcement 71.91 (out of 100) | 74 | 75 | 73.81 |
| Complaints and Dispute Resolution 58.97 (out of 100) | 61 | 63 | 59.45 |

| Main outputs in 2018: | | | |
|---|---|---------|---|
| All new initiatives and REFIT initiatives from the Commission Work Programme | | | |
| Output description | Indicator (e.g. adoption by the Commission; completion) | Target | Latest known results (situation on 31/12/2018) |
| 'New Deal for Consumers' legislative initiative 2017/JUST/063 | Adoption by the Commission | Q1 2018 | Adopted in April 2018 |
| Important items from work programmes/financing decisions/operational programmes²⁴ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| New type consumer education, advice and information programmes | Tendering procedures finalised | Q3 2018 | New target Q2 2019. Tendering is delayed due to an extensive consultation of various stakeholder groups in search of the optimal implementation. Also in order to avoid duplication of the EP project that was negotiated last year. |
| Funding programmes to support capacity, incl. business models of consumer | Tendering procedures finalised | Q3 2018 | New target Q1 2019. Tendering is |

²³ The knowledge and trust index is slightly behind our target in the 2018 scoreboard, which may be due to the high impact of the political and economic context on consumers trust (e.g. Brexit, change of governments in many countries).

²⁴ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| | | | |
|--|--|----------|---|
| organisations (testing, market surveillance, advice etc.) | | | delayed due to an extensive consultation of various stakeholder groups in search of the optimal implementation. Also in order to avoid duplication of the EP project that was negotiated last year. |
| Press statement on the sweep carried out by the CPC network | Publication of the statement | End 2018 | Publication of the results in May 2018. ²⁵ |
| Tests on dual quality food using the approach developed by the Commission (cooperation with JRC) | A testing protocol available | End 2018 | Launch of the EU-wide testing campaign in 19 Member States to implement the common testing methodology developed by JRC. ²⁶ |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Payment Accounts Directive Information Campaign | Launch of a targeted campaign on PAD transparency provisions | Q4 2018 | Included in JUST information campaign on consumer rights |
| Support to capacity building actions by the European Consumer Consultative Group | Actions agreed by the European Consumer Consultative Group | Q3 2018 | Done, the results of the work with ECCG fed into above "Funding programmes to support capacity, incl. business models of consumer organisations, |

²⁵ https://ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/sweeps_en

²⁶ https://ec.europa.eu/knowledge4policy/publication/eu-harmonised-methodology-testing-food-products_en

| | | | |
|--|--|----------|---|
| | | | etc.” |
| Consumer Markets Scoreboard | Publication by the Commission | Q3 2018 | Published in October 2018 |
| Support to business self-regulatory initiative on better presentation of (pre-)contractual information | Key principles agreed by business Stakeholder Group | Q1 2018 | Action delayed due to the “New Deal for Consumers” which was enlarged with an additional draft Directive on representative actions. Key principles almost finalised. New target date Q2 2019, together with Guidance on the application/ implementation of Directive 93/13/EEC. |
| Guidance on the application/implementation of Directive 93/13/EEC on unfair terms in consumer contracts (PLAN/2018/2653) | Adoption by the Commission and publication | Q4 2018 | July 2019 is the new target, as set in the Communication “A New Deal for Consumers” in April 2018. Draft guidance document under consultation with other services. |
| Training of SMEs about consumer law in the digital age (<i>ConsumerLawReady</i>) | Finalisation of the project with high level political participation | Q4 2018 | High-level conference took place on 27 November 2018. Project is being extended until December 2019. |
| CPC draft agreement with the USA | Availability of a draft cooperation agreement with the USA under the CPC (existing) Regulation | End 2018 | Awaiting decision on re-opening of the negotiations in Q1 2019. |
| Mid-term evaluation of the Consumer programme 2017/JUST/004 | Publication of the report | Q2 2018 | Report not published yet as work is ongoing on the resulting Staff Working Document |

| | | | |
|--|---|-----------------------------|---|
| Outreach for the New Deal for Consumers through thematic Citizens' Dialogues | At least 27 thematic Citizens' Dialogues ("Consumer Dialogues"), one per Member State, and a conclusive event ("Les Assises des Consommateurs") | December 2018 ²⁷ | 27 Consumer Dialogues done, one in each Member State (May–November 2018). Conclusive event in November 2018. |
|--|---|-----------------------------|---|

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

DG JUST continues to assist Member States to ensure a high degree of effective market surveillance, and an efficient rapid alert system. Information on the rapid alert system notifications can be found on a website revamped in 2018 now called Safety Gate. Since November 2018, an automatic translation system enables stakeholders to access information in as many as 25 different European languages on dangerous products. Furthermore, the Commission adopted updated guidelines for the management of the rapid alert system with the objective of further improving its effective functioning.

In June 2018, the European Commission facilitated the signature of the Product Safety Pledge by four major online marketplaces. The signatories, among others, committed to cooperating with Member State authorities, removing dangerous products from their websites within 2 working days and taking action on notices from customers within 5 working days. As a big share of dangerous products originates from third countries and due to the global nature of product safety problems, the Commission continued improving international cooperation. By signing an administrative arrangement with Health Canada in November 2018, the Canadian authorities and the EU committed to reciprocal information exchange on non-food consumer dangerous products.

In August and September 2018 the European Commission conducted a first ever European wide survey on consumer perception of recalls of dangerous products. The objective is to improve the effectiveness of recalls, so that dangerous products do not remain in the hands of consumers.

| | | | |
|--|----------------------------------|--|---|
| Specific objective 4.3 Consolidated and enhanced product safety through effective market surveillance in the Union | | | Related to spending programme Consumer |
| Result indicator: ratio number of reactions/number of RAPEX notifications (serious risks) Source of data: GRAS-RAPEX system | | | |
| Baseline (2010) | Interim Milestone 2017 | Target 2020 (increase of 15 % as agreed in the Consumer Financial Programme 2014-2020) | Latest known results (2018) |
| 1.07 | 1.15 | 1.23 | 1.97 |

²⁷ The indicated target (December 2018) was set for *at least 27* Consumer Dialogues, and *at least one per Member State*. This does not prevent the organisation of further Consumer Dialogues in 2019. *Les Assises des Consommateurs* has to be understood as the conclusive event of the first round of Consumer Dialogues, i.e. the event done once that a Consumer Dialogue took place in each Member State.

| Main outputs in 2018: | | | |
|--|--|---|--|
| Important items from work programmes/financing decisions/operational programmes²⁸ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| RAPEX related IT tools | Services for the maintenance of and upgrades to the IT systems for RAPEX financed under the 2018 annual work programme | No disruption of RAPEX IT systems and necessary maintenance and upgrades ensured | Target reached |
| Services to support cooperation and uniform application of EU consumer product safety legislation including international aspects | Number of product specific joint enforcement activities under the 2018 annual work programme and number of Member States participating | 3-4 product specific joint actions, and 66% of Member States participating in overall joint enforcement actions | Target reached |
| Support to the exchanges of EU Member States and EFTA/EEA enforcement officials in the area of consumer safety (General Product Safety Directive 2001/95/EC) | Number of Member States' officials participating in funded exchange of officials under the 2018 annual work programme | 30 | 14 |
| Close collaboration and regular information exchange with international stakeholders on consumer product safety | EU-US-China Trilateral Product Safety Summit | 1 st Semester 2018 | Events took place in June 2018 and on |
| | International Product Safety Week 2018 | November 2018 | 12-16 November 2018 (more than 400 participants) |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Revision of Commission implementing Decision 2010/15/EU laying down guidelines for the management of the Community Rapid Information System | Adoption by the Commission | 2018 | Adopted C(2018)7334 of 09/11/2018 |

²⁸ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| | | | |
|--|----------------------------|------|--|
| 'RAPEX' established under Directive 2001/95/EC PLAN/2017/2156 | | | |
| Commission (implementing) decisions under the General Product Safety Directive 2001/95/EC on safety requirements (specific product categories to be discussed in 2018 with the Consumer Safety network expert group) to be met by European standards, on the publication of references of certain standards, on standardisation requests to the European Committee for Standardisation | Adoption by the Commission | 2018 | Referencing of standards is postponed to 2019 to adapt to the procedure in COM(2018) 764 of 22/11/2018 |

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

In January 2018, the Commission reported on the implementation of the 2013 Recommendation on collective redress, important also for consumer claims. The report evaluates how the Recommendation has contributed to access to justice and preventing abusive litigation. The report finds that while the Recommendation brought important contribution to the debate on access to justice in mass harm situations, there is a need for targeted legislative intervention in the field of consumer rights enforcement. This finding resulted in the legislative proposal for a directive on representative actions, which forms a part of the "New Deal for Consumers" package. The revised rules on the European Small Claims Procedure, which entered into force in July 2017, had their first full year of application in 2018. Building on the previous experience, which shows that putting of EU civil procedure in a practical application requires broad dissemination of information to stakeholders, preparation of information campaign and revision of the guides on the procedure was launched, with a view of rolling-out the campaign between May and August 2019.

In line with the commitments in the Commission's 2018 Communication on a "New Deal for Consumers", DG JUST carried out a number of measures to enhance the effectiveness of the EU instruments for the out-of-court resolution of consumer disputes. In June 2018, DG JUST hosted the Alternative Dispute Resolution (ADR) Assembly, a two-day networking event with interactive workshops bringing together, for the first time, more than 350 representatives of the European ADR community, including 187 representatives from ADR bodies. The event triggered further cooperation initiatives at Member State level (e.g. ADR networks, ADR Assemblies at national level). DG JUST implemented further improvements on the European Online Dispute Resolution (ODR) platform and carried out an ODR communication campaign. This contributed to the continuously high number of platform visits, making the ODR platform one of the Commission's most visited websites (more than 8 million since the platform's launch in 2016), a sustained high number of consumer complaints (more than 3,600 per month in 2018) and an increased user satisfaction. Report on the platform's second year of operation was

published in December 2018.²⁹ The report shows that while the platform's uptake by consumers is very satisfactory and the platform works as a trigger for traders to directly settle the dispute with the consumer (i.e. outside the platform), traders' engagement on the ODR platform itself remains low. In order to further enhance the performance and effectiveness of the European Consumer Centre network, DG JUST rolled out a new IT tool for the network with better case management, a knowledge base and an enhanced cooperative space. The new IT tool will also provide a better consumer-facing interface and generate data on retailers' market behaviour.

| Specific objective 4.4 Easier resolution of disputes and recovery of claims, including across borders, for consumers and individuals | | Related to spending programmes Rights, Equality and Citizenship Consumer | |
|---|--|--|---|
| Result indicator: use of (a) European Small Claims procedure, (b) European Account Preservation Order | | | |
| Source of data: impact assessments /evaluations | | | |
| Baseline | Interim Milestone | Target | Latest known results |
| | 2018 | (2020) | |
| (a) 2013: current number of claims filed is 3500 per year Revised ESCP entered into force in mid-2017 | Additional 860 claims filed per year (increase of around 25% compared to the current number) | 10,000 claims filed | 3500 claims (2013) |
| (b) 2010: 11,6% of companies engaged in cross-border trade have applied for a preservation order Regulation applies as from January 2017 | n/a | 19,2% of companies engaged in cross-border trade would have applied for a preservation order | 11,6% of companies engaged in cross-border trade have applied for a preservation order (2010) ³⁰ |

| Main outputs in 2018: | | | |
|------------------------------|-----------|--------|--|
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| | | | |

²⁹ <https://ec.europa.eu/consumers/odr/main/?event=main.statistics.show>

³⁰ The data provided for both indicators (a) and (b) comes from impact assessments accompanying proposals for these instruments (European Small Claims Regulation and European Account Preservation Order Regulation (point b above) and more recent data is currently not available. However, both instruments provide an obligation for Member States to collect certain data. DG JUST is currently discussing the development of data collection with Member States in the context of the European Judicial Network in civil and commercial matters.

| | | | |
|---|--|--------------|--|
| Report on collective redress | Adoption by the Commission | | Adopted in January 2018 ³¹ |
| Revised Practice Guide and Users Guide to the European Small Claims Procedure | Publication of the guide | Q3 2018 | The guides are part of the information campaign planned for June. Delayed because of resources constraints and priority given to legislative actions, in particular revision of the Brussels II A Regulation, the Taking of Evidence Regulation, the Service Regulation. |
| Information campaign on the modernised European Small Claims Procedure and distribution of the guides to the procedure. | Launch of the information campaign | Q3 2018 | The campaign to be launched in June 2019. Delayed because of resources constraints and priority given to legislative actions, in particular revision of the Brussels II A Regulation, the Taking of Evidence Regulation, the Service Regulation. |
| ADR Assembly | Number of ADR entities participating to the Assembly | At least 60% | 60% of ADR entities participating |

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

In 2018 a political agreement was reached in the negotiations on the proposal on preventive restructuring, insolvency and second chance frameworks. The objective of the proposal is to offer an effective restructuring framework to businesses to avoid insolvency. Another objective of the proposal is to give the entrepreneurs who went unluckily bankrupt a second chance by discharging their debts in no more than three years. It also includes measures aimed at enhancing the efficiency and reducing the length and costs of all types of insolvency proceedings. The formal adoption of the Directive can be expected in the first half of 2019.

³¹ COM(2018)40

| | | | |
|--|--|--|---|
| Specific objective 4.5 Less differences between national insolvency regimes with the aim of increasing recovery rates, reducing time and costs of insolvency proceedings; and giving honest but bankrupt individuals a second chance in a reasonable time frame | | Related to spending programme(s) Justice | |
| Result indicator: recovery rates in insolvency proceedings Source of data: World Bank (Doing Business Index) | | | |
| Baseline (2014) | Interim Milestone Not applicable. (n/a) | | Target (2020) |
| - maximum Finland: 90.1 cents on the dollar - minimum: Greece 34.9 cents on the dollar | | Increase the average of recovery rate per Member State | Latest known results (2018) - maximum The Netherlands: 89.8 cents on the dollar - minimum : Greece 33.2 cents on the dollar |
| Result indicator: average number of days of insolvency proceedings Source of data: World Bank (Doing Business Index) | | | |
| Baseline (2014) | Interim Milestone Not applicable. | | Target (2020) |
| Shortest - Ireland: 0.4 years, Longest - Greece: 3.5 years | n/a | | Latest known results (2018) Shortest -Ireland: 0.4 years, Longest - Greece: 3.5 years |
| Result indicator: average costs of insolvency proceedings Source of data: World Bank (Doing Business Index) | | | |
| Baseline (2014) | Interim Milestone Not applicable. | | Target (2020) |
| The lowest costs - Belgium: 3,5 % of estate value The highest costs: Italy 22% of estate value | n/a | | Latest known results (2018) The lowest costs - Belgium: 3,5 % of estate value The highest costs: Italy 22% of estate value |

| | | | |
|--|--|--|-------|
| | | | value |
|--|--|--|-------|

| Main outputs in 2018: | | | |
|--|---|------------|---|
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Negotiations on Commission Proposal for a Directive on preventive restructuring frameworks, second chance and measures to increase the efficiency of insolvency procedures (COM(2016) 723 final) | Negotiations in the EP with a view to achieving a favourable report in JURI | Q1 2018 | Political agreement reached between the EP and Council |
| | Achieving a General Approach | Q2 2018 | |
| | Consultations with interested parties with a view to finding solutions | throughout | |
| Proposal for a Directive on an accelerated collateral enforcement (DG FISMA in the lead) | Coordination with DG FISMA to ensure consistency with COM(2016) 723 final | Q1 2018 | Adopted in March 2018 |
| Implementing decision on the interconnection of insolvency registers PLAN/2017/735 | Adoption by the Commission | Q2 2018 | Delayed due to clarification of technical issues. It is on track for adoption by 26 June 2019 |

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

The Capital Markets Union Communication announced a Commission initiative to determine with legal certainty which national law shall apply to the third-party effects of transactions in claims and securities. To this effect, DG JUST and DG FISMA proposed in March 2018 a two-fold initiative: a regulation covering conflict of laws rules applicable to the third-party effects of assignments of claims (JUST) and a Communication on existing EU conflict of law rules relating to the proprietary effects of transactions in securities (FISMA). This initiative is important for the functioning of financial markets, in particular to ensure legal certainty of financial transactions where claims are transferred or used as collateral. Council negotiations on the JUST legislative proposal progressed well in 2018.

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

Result indicator: Decrease in the difference in costs of cross-border assignments of claims to the level of domestic assignments of claims

Source of data: Estimates of cost differences between cross-border assignments of claims and domestic assignments of claims contained in pp. 29-30 of the Commission Staff Working Document accompanying the proposal for a Regulation of the European Parliament and of the Council on the law applicable to the third-party effects of assignments of claims (IMPACT ASSESSMENT)

| Baseline | Interim Milestone - Not | Target | Latest |
|----------|-------------------------|--------|--------|
|----------|-------------------------|--------|--------|

| | | | |
|--|------------|--|-----------------------------|
| 2018 ³² | applicable | (2025) | known results (2018) |
| Diverging national conflict of laws rules make cross-border assignments of claims two to three times more costly than domestic assignments of claims | | Decrease the cost of cross-border assignments of claims by providing legal certainty through the adoption of EU common conflict of laws rules on the third-party effects of cross-border assignments of claims | Baseline 2018 |

Main outputs in 2018:

| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
|---|----------------------------|---------|--|
| Legislative initiative on the law applicable to the third-party effects of assignments of claims (JUST) 2017/JUST/015 | Adoption by the Commission | Q1 2018 | Adopted in March 2018. Legislative negotiations progressed at good pace. |

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

In 2018, DG JUST activities substantively contributed to fostering a sound and predictable legal environment for companies, while ensuring protection of stakeholders affected by business operations, including shareholders, creditors and employees.

Following extensive preparatory work in 2017, a comprehensive company law package was put forward by the Commission in April 2018 including proposals on digital tools and processes in company law, and on cross-border conversions, mergers and divisions. The aim of the former is to allow companies to use modern digital tools and processes throughout their entire life-cycle in relations with public authorities while providing the necessary safeguards against fraud. The aim of the latter is to allow companies to better restructure and relocate within the single market while providing proportionate safeguards for employees, minority shareholders and creditors, and ensuring that the proposed rules cannot be misused for abusive purposes. Discussions by the co-legislators started soon after and followed an ambitious schedule, leading to adoption of negotiation mandates on the digital tools proposal by the Council and the European Parliament in December 2018. For the cross-border operations proposal, the negotiation mandates in both institutions are expected by early 2019.

Following a successful launch in 2017, the Business Registers Interconnection System (BRIS) was widely used in 2018, reaching a total of over 372,000 searches for company

³² The result indicator changed in 2018. The one defined in the Strategic Plan did not correspond with the outcome of the Commission's work in this field.

information and over 241,000 requests for company details. [data as available from December 2018]

As regards corporate governance, the Commission adopted an implementing regulation (Commission Implementing Regulation 2018/1212) in September 2018, which lays down minimum requirements implementing the provisions of the revised Shareholders Rights Directive (Directive (EU) 2017/828) as regards shareholder identification, the transmission of voting and other information through securities intermediaries and the facilitation of the exercise of shareholder rights. In 2018, the Commission has also started preparatory work for the adoption of guidelines on directors' remuneration as a follow-up to the revised Shareholders Rights Directive.

DG JUST has also launched analytical and consultative work to follow up on the recommendations of the High Level Expert Group on Sustainable Finance to assess ways of addressing problems linked to boards' and corporate duties and governance as announced in action 10 of the Action Plan on the financing of sustainable growth³³. This work includes a study launched on sustainability due diligence duties in the supply chain.

With regard to credit institutions and investment firms, in 2018 DG JUST continued to participate in the negotiations on the 2016 proposal for amendments to the Capital Requirements Directive (CRD IV) and Regulation (CRR), relating inter alia to revision of the remuneration rules to take into account proportionality considerations and ensure better EU level harmonisation. Compromise was successfully reached at the end of 2018 and the adoption is planned for early 2019.

At the same time, DG JUST participated in the negotiations of the 2017 proposals for Investment Firms Directive (IFD) and Regulation (IFR), relating to a new prudential regime for investment firm supervision, including the rules on remuneration, corporate governance and transparency, which aim to make the regime more proportionate and better suited to the risk profile of investment firms. The finalisation of the negotiations and adoption are expected in early 2019.

| Specific objective 4.7 Better business environment for investors, stakeholders and companies in the EU, in particular SMEs, more development/integration of the European capital markets by developing efficient EU rules concerning the formation, operation and transformation of companies and on the relationship between a company's management, board, shareholders and other stakeholders | | | Related to spending programmes Justice | |
|---|-------------------|--------|--|-----------------------------|
| Result indicator: regular increase in the number of limited liability companies in the EU. An increase in the number of limited liability companies in the EU would be an indication for a conducive environment for EU businesses, including SMEs. | | | | |
| Source of data: Eurostat database ³⁴ | | | | |
| Baseline (2012) | Interim Milestone | | Target (2020) | Latest known results (2016) |
| | (year) | (year) | | |
| 8.9 million | n/a | n/a | An increase in the number of limited liability | 10.6 million |

³³ COM/2018/097final

³⁴ Population of active limited liability companies in business demography by legal form statistics (from the structural business statistics database); aggregated data for EU-28.

| | | | companies in the EU ³⁵ | |
|---|-------------------|--------|---|-----------------------------|
| <p>Result indicator: regular increase in the number of EU companies which are controlled by companies from other MS (i.e. cross-border ownership/control, e.g. of subsidiaries, branches). An increase in the number of companies controlled by companies from other Member States illustrates the ability of companies to operate more easily across borders within the EU and to grow</p> <p>Source of data: Eurostat database³⁶</p> | | | | |
| Baseline (2012) | Interim Milestone | | Target (2020) | Latest known results (2015) |
| | (year) | (year) | | |
| 156,500 | n/a | n/a | An increase in the number of EU companies controlled by companies from other MS ³⁷ | 181,876 |

| Main outputs in 2018: | | | |
|--|---|---------|--|
| All new initiatives and REFIT initiatives from the Commission Work Programme | | | |
| Output description | Indicator (e.g. adoption by the Commission; completion) | Target | Latest known results (situation on 31/12/2018) |
| Proposal for Directive amending the codified company law Directive, as regards digitisation of company law and cross-border operations PLAN/2017/1091 | Adoption by the Commission | Q1 2018 | Adopted in April 2018 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to negotiations on the company law initiative | Adoption of negotiation mandates for trilogues | Q4 2018 | Negotiation mandates for the digitalisation proposal adopted by the Council and the EP in December |

³⁵ To be verified against the available data on an annual basis.

³⁶ Foreign controlled EU enterprises by country of the controlling entity from the structural business statistics database (inward FATS); aggregated data for EU-28.

³⁷ To be verified against the available data on an annual basis.

| | | | |
|--|---|---------|---|
| | | | 2018. Adoption of negotiation mandates for the cross-border operations proposal in both institutions expected in Q1 2019. |
| Support to negotiations on the amendments to the Capital Requirements Regulation and Directive regarding rules on remuneration | Adoption of amendments by co-legislator | Q3 2018 | Negotiations finished in December 2018. Adoption of amendments by the co-legislators expected in Q1 2019. |
| Support to negotiations on the new prudential requirements for investment firms regarding rules on corporate governance and remuneration | Adoption of amendments by co-legislator | Q4 2018 | Negotiation mandate adopted by the EP in Q4 2018. Adoption of the Council negotiation mandate and finalisation of negotiations expected in Q1 2019. Adoption of amendments by the co-legislators expected in Q2 2019. |
| Implementing act for Directive (EU) 2017/828 on encouragement of long-term shareholder involvement PLAN/2017/1356 | Adoption by the Commission | Q3 2018 | Commission Implementing Regulation 2018/1212 adopted in September 2018. |
| Kick off work on boards' and corporate duties | Contribution to the Action Plan on Sustainable Finance and the Reflection Paper on the follow-up to the UN Sustainable Development Goals as regards corporate governance issues | Q2 2018 | Study on sustainability due diligence in the supply chain launched in December 2018 |

An Area of Justice and Fundamental Rights Based on Mutual Trust

| General objective 7 An Area of Justice and Fundamental Rights Based on Mutual Trust | | |
|--|---|---|
| Impact indicator: Share of the population considering themselves as "well" or "very well" informed of the rights they enjoy as citizens of the Union | | |
| Source of the data: Eurobarometer on Citizenship | | |
| Baseline (2015) | Target (2020) | Latest known results (EB90 – Autumn 2018) |
| 50% (baseline corrected) | Increase | 55% |
| Impact indicator: Citizens experiencing discrimination or harassment | | |
| Source of the data: Eurobarometer on discrimination | | |
| Baseline (2015) | Target (2021) The Eurobarometer takes place every 3 years. | Latest known results (2015) |
| 21% | Decrease | Next survey planned for 2019 |
| Impact indicator: Gender Pay Gap (GPG) in unadjusted form, EU-28 | | |
| Explanation: The unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. | | |
| Source of the data: Eurostat | | |
| Baseline (2013) | Target (2020) | Latest known results (2016) (provisional) |
| 16.8% | Decrease | 16.2% |
| Bookmark | | |

Specific objective: More effective national justice systems

The rule of law and effective justice systems are crucial to attracting business and enabling economic growth (2018 Annual Growth Survey). This relates in particular to the independence, efficiency and quality of court systems. To further contribute to this priority, since 2013, the EU has been encouraging Member States to improve the effectiveness of their justice systems. Reforms should not be undertaken for the sake of reforming, but in a manner which upholds the rule of law and complies with European standards on judicial independence.

In 2018 DG JUST continued to monitor and support justice reforms in Europe. While outcomes differ per Member State and justice reforms often take years until their full implementation, a large number of Member States pursued their efforts to improve the effectiveness of their national justice systems. In the 2018 European Semester, 5 Member States (Croatia, Italy, Cyprus, Portugal, Slovakia) received a country-specific recommendation on the need to improve the effectiveness of their justice systems. DG

JUST also monitored further 10 Member States (Belgium, Bulgaria, Spain, Ireland, Latvia, Hungary, Malta, Poland, Romania, Slovenia), in which justice reforms have been ongoing, and participated in the monitoring of justice reforms in Greece as part of the third economic adjustment programme.

DG JUST also prepared the 2018 EU Justice Scoreboard to assist the Member States in achieving more effective justice by providing objective, reliable and comparable data on the quality, independence and efficiency of justice systems in all Member States.

| Specific objective 7.1 More effective national justice systems | | Related to spending programme Justice | | |
|---|--|--|--|------------------------------------|
| <p>Result indicator: percentage of MS who in year y+1 have implemented reforms to their judicial system made in the context of the European semester in year y</p> <p>Source of data: Country reports for the European Semester and the forthcoming EU Justice Scoreboards</p> <p>14 MS were subject to monitoring their reforms to their judicial system under the European Semester in 2015: progress in implementing measures to improve efficiency and quality of justice systems have been reported for all MS</p> | | | | |
| Baseline (2015) | Interim Milestones (2016, 2017, 2018, 2019) | | Target (2020) | Latest known results (2018) |
| 0 % | 100% of monitored MS show some progress in reforms | | 100% of monitored MS have implemented reforms with positive impact | 100% |
| <p>Result indicator: Cumulated number of legal practitioners trained on EU law or law of another EU MS</p> <p>Source of the data: 2018 DG Justice Report on European judicial training</p> | | | | |
| Baseline (year) | Interim Milestone | | Target (2020) | Latest known results (2018) |
| | 2016 | 2017 | | |
| 87,134 | 420,000 | 490,000 | 800,000 | More than 820 000 |

| Main outputs in 2018: | | | |
|---|---|---------|---|
| All new initiatives and REFIT initiatives from the Commission Work Programme | | | |
| Output description | Indicator (e.g. adoption by the Commission; completion) | Target | Latest known results (situation on 31/12/2018) |
| The 2018 EU Justice Scoreboard PLAN/2017/1568 | Adoption of the EU Justice Scoreboard | Q1 2018 | Adopted in May 2018 |
| Communication from the Commission to the | Delivery to the SG of DG Justice and | Q1 2018 | 2018 Country Reports published in |

| | | | |
|---|--|---------|--|
| European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions | Consumer contributions to the staff working documents (Q1) and the country specific recommendations (Q2) in the context of the European Semester | Q2 2018 | March 2018 ³⁸ 2018 Commission proposals for country specific recommendations adopted in May 2018 ³⁹ |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Study on the extent to which and how Member States used the ESF and the ERFD in the programming periods 2007-2013 and 2014-2020 to support their justice system | Timely delivery of a high quality study | Q1 2018 | The study was finalized in Q3 2018. |

Specific objective: Better EU financial markets with a sound framework to combat money laundering and terrorist financing

The fight against money laundering and financing of terrorism is one of the high priorities of the Commission. In 2018 DG JUST actively contributed to further improving the EU framework. Our activities included first of all the finalisation of the actions of the 2016 Commission Action Plan on financing of terrorism as well as the European Commission Security reports. The EU framework to tackle these phenomena was strengthened by the adoption of the 5th Anti-Money Laundering Directive in July 2018. The policy towards third countries was strengthened, in particular by publishing a new methodology on identification of jurisdictions that are high risk for the Union financial system.

A new proposal on enhancing access to financial information through the Financial Intelligence Units (FIUs) was tabled by the Commission in April 2018. Furthermore, in September 2018, the Commission took action to strengthen prudential and anti-money laundering supervision, by adopting a Communication and a proposal to amend the Regulation establishing the European Banking Authority (EBA) in order to reinforce the role of the EBA in anti-money laundering supervision of the financial sector.

| | |
|---|---|
| Specific objective 7.2 Better EU financial markets with a sound framework to combat money laundering and terrorist financing | Related to spending programmes Justice |
| Result indicator⁴⁰: Regular increase in number of FIU.net requests per year. | |

³⁸ [2019-european-semester-country-reports](#)

³⁹ [2018-european-semester-country-specific-recommendations-commission-recommendations](#)

⁴⁰ As an additional indicator completing this data, one could envisage including the number of cross-border Suspicious Transaction Reports (STRs) that have been submitted by credit and financial institutions and other obliged entities and later disseminated to another MS. More importantly, the indicator of FIU.net requests alone is no longer sufficient because of the evolution of the system and it has to be completed by

Within the preventative framework against money laundering and terrorism financing set by the 4th AML Directive, aiming at ensuring full traceability of financial information, in case of suspicion of money laundering or terrorist financing, Financial Intelligence Units (FIUs) shall have access to the necessary information, including through requests made to other EU FIUs. An increase in the number of requests for information made between EU FIUs translates the level of cooperation and information sharing between FIUs within the EU.

Source of data: FIUs (possible also Europol)

| Baseline (2015) | Interim Milestone | Target (2020) | Latest known results (year) |
|---------------------------|--------------------------|--|--|
| 17,140 | n/a | An increase in the number of FIU.net requests per year | 18.000 requests plus 79.000 cross-border dissemination |

Main outputs in 2018:

| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
|--|---|---------|---|
| Delegated act on high-risk third countries | Adoption of an updated list of high-risk third countries under art.9 4Anti-Money Laundering Directive (4AMLD) | Q1 2018 | In the absence of new FATF lists no act was adopted in March 2018 |
| Delegated act on high-risk third countries | Adoption of an updated list of high-risk third countries under art.9 4AMLD | Q3 2018 | Adopted in July 2018 |
| Delegated Act on high-risk third countries | Adoption of an own assessment of high-risk third countries under art.9 4AMLD | Q4 2018 | Adopted in February 2019. Postponed in order to carry out proper consultation with experts and engagement with third countries. |
| Commission Decisions to become observers to FATF regional bodies – eight different Decisions (necessary for the assessment of high-risk third countries) | Adoption of the Commission Decisions | Q1 2018 | Adopted in August 2018 |
| Regulatory Technical Standards (RTS) on | Adoption of RTS (drafted by the | Q1 2018 | Adopted in January 2019. Delayed due |

the number of cross-border STRs that have been disseminated to other MS through FIU.Net (or its successor) as done for 2016 already.

| | | | |
|--|--|---------------|---|
| third countries | European Supervisory Authorities-ESAs) under art.45(6) 4AMLD | | to the comments received in the ISC that needed to be proved by the European Supervisory Authorities. |
| Initiative on Financial Intelligence Units cooperation | Adoption by the Commission | Q2 2018 | Proposal adopted by the Commission as part of the security package in April ⁴¹ . |
| Report on sanctions required under Art.22 of the Funds Transfer Regulation (FTR) on measures taken by member states to ensure compliance with the regulation | Adoption of the report | Q3 2018 | Postponed to Q2 2019 as the transposition and its analysis required more time and was not ready in 2018. |
| Commission Decision to authorise FR to conclude a monetary agreement with other territories under Art. 24 of the FTR PLAN/2018/2781 | Adoption of a Commission decision | Q1 2018 | Adopted in November 2018 |
| Commission Decision to authorise DK to conclude a monetary agreement with other territories under Art.24 of the FTR | Adoption of a Commission decision | Q2 2018 | ISC closed. Following political instructions written procedure is postponed due to DK that is in the process of amending this agreement. |
| Commission Decisions to amend the Annex to the Monetary Agreements (ECFIN in the lead) | Adoption of 4 Commission Decisions | Q3 2018 | Under finalisation (adoption by the College foreseen in February/March 2019) |
| Report on the interconnection of bank accounts registers assessing conditions and technical specifications for interconnection of bank account registers under Art.32b 5AMLD | Adoption of the report | Q4 2018 | Postponed to Q2 2019. Report required by 5AMLD for 2020 but COM committed in the security union report of April 2018 to do this report by mid-2019. |
| Opinion to Financial Intelligence Analysis | Adoption of the Opinion | Not scheduled | Adopted in November 2018 |

⁴¹ COM(2018)213

| | | | |
|---|--|--|---|
| Unit of Malta PLAN/2018/4277 | | | |
| Initiative on strengthening the prudential and anti-money laundering supervision through amending the Regulation on EBA | | | Adopted in September 2018, currently in co-decision procedure |

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

In the field of **free movement**, DG JUST contributed to the work of Task Force 50 on the negotiations with the United Kingdom on safeguarding the rights of citizens, which has been identified as one of the three priorities. Giving the dynamic of these negotiations, this work had to be performed under extreme time pressure. In November 2018, the negotiators of the European Commission and the United Kingdom reached an agreement on the terms of UK's withdrawal from the European Union.

The Commission presented the proposal provided for in the Commission Work Programme 2018 on improving the security of EU citizens' identity cards and residence documents of EU citizens residing in another Member State and of their non-EU family members⁴². DG JUST worked closely with both legislators on technical level to ensure adoption of the proposal before the end of the EP's term.

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

To safeguard the essence of **EU citizenship** and its inherent values, DG JUST finalized the fact-finding study on national schemes granting EU citizenship to investors. Based on this study, in January 2019, the Commission published its report on national schemes granting EU citizenship to investors. This report highlights the risks of such schemes for Member States and for the Union as a whole, in particular security risk, risks of money laundering, corruption and tax evasion. Such risks are exacerbated by the cross-border rights associated with citizenship of the Union.

In the field of **consular protection**, the Commission opened infringement procedures against four Member States for non communication of the measures to implement the Directive on the coordination and cooperation measures to facilitate consular protection for unrepresented citizens of the Union in third countries by organising meetings of experts. The Directive, which entered into application in May 2018, reinforces the right of EU citizens to consular protection by establishing clear coordination and cooperation measures among the Member States.

One of the forms of assistance most required by citizens in distress is the issuance of an Emergency Travel Document. In May 2018, the Commission presented its proposal for a Council Directive provided for in the Commission Work Programme 2018 establishing an EU Emergency Travel Document and repealing Decision 96/409/CFSP.⁴³

Specific objective 7.3 Enhanced rights deriving from the citizenship of the Union

Related to spending programmes
Rights, Equality and
Citizenship

⁴² COM (2018) 212 of 17.4.2018

⁴³ COM (2018) 358 of 31.5.2018

| <p>Result indicator: Degree of delivery on the actions proposed in 2016 EU Citizenship Report The fulfilment of this specific objective can be influenced by political developments in Member States. Source of data</p> | | | |
|--|------------------------|---|--|
| Baseline (2016) | Interim Milestone 2018 | Target (2019) | Latest known results (2018) |
| 0% - 2016 | 50% | 100% Adoption of a proposal on ID cards and Emergency Travel Documents. Finalisation of a fact finding study on Investor Citizenship Schemes and adoption of a Commission report on such schemes. | 75% implemented: The proposal on ID cards and Emergency Travel Documents have been adopted by the Commission. A fact finding study on Investor Citizenship Schemes in the European Union has been finalised. Report on the citizenship scheme to be published in early 2019. |

| Main outputs in 2018: | | | |
|---|---|---------|--|
| All new initiatives and REFIT initiatives from the Commission Work Programme | | | |
| Output description | Indicator (e.g. adoption by the Commission; completion) | Target | Latest known results (situation on 31/12/2018) |
| Initiative on ID Cards and residence cards 2016/JUST/050 | Adoption by the Commission | Q2 2018 | Adopted in April 2018 |
| Initiative on Emergency Travel Documents 2017/JUST/017 | Adoption by the Commission | Q2 2018 | Adopted in May 2018 |
| Important items from work programmes/financing decisions/operational programmes ⁴⁴ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to stakeholders: foster the successful | Action grants | 4 | 4 |

⁴⁴ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| inclusion and democratic participation of mobile EU citizens | | | |
|--|--|------------------|--|
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Awareness raising campaign | 42% feel informed about their rights as citizens of the Union 43% voter turnout by EP elections 72% know their right to ask for consular protection abroad | Increase by 2019 | Results not yet known |

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

Further support to the respect and promotion of fundamental rights, the rule of law and democracy, including the support for a free and vibrant civil society, remained central in 2018. In this context, on 19 July 2018, the Commission launched an infringement procedure against Hungary raising serious concerns about implementation of the EU acquis on asylum and free movement as well as the Charter of Fundamental Rights of the EU.

In April 2018, the Commission proposed a Directive on the protection of persons reporting on breaches of Union law (“Whistleblowing Directive”) aimed at protecting whistle blowers who report about unlawful activities, providing them with internal and external channels of reporting, prohibiting retaliation and establishing protection measures in case retaliation occurs. Strong whistle-blower protection at EU level sets high level of standards of protection and safeguards the right to freedom of expression and media freedom, enshrined in Article 11 of the Charter of Fundamental Rights of the European Union. The proposal gives also effect to the Commission’s commitments following up on the second Annual Colloquium on Fundamental Rights on ‘Media pluralism and Democracy’ of November 2016. On 11 March 2019, the European Parliament and the Council reached a provisional agreement on this proposal.

On 30 May 2018 the Commission created a new Justice, Rights and Values Fund to support a number of actors in the field of rights and values such as NGOs, equality bodies, public administrations, judicial networks or universities. Within this fund, the Rights and Values programme aims at protecting and promoting rights and values as enshrined in the EU Treaties, including by supporting civil society organisations, in order to sustain open, democratic and inclusive societies.

On 6 June 2018 the Commission adopted its report on the application of the Charter of Fundamental rights in the EU in 2017. The report highlights that while 2017 was a year of challenges for fundamental rights, the structures and tools in place have been functioning to ensure the rights of the Charter are a reality in people’s lives. The Commission’s report was followed by Presidency conclusions in October 2018 and a Resolution by the European Parliament in December 2018.

During 2018, the Commission continued to work towards the implementation of the actions set out in the 2017 Communication on the protection of children in migration. Dialogue and cooperation with Member States on this issue was enhanced through the meetings of the joint expert group on the protection of children in migration, which met

in June and December 2018. The Commission created an online space for stakeholders to promote their good practices on children in migration. A direct grant was signed with the Dutch guardianship agency (NIDOS) for the creation of a European guardianship network. Activities started in September 2018 (first study visits and exchanges among relevant stakeholders).

On 25-26 June 2018 the European Commission organised a conference on child-friendly justice and integrated child protection systems – lessons learned from EU projects. The main goal of the meeting was to showcase examples of good practice to inspire others and to take stock of what has been done since 2011/2012 with EU funds under the Rights, Equality and Citizenship Programme (REC), to explore how EU funds can best support implementation and enforcement of the rights of the child, with a view also to informing future policy and funding priorities.

A study was contracted to map the existing research on Roma children published between 2014 and 2017 in 17 countries. The study will be finalised in early 2019.

On 26-27 November 2018 the Commission held its fourth annual Colloquium on fundamental rights. The focus was “Democracy in the EU”. The colloquium reaffirmed that democracy is a central value common to the EU and all its Member States, and looked at how to renew democratic engagement within the EU and the European societies. This debate was timely also in the context of the upcoming European elections and on the occasion of the 70th anniversary of the Universal Declaration of Human Rights. High-level national and European policymakers, international organisations, civil society organisations, media and social media representatives, the world of business and education, legal professionals, and many others, worked together to identify avenues to foster free, open and healthy democratic participation in an era of growing low turnout in elections, populism, digitalisation and threats to civil society.

On 24 July 2018, the Commission adopted its Opinion on the EU Agency for Fundamental Rights’ 2019-2021 programming document. It underlined the importance for the Agency to prioritise its surveys and studies, which inform the Commission about the fundamental rights situation in the Member States and contribute to evidence based policy making. The Commission also contributed and took part in the Agency’s 2018 Forum on Fundamental Rights.

In July 2018 the Commission adopted four more proposals authorising Member States to accept the accession of six more third countries to the 1980 Hague Convention on International Child Abduction (Dominican Republic, Uzbekistan, Belarus, Honduras, Ukraine, Ecuador). The Final adoption by the Council is scheduled for February 2019.

| | |
|---|---|
| Specific objective 7.4 Enhanced rights enshrined in the EU Charter of Fundamental rights, including the rights of the child | Related to spending programmes Rights, Equality and Citizenship |
| Result indicator: number of States worldwide with whom all EU MS (except DK) have cooperation under the 1980 Convention on International Child Abduction | |
| Source of data | |

| Baseline (2015) | Interim Milestone (2017) | Target (2018) No specific target has been agreed but Member States are committed to cooperate with the Commission in order to expand the application of the Convention and respect Opinion 1/13 of the CJEU | Latest known results (2018) |
|------------------------|--|--|---|
| 15 | 3 additional third countries (Kazakhstan, South Korea, Peru) | 13 (10 additional third countries compared to the 2017 milestone) | 9 additional third countries (Panama, Uruguay, El Salvador, Colombia, San Marino, Georgia, South Africa, Iceland, Bahamas). There was no unanimity of MS for accepting Philippines. |

Result indicator: awareness of the EU Charter of Fundamental Rights and its scope of application

Source of data: Eurobarometer

| Baseline (2015) | Interim Milestone | Target 2018 | Latest known results (year) |
|------------------------|--------------------------|--------------------|--|
| 14% | n/a | 20% | Eurobarometer will now be carried out in Spring 2019 |

Main outputs in 2018:

All new initiatives and REFIT initiatives from the Commission Work Programme

| Output description | Indicator (e.g. adoption by the | Target | Latest known results |
|--------------------|---------------------------------|--------|-----------------------------|
|--------------------|---------------------------------|--------|-----------------------------|

| | | | |
|---|---|------------|---|
| | Commission; completion) | | (situation on 31/12/2018) |
| Whistleblower protection PLAN/2016/271 | Adoption by the Commission | Q2 2018 | Adopted in April 2018 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Commission report on the Application of the EU Charter of Fundamental Rights | Adoption by the Commission | Q2 2018 | Adopted in June 2018 |
| Proposal for a Council Regulation amending Regulation (EC) N° 168/2007 establishing a European Union Agency for Fundamental Rights PLAN/2017/1494 | Adoption by the Commission | Q2 2018 | Following a decision by the Cabinet, this item has been postponed to 2020, to be launched under the new Commission. |
| Proposals on the acceptance of third states' accession to the 1980 Convention on International Child Abduction | Adoption of 4 proposals by the Commission | Q3-Q4 2018 | Adopted in July 2018 |
| 2018 Colloquium on Fundamental Rights | Organisation of the Colloquium | Q4 2018 | Held on 26- 27/11/2018 |
| Conference on child- friendly justice and integrated child protection systems- lessons learned from EU projects | Organisation of the Conference | Q2 2018 | Held on 25-26 June 2018 |
| EU Guardianship Network | Formal inauguration of the Network | Q2 2018 | Signature of the contract was in September 2018 followed by kick-off of activities. The official kick-off meeting will take place in March 2019. |
| Online database on good practices for children in migration | Project online | 2018 | Project online since 2018, some technical improvements to the tool are underway. |
| Support integrated and multidisciplinary child-centred approaches to child victims of violence, | Number of action and operating grant agreements signed in 2018 | 45 | 41 |

| | | | |
|---|--|---------|--------------------------------|
| as well as capacity-building on rights of the child | | | |
| High Level Dialogues with Churches, Religions and Non Confessional Organisations | 2 high level meetings chaired by FVP Timmermans prepared by technical seminars | 2018 | Held in March and October 2018 |
| Communication on Disinformation (CNECT in the lead) | JUST contribution to the Communication | Q2 2018 | Adopted in April 2018 |
| Mid-term evaluation of Rights, Equality and Citizenship (REC) programme PLAN/2017/1084 | Publication of the report | Q2 2018 | Published in June 2018 |
| Commission Opinion on the EU Agency for Fundamental Rights 2019-2021 programming document | Adoption of the Opinion | Q2 | Adopted in July 2018 |

Specific objective: A respected Rule of Law in the EU with any systemic threats addressed

Respect for the rule of law is a prerequisite for the protection of all fundamental values listed in Article 2, including democracy and fundamental rights. It is also a precondition for upholding all rights and obligations deriving from the Treaties and from international law. In fact, respect for the rule of law is essential for the very functioning of the Union, for the internal market, for competitiveness and investment. Finally, it is crucial for establishing mutual trust between Member States and their legal systems.

On 24 September 2018, the Commission decided to refer Poland to the Court of Justice of the European Union for violations of the principle of judicial independence by the new law on the Supreme Court, and also decided to ask the Court of Justice to order interim measures until the Court has issued a final judgment on the case.

The new law on the Supreme Court lowers the retirement age of Supreme Court judges from 70 to 65. This measure applies to current Supreme Court judges, including the First President of the Supreme Court whose 6-year mandate is established in the constitution. According to the law, the current judges have been given the possibility to declare their will to have their mandate prolonged by the President of the Republic. Such a prolongation can be granted for a period of three years and renewed once. There are no criteria established for the President's decision and there is no possibility for a judicial review of this decision. The Commission considers that the Polish law on the Supreme Court is incompatible with EU law as it undermines the principle of judicial independence, including the irremovability of judges, and that thereby Poland fails to fulfil its obligations under Article 19(1) of the Treaty on European Union read in connection with Article 47 of the Charter of Fundamental Rights of the European Union.

Specific objective 7.5 A respected rule of law in the EU with any systemic threats addressed

Related to spending programmes Justice

Result indicator: Number of systemic threats to the Rule of Law addressed through the Rule of Law framework or Rule of Law related infringements to ensure protection of the Rule of Law in Member states

Source of data

| Baseline (2015) | Interim Milestone / Target | Latest known results (2018) |
|------------------------|-----------------------------------|------------------------------------|
| 100 % | 100 % | 100% (1) |

Main outputs in 2018:

All new initiatives and REFIT initiatives from the Commission Work Programme

| Output description | Indicator (e.g. adoption by the Commission; completion) | Target | Latest known results (situation on 31/12/2018) |
|---|---|---------|---|
| Initiative to strengthen the enforcement of the rule of law in the EU PLAN/2017/2196 (SG in lead) | Adoption by the Commission | Q4 2018 | The Commission initiative to strengthen the 2014 rule of law framework is scheduled for Q3 2019 |

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

Work towards the setting up of the **European Public Prosecutor's Office (EPPO)** substantially progressed in 2018. As stipulated in Article 20 of Regulation 2017/1939 (hereinafter "the Regulation"), the Commission is responsible for the establishment and initial administrative operation of the EPPO. On 1 August 2018 and respectively 7 August 2018, the Commission confirmed the Netherlands and Malta as the twenty-first⁴⁵ and twenty-second⁴⁶ EU Member State in the enhanced cooperation on the establishment of the EPPO. In relation to the recruitment process of the EPPO key staff, the Commission has proposed two Council Implementing Decisions on the appointment of the members of the selection panel and its operating rules, which were adopted in July⁴⁷ and respectively September⁴⁸ 2018. It is envisaged that the European Chief Prosecutor will be appointed and takes up his/her functions in the first half of 2019. The Commission also submitted a proposal for a Council Implementing Decision on transitional rules for the appointment of the European Prosecutors for and during the first mandate period.⁴⁹

In the context of setting up the EPPO, the Commission established an EPPO Expert Group, composed of representatives of the participating Member States and consulted on the various practical matters related to the setting-up of the EPPO. This includes in particular also the necessary adaptations at national level, which are required for a smooth taking up of the functions of the EPPO in accordance with the Regulation

In the area of **judicial cooperation in criminal matters**, work continued in 2018 to improve judicial cooperation tools in the Union and foster mutual trust. Co-legislators reached political agreement on two connected proposals of the Commission (for a Directive and a supplementing Regulation) setting up a central system to identify Member States holding criminal records information on third country nationals and

⁴⁵ [COMMISSION DECISION \(EU\) 2018/1094 of 1.08.2018](#)

⁴⁶ [COMMISSION DECISION \(EU\) 2018/1103 of 7.08.2018](#)

⁴⁷ [COUNCIL IMPLEMENTING DECISION \(EU\) 2018/1696 of 13.07.2018](#)

⁴⁸ [COUNCIL DECISION \(EU\) 2018/1275 of 18.09.2018](#)

⁴⁹ [COM/2019/2 final](#)

stateless persons convicted in the EU (ECRIS-TCN system). The system complements and improves the existing European Criminal Records Information System (ECRIS) and delivers on a legislative priority of the Commission, the Council and the Parliament. The legislative instruments still need to be confirmed by the co-legislators, in particular by the European Parliament.

Exchanges of information through the already existing ECRIS continue to increase rapidly every year. A detailed overview can be found in the tables below.

Work also continued to improve the implementation of the procedural rights directives. Two implementation reports on the directive on the right to interpretation and translation in criminal proceedings and on the right to information in criminal proceedings were adopted in December 2018. A compliance assessment on the directive on the right of access to a lawyer is on-going.

On the legislative side, the negotiations concerning the Commission proposal on the mutual recognition of freezing and confiscation orders led to the adoption of the first regulation in the area of mutual recognition in criminal matters in November 2018.

To improve the criminal justice response in cyberspace, the Commission adopted on 17 April 2018 proposals for a Regulation on European Production and Preservation Orders for electronic evidence in criminal matters and for a Directive laying down harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings. A General Approach on the Regulation was agreed at the 7 December 2018 JHA Council meeting.

Work towards better **civil justice cooperation** progressed well in 2018 in various key areas. A general approach was reached on the recast of the Brussels IIa Regulation, aimed at improving the protection of children and families in the context of cross-border parental responsibility disputes. In addition, two new proposals were adopted in May 2018 to revise the Service of Documents and Taking of Evidence Regulations in order to modernise judicial cooperation, notably to increase the use of electronic communication and videoconferencing, and make it cheaper and faster to European citizens and businesses.

In the international fora of judicial cooperation, work advanced well on the future Hague Judgments Convention concerning the recognition and enforcement of civil judgments, with a last negotiation round in the Special Commission in May 2018 leading to the submission of the draft text of the Convention to the Diplomatic Conference (taking place in mid-2019) for adoption. Work on the UNCITRAL's project on enforcement of international commercial settlement agreements resulting from mediation was finalised and resulted in a Model Law and a Convention, adopted by the UN General Assembly in December 2018.

A new Strategy and Action Plan for **e-Justice** was adopted by the Council in December 2018. The Commission obtained a more focused action plan (26 actions compared to 42 in the previous action plan), which includes notably artificial intelligence in the judiciary, block chain for justice, improvements to the e-Justice Portal and professional roles certification.

| Specific objective 7.6 A more developed European area of Justice with more judicial cooperation in civil and criminal matters | | | | Related to spending programmes Justice | |
|---|-------------------|--------|--------|--|----------------------|
| Result indicator: number of exchanges of information in the European Criminal Records Information System (ECRIS) | | | | | |
| Source of data: Member States | | | | | |
| Baseline (2012) | Interim Milestone | | | Target (2020 – target in line) | Latest known results |
| | (2017) | (2018) | (2019) | | |

| | | | | | |
|--|-------------------------------------|--|-----------|--|---------------------------------------|
| | | | | with the MFF period 2014-2020) | (2018) |
| 300.000 | 2 100 000 | 2 300 000 | 3 300 000 | 3 500 000 | 2963 789 |
| Result indicator: cumulative number of legal professionals receiving training on EU law or law of another Member State since 2011 | | | | | |
| Source of data: 2018 DG Justice Report on European judicial training | | | | | |
| Baseline (2011) | Interim Milestone (2016) | | (2017) | Target (2020 – target set in Communication (2011)551) ⁵⁰ | Latest known results (2018) |
| 87.134 | 420.000 | 490.000 | | 800 000 | More than 820 000 |
| Result indicator: annual growth in the use of the European e-Justice Portal | | | | | |
| Source of data: statistics gathered by the European e-Justice Portal ⁵¹ | | | | | |
| Baseline 2012 | Interim Milestone 2016 | | 2018 | Target 2020. Target included in MP 2015. | Latest known results (2018) |
| 441 000 | Annual growth at 50% - 2 232 563 | Annual growth rate at 20% since 2016 – 3 214 890 | | Annual growth rate at 20% since 2016 - 4 629 442 | 2 962558 |
| Result indicator: number of exchanges of cooperation between contact points of European Judicial Network (criminal) | | | | | |
| Source of data: European Judicial Network (EJN) Annual Report | | | | | |
| Baseline 2011-12 | Interim Milestone 2013-14 | | 2015-16 | Target (2017-18 target was set based on the past years' evolution with an assumption that the need for judicial cooperation will increase after the end of the former "third pillar" regime) | Latest known results (2017) |
| 15 000 | 20 000 | 25 000 | | 30 000 | 13 000 (estimate) |

⁵⁰ Target set in the Communication: "Half of all legal practitioners in the EU" means 800 000 legal practitioners in 2018. Source of data: Council of Europe, 2016 CoE CEPEJ Report on "European judicial systems – Edition 2016 (2014 data): efficiency and quality of justice.

⁵¹ As of 2017, the data are obtained from a new tool for website statistics tracking, with a different calculation method (resulting in on average 30% less reported traffic). The baseline and the reported figures were adjusted retroactively to the new calculation method.

| | | | |
|--|------------------------------------|---|---|
| | | | d) ⁵² |
| <p>Result indicator: the average time of the surrender procedure (time between the arrest and the decision on the surrender of the person sought) under the European Arrest Warrant in cases where the person consents to the surrender</p> <p>Source of data: EAW annual statistics</p> | | | |
| Baseline 2014 | Interim Milestone 2018 | Target 2020 (with better implementation of the FD EAW, the compliance of the time limit set in the FD – 10 days – is expected to improve gradually.) | Latest known results (2017) |
| 19,4 days | 14 days | 10 | 14,9 |
| <p>Result indicator: number of ECHR rulings (Art 5,6) violations</p> <p>Source of data: ECHR statistics on violations by Article and by State (2014) http://www.echr.coe.int/Documents/Stats_violation_2014_ENG.pdf http://www.echr.coe.int/Documents/Annual_report_2017_ENG.pdf</p> | | | |
| Baseline (2014) | Interim Milestone 2018 | Target 2020 | Latest known results (2018) |
| Art 5 (right to liberty): 78 violations by EU MS (of 212, i.e. 37 %) | Reduce number of violations by 20% | Reduce number of violations by 40% No specific target agreed but COM's annual report and Council Conclusions on fundamental rights confirm EU commitment to comply with ECHR | 23 violations by EU MS (of 232, i.e. 10%) |
| Art 6 (right to fair trial and length of proceedings): 202 violations by EU MS (of 266, i.e. 75 %) | Reduce number of violations by 20% | | 99 violations by EU MS (of 342, i.e. 29%) |

Main outputs in 2018:

All new initiatives and REFIT initiatives from the Commission Work Programme

| Output description | Indicator | Target | Latest known results |
|--------------------|-----------|--------|----------------------|
|--------------------|-----------|--------|----------------------|

⁵² The numbers are expected to remain the same or decrease slightly (final numbers for 2018 expected in March 2019) due to the implementation of the new electronic tool for counting the data by the Contact Points, which the Contact Points need to get familiar with first.

| | | | |
|--|----------------------------|--------------|---|
| | | | (situation on 31/12/2018) |
| Commission Communication on the possible extension of the competence of the new European Public Prosecutor's Office (EPPO) to cross-border terrorist offences PLAN/2017/2211 | Adoption by the Commission | Q3 2018 | Adopted in September 2018 |
| Proposals for a Directive laying down harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings PLAN/2017/1416 | Adoption by the Commission | January 2018 | Adopted in April 2018. |
| Proposal for a Regulation on cross-border access to electronic evidence PLAN/2017/1416 | Adoption by the Commission | January 2018 | General approach on the Regulation agreed in December 2018 JHA Council. |
| Support to negotiations for the proposal on mutual recognition of freezing and confiscation orders 2016/JUST/024 | Adoption by co-legislators | 2018. | Adopted in November 2018 |
| Initiative on the revision of the Regulation on the 'Service of documents' in civil and commercial matters 2017/JUST/013 | Adoption by the Commission | Q2-2018 | Adopted in May 2018 |
| Initiative on the revision of the Regulation on the 'Taking of Evidence' in civil and commercial matters 2017/JUST/010 | Adoption by the Commission | Q2-2018 | Adopted in May 2018 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |

| | | | |
|---|---|--|---|
| Support to negotiations for the Commission proposal for Eurojust Regulation | Adoption by co-legislators | Q1 2018 | Adopted in Q4 2018 |
| Commission proposal for Council implementing act on compensation model for President | The adoption of the proposal is necessary | Q4 2018 | Adoption in Q2 2019 |
| Commission proposal for a delegated act setting up the Annex pursuant to Article 49(3) of the EPPO Regulation | Adoption by the Commission | Q1/2 2018 | New target Q2-Q3 2019. Delayed due to discussions in the EPPO Expert Group on the EPPO case management system. |
| Evaluation of the 2011 European judicial training strategy PLAN/2017/2022 | Adoption of a Staff Working Document | Q3/4 2018 | Adoption postponed to Q2 2019 |
| 2019-2025 European judicial training strategy PLAN/2017/1303 | Adoption of a Commission Communication | Q3/4 2018 | Adoption postponed to new Commission |
| 2018 report on European judicial training | DG Justice report Number of legal professionals receiving training on EU law or law of another Member State | Q3/4 2018 560 000 trained legal practitioners | Report published Q4 2018. More than 180 000 legal practitioners trained in 2017. More than 820 000 legal practitioners trained between 2011 and 2017. |
| Commission Report on contribution of criminal law to the fight against environmental crime | Adoption of the Commission Report | Q1 2018 | Cancelled and replaced by an evaluation in 2019 |
| Support to negotiations for the for the Directive and Regulation concerning exchange of criminal records information on third country nationals (ECRIS-TCN) | Adoption by co-legislator | Mid 2018 | Political agreement of the co-legislators reached in December 2018 |
| Follow up work for the Commission proposals for Directive and Regulation concerning exchange of criminal records information on third country nationals (ECRIS-TCN) | Adoption of the implementing acts | Mid 2018 | Postponed to Q2/Q3 2019 |
| Strategy for European e-Justice 2019-2023 | Adoption by the Commission | Q2 2018 | Commission non-paper "Contribution |

| | | | |
|--|---|--------------------------|---|
| | | | to a new Action Plan on European e-Justice 2019-2023” was endorsed by GRI in September 2018. |
| Commission proposal on cross-border e-Justice in Europe (e-CODEX) Planning PLAN/2017/794 | Adoption by the Commission | Q1 2018 | Postponed to new Commission |
| Support to negotiations for Brussels IIa Regulation | Progress in the negotiations at the EP and the Council | General approach Q4 2018 | General approach adopted by Council on 7 December 2018. Re-consultation of EP decided by COREPER on 19 December 2018 |
| World-wide recognition and enforcement of judgments, the enforcement of mediated settlement agreements and enforcement of judicial decisions related to the MAC Protocol (<i>Protocol to the Cape Town Convention on Matters specific to Mining, Agricultural and Construction equipment</i>) under the Cape Town Convention | Progress in negotiations towards finalisation Participation to the HCCH Diplomatic conference, the Uncitral WG II and the preparation for the Diplomatic Conference for the adoption of the Unidroit MAC Protocol. | Q4 2018 | UNICITRAL adopted a Model law in June 2018 and the UN General Assembly adopted a Convention on mediated settlement agreements in December 2018. Progress has been made on the negotiations of the future Hague Judgements Convention to be adopted at the Diplomatic Conference in 2019. The mandate of negotiation for the MAC protocol has been adopted in February 2018. |
| Mid-term evaluation of the Justice programme PLAN/2017/1083 | Publication of the report | Q2 2018 | Adopted in June 2018 |

Specific objective: A well-functioning European Judicial Network in civil and

commercial matters with adequate resources

The Network is a core tool for the effective implementation of the Union acquis in the area of judicial cooperation in civil and commercial matters. It continues to provide substantial support to efficient judicial cooperation between Member States in civil and commercial matters. The full participation of its members is an integral part of the day to day implementation of the Union acquis in civil justice matters. The objective is to further improve the operation of the Network and to raise awareness of it (e.g. increase the number of page views and distribution of guides to citizens and stakeholders). In 2018, the focus was in particular on launching the work on an IMI Pilot project on electronic case-handling (to be completed in 2019) and the development of the gathering of data on the operation of the civil justice instruments. In addition, a dedicated call was launched in 2018 to support with EU funding the building up and strengthening of the national networks of judicial cooperation.

| Specific objective 7.7 A well-functioning European Judicial Network in civil and commercial matters with adequate resources | | Related to spending programmes Justice | |
|--|--|--|--|
| Result indicator: (d) indicators relating to European Judicial Network in civil and commercial matters: | | | |
| <ul style="list-style-type: none"> - number of EJM guides - number of incoming/outgoing requests between Contact Points - number of areas of factsheets on national law and procedures (e-Justice Portal) - number of visits to the EJM-civil section at the European e-Justice Portal | | | |
| Source of data | | | |
| Baseline (2016) | Interim Milestone 2017 | Target (2018) | Latest known results (2018) |
| 9 EJM guides | 11 EJM guides | 12 EJM guides | 15 guides |
| Number of incoming/outgoing requests (baseline unknown) | Number of incoming/outgoing requests: increase target | Number of incoming/outgoing requests: increase target | unknown |
| 350 000 ⁵³ page views of EJM-civil section at the eJustice Portal | 500 000 ⁵⁴ page views of the EJM section at the European e-Justice Portal | 550 000 ⁵⁵ page views of the EJM section at the European e-Justice portal | Around 60 000 056 page views of the EJM section at the European e-Justice portal |

⁵³ Baseline updated according to the new tool (from 500 000)

⁵⁴ Baseline updated according to the new tool (from 750 000)

⁵⁵ Baseline updated according to the new tool (from 800 000)

⁵⁶ As of 2017, the data are obtained from a new tool for website statistics tracking, with a different calculation method. The data for years 2016-2018 were adjusted to the new calculation method.

| | | | |
|---|----------------------------|---------------------------------------|---|
| EJN factsheets at the e-Justice Portal available in 18 areas. | EJN factsheets in 20 areas | EJN factsheets available in 22 areas. | The target for 2018 was met. Currently EJN factsheets in 22 areas are available on the e-Justice Portal. |
|---|----------------------------|---------------------------------------|---|

| Main outputs in 2018: | | | |
|--|---|---------|---|
| Important items from work programmes/financing decisions/operational programmes⁵⁷ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to Network members in organising national European Judicial Network in civil and commercial matters branches | Restricted call to members of the European Judicial Network in civil and commercial matters and to the national authorities, courts and professional associations | Q1 2018 | Call published in 2018. 8 national networks financed. |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Internal Market information system for the European Judicial Network | Project kick-off | Q1 2018 | Q2 2019 target for presenting draft implementing act |
| Data gathering mechanism for the European Judicial Network | Project kick-off | Q3 2018 | EJN Working Group on data collection concluded work in 10/2018. Target for follow-up actions (including publication of factsheets) Q2-Q3 2019 |

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

⁵⁷ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

On 22 June 2018, the Commission adopted a Recommendation on standards for equality bodies.⁵⁸ This instrument encourages the Member States to take measures to improve the equality bodies' independence and effectiveness in performing their tasks including the offering of independent assistance to victims of discrimination, promoting equality, conducting independent surveys and issuing independent reports and recommendations.

The Commission monitored closely the correct enforcement and application of the Racial Equality Directive with specific focus on monitoring the correct enforcement as regards the national equality bodies and the Roma. Negotiations continued in the Council concerning the Commission's proposal for a Horizontal Equal Treatment Directive⁵⁹, which aims to extend protection against discrimination on grounds of religion or belief, disability, age and sexual orientation to areas outside employment (social protection, education and access to goods and services, including housing) and the Commission continued its quest for the unanimity of Member States required for the adoption of the proposal.

The Commission further organised two meetings of **the High-Level Group on Non-discrimination, Equality and Diversity** to ensure policy coordination with Member States and other stakeholders on equality policy and non-discrimination on the grounds of race, ethnic origin, age, disability and sexual orientation. In addition, the Commission organised, together with the BG and AT Presidencies, two meetings of the High Level Group on Gender Mainstreaming and two meetings of the Advisory Committee on Equal Opportunities between Women and Men, coordinating the delivery of two opinions on gender equality matters. Finally, the Commission organised a legal seminar with the European network of legal experts in gender equality and non-discrimination as well as several trainings to raise awareness among judges and legal practitioners on EU equality legislation.

In 2018, the Commission carried out a mid-term evaluation of the EU Framework on National Roma Integration Strategies. The evaluation assessed the relevance, coherence, effectiveness, efficiency, coordination, equity, sustainability and the EU added value of the Framework. It concluded that the EU Framework is the beginning of a process that, despite limitations and taking into account the massive task involved, has shown positive results and an initial change in trends, with education being the area with most progress. The main evaluation conclusions were reflected in a Communication⁶⁰, adopted on 4 December 2018.

In 2018, the Commission also continued to organise regular meetings of the network of National Roma Contact Points, consultation meetings with civil society organisations working on Roma inclusion as well as meetings of the European Platform for Roma Inclusion. In the context of the European Semester, it continued to monitor progress in Roma inclusion and proposed country-specific recommendations on quality inclusive mainstream education for Roma children in four countries (Bulgaria, Hungary, Romania, Slovakia). In its May 2018 proposals for 2021-2027 Regulations for the Structural Funds⁶¹, the Commission proposed a strong linkage between policy and funding priorities related to Roma inclusion. Directly managed EU funding has also been mobilised under the Rights, Equality and Citizenship Programme to finance projects fostering Roma inclusion and fighting discrimination and antigypsyism across Europe.

⁵⁸ Commission Recommendation on Standards of equality bodies. C(2018)3850 final of 22.07.2018

⁵⁹ Proposal for a Council Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation (COM (2008) 426 final, 2.7.2008).

⁶⁰ COM (2018) 785 final

⁶¹ Proposal for a Regulation on the European Social Fund Plus COM(2018) 382 final; Proposal for a Regulation laying down common provisions COM(2018) 375 final

After coordinating its position with the EU Member States in the Council Working Group on Human Rights COHOM, the EU took an active part in the 9th session of the UN Open-Ended Working Group on Ageing (OEWG). It contributed actively to the discussions on the thematic issues of Autonomy and Independence, and Long Term and Palliative care. The EU also shared relevant factual information and contributed to the exchange of data and best practices. This fits very well with our commitment to the Regional Implementation Strategy (RIS) of the Madrid International Plan of Action on Ageing (MIPAA) and to safeguard older persons' enjoyment of human rights as laid down in MIPAA and RIS and other relevant United Nations, international and regional conventions and treaties.

| | | | |
|---|------------------------------------|--|---|
| Specific objective 7.8 Less discrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation and more Roma integration | | | Related to spending programmes Rights, Equality and Citizenship |
| Result indicator: Citizens' awareness of their right to equal treatment without discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation (note: data only available every three years). Four previous Eurobarometer surveys on discrimination took place (in 2006, 2009, 2012 and 2015). The next surveys in 2019 and 2021 will include several questions asked in previous years in order to provide insight into the evolution of citizens' awareness of their rights. | | | |
| Source of data: Eurobarometer surveys on non-discrimination | | | |
| Baseline (2015) | Interim Milestone 2018 | Target (2021) | Latest known results (2015) |
| 45% | 55% | 70% | 45% |
| Result indicator: the number of Member States that set up structural co-ordination mechanisms with all stakeholders, including Roma, on the implementation of the National Roma Integration Strategies | | | |
| Source of data | | | |
| Baseline 2015 | Interim Milestone (2017) | Target (year + explanation how the target was agreed) | Latest known results (2018) |
| 0 | 15 | 27 (2018). Relevant EU MS are only 27 (Malta has no Roma population) | 22 |

| | | | |
|---|--|--------|---|
| Main outputs in 2018: | | | |
| Important items from work programmes/financing decisions/operational programmes⁶² | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to stakeholders: activities tackling non-discrimination of groups at risk including Roma and LGBTI people, as well as supporting National Roma platforms. | Number of action and operating grant agreements signed in 2018 | 28 | 32 |

⁶² For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| | | | |
|--|---|---------------|---|
| Operating grant to Equinet | Signature of contract | 2018 | Signed in December 2018 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Mid-term evaluation of the EU framework for Roma integration strategies PLAN/2017/830 | Acceptance of the Evaluation by the Regulatory Scrutiny Board | Q3 2018 | Communication adopted in December 2018 |
| Commission recommendation on Standards for Equality Bodies | Adoption by the Commission | Q4 2018 | Adopted in June 2018 |
| Setting up of National Roma Platforms where action by all key stakeholders are co-ordinated | Number of National Roma Platforms set up | 20 by Q4 2018 | 22 |
| Mutual learning seminars between MS (under the HL Group on Non-Discrimination, Diversity and Equality and including the subgroup on equality data) | Number of seminars | 2 by Q4 2018 | 3 |
| Support to negotiations on Equal Treatment Directive implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation | Progress Report by Council | 2 by Q4 2018 | 2 |
| Training of legal practitioners in gender equality and anti-discrimination law | Number of practitioners trained | 600 | 598 |

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

The Commission continued to monitor the correct transposition by Member States of Framework Decision 2008/916/JHA on combating certain forms and expressions of racism and xenophobia by means of criminal law, which penalises racist and xenophobic hate speech and hate crime. In recent years nine Member States amended their criminal laws as a result, bringing the number of Member States where the transposition of this legislation can be considered satisfactory to thirteen. The Commission will continue to pursue its efforts in order to ensure that this legislation is correctly transposed in all Member States, including by assisting them in addressing possible difficulties and

challenges faced in translating the related criminalisation obligations into their national legal framework.

In this context, various activities also contributed to the better implementation in practice of national transposition measures. DG JUST continued to assist Member States in their efforts to ensure effective implementation of the law and improve responses to hate crime and intolerance by fostering discussions, good practice exchange and informal guidance through the High Level Group on combating racism, xenophobia and other forms of intolerance. This led in 2018 to the compilation of informal guiding principles on combatting afrophobia and antigypsism, and on improving recording of hate crimes by law enforcement authorities as well as the publication of a guidance document on the implementation of the Framework Decision on combatting racism and xenophobia.

Significant progress has been made in the implementation of the Code of Conduct on countering illegal hate speech online, agreed by the Commission with Facebook, Twitter, YouTube and Microsoft. The impact of the Code of Conduct on countering hate speech online has been regularly monitored and results of assessments carried out in 2018 show that this self-regulatory tool contributed to quickly achieving tangible results on the removal of illegal hate speech by IT Companies. IT Companies respond to notices within 24h and remove on average over 70% of content notified to them, compared to 59% in 2017 and only 28% in 2016. During 2018, four additional companies, Instagram (January 2018), Google + (January 2019), Snapchat (May 2018) and Daily motion and Jeuxvideos.com (June 2018) announced their participation to the Code of conduct. The Code of Conduct has fostered synergies between the IT companies, civil society and Member State authorities in the form of a structured process of mutual learning and exchanges of knowledge.

The two Commission Coordinators on combating Antisemitism and anti-Muslim hatred, appointed in 2015, continued to bring to the attention of the Commission the specific concerns of the respective communities and to contribute to the development of the Commission's overarching strategy to combat hate crime, hate speech, intolerance and discrimination including through country visits, dedicated funding priorities, and cooperation with civil society. A high-level conference on policy measures to tackle intolerance and discrimination against Muslims in the EU took place on 3 December 2018⁶³.

The Commission supported the adoption of a Council declaration on Antisemitism in December 2018. It will be the basis for further action on Antisemitism on European and national level in the years to come, including through a Member States working group announced by the Commissioner on 22 January 2019. The Commission initiated the process for the EU to acquire Permanent International Partnership with the International Holocaust Remembrance Alliance on 29 November 2018.

The Commission initiated two surveys of notable scope in 2018, aimed at assessing perceptions of Antisemitism among the Jewish people and among the general population. The results of the largest ever survey on the perception and experience among Jews of Antisemitism by the EU Agency for Fundamental Rights (FRA) and the Eurobarometer survey revealed a substantial perception gap between the Jewish communities and the general population with regards to the perception of Antisemitism as a threat. The Commission continues to support initiatives to bridge the perception gap and combating all forms of Antisemitism, including through a priority on Antisemitism under the Rights, Equality and Citizenship 2019 programme. The Commission also focused on raising awareness among its own staff, with its annual training on Holocaust Remembrance and Antisemitism.

Specific objective 7.9 Less racism, xenophobia, homophobia, anti-Semitism, anti-Muslim hatred and other related forms of programmes

⁶³ See summary report: [on tackling intolerance and discrimination against Muslims in the European Union](#)

| intolerance | | Rights, Equality and Citizenship | |
|---|---|--|---|
| <p>Result indicator: the number of Member States that fully and correctly transposed Framework Decision 2008/913/JHA on combating certain forms and expressions of racism and xenophobia</p> <p>Source of data: Notifications by Member States</p> | | | |
| Baseline (2015) | Interim Milestone | Target (2018 + end of infringement procedures) | Latest known results (2017) |
| 4 Member States transposed the Framework Decision | 4 further Member States transposed the Framework Decision | All MS transposed the Framework Decision | 13 Member States correctly transposed the Framework Decision |
| <p>Result indicator: Number of Member States progressing on data collection and data recording of offences related to Framework Decision 2008/913/JHA (i.e. hate speech and hate crime offenses)</p> <p>Source of data: Information provided by Member States on a voluntary basis⁶⁴</p> | | | |
| Baseline (2015) | Interim Milestone | Target (2018) end of the mandate of the FRA Working Party ⁶⁵ | Latest known results (2017) |
| Of the 14 MS with limited data and recording of offences 5 MS have reported to have improved the system (based on the information provided by the Agency for Fundamental Rights) | 10 Member States will have improved their system on data collection and recording of offences | All MS would have improved their system on data collection and recording of offences | The FRA Working Party subgroup compiled in 2017 key guiding principles on hate crime recording which were then tested and implemented in 2018 |

⁶⁴ Work of the subgroup on recording and data collection led by the Agency for Fundamental Rights (FRA) in the context of the EU High Level Group on combating racism, xenophobia and other forms of intolerance

⁶⁵ This is end of the first two years mandate of the FRA Working Party subgroup.

| | | | |
|--|--|--|--|
| | | | through country workshops facilitated by FRA with the support of OSCE ODIHR. |
|--|--|--|--|

Main outputs in 2018:

| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
|--|--|---------------------------|---|
| Commission's Guidance on Combating Racism and Xenophobia by means of Criminal Law more efficiently throughout the EU | Adoption by the Commission | Q3 2018 | Adopted in November 2018 |
| 3rd monitoring of the Code of Conduct on Countering Illegal Hate Speech online and broadening the scope to further IT companies | Progress report on monitoring Code of Conduct Announcement by the Commission of further companies joining the Code of Conduct | Q1 2018 Q1-Q4 2018 | In January 2018 the Commission disclosed the result of the 3rd monitoring exercise. During 2018, Instagram (January 2018), Google + (January 2018), Snapchat (May 2018), Dailymotion and Jeuxvideos.com (June 2018) announced their participation to the Code of conduct. |
| Contribute to the Impact Assessment on Tackling Illegal Content online and further measures, where necessary (CNECT in the lead) | Finalisation of impact assessment | Q2 2018 | DG JUST contributed to the Impact assessment and to the Recommendation on measures to effectively tackle illegal content online, adopted in Q1. |

Specific objective: More diversity in the workplace

The Commission continued to promote actively diversity management through an EU-level platform to support Diversity Charters. In 2018 two new Diversity Charters were

launched in Romania and Lithuania, bringing the total number of Diversity Charters in the EU to 22. More than 10 000 organisations, including companies, NGOs and public bodies covering over 15.3 million employees in the EU have signed the 22 Charters.

The 9th Annual Forum of Diversity Charters that took place in Prague in October 2018 focused on "Diversity in Diverse Europe". Businesses, academics and policymakers debated on proposals and good practices on how diversity can be put in practice in the workplace and on ways of better measuring the impact of diversity policies.

Three action grants were awarded under the REC Programme.

Finally, a study was launched to provide an updated, qualitative analysis of trade unions' practices and/or initiatives on anti-discrimination and diversity.

| Specific objective 7.10 More diversity in the workplace | | | Related to spending programmes Rights, Equality and Citizenship | |
|---|--------------------------|------|---|---------------------------------------|
| Result indicator number of Member States that have adopted a Diversity Charter and number of companies that adhere to them | | | | |
| Source of data | | | | |
| Baseline (2015) | Interim Milestone | | Target (2019) | Latest known results (2018) |
| | 2017 | 2018 | | |
| 14 | 19 | 23 | 28 | 22 |

| Main outputs in 2018: | | | |
|---|---------------------------------------|--------------------------|--|
| Important items from work programmes/financing decisions/operational programmes⁶⁶ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to stakeholders through an open call for proposals for action grants | Number of grants awarded | Minimum 2 grants Q4 2018 | 3 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Engage further Member States and Businesses in diversity management through their adhesion to national Diversity Charters | Number of National Diversity Charters | 21 | 22 |
| Annual EU Diversity | Number of Diversity | 20 | 22 |

⁶⁶ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| | | | |
|--|--|---------|--------------------------------|
| Charters Forum | Charters attending the Forum | | |
| Contribution to the Commission's HR Diversity Strategy (DG HR in lead) | Adequate action plan for the implementation of the HR Diversity Strategy | Q2 2018 | Action Plan adopted in Q2 2018 |

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

The Commission presented the second annual report on the list of actions to the High Level Group on Non-discrimination, Equality and Diversity on the 1st of March 2018. This was followed by in-depth workshops on bisexuality, intersex and health for LGBTI people. The High Level Group in October 2018 allowed for an extensive exchange of best practice between Member States and civil society organisations that are being supported to implement projects to combat the discrimination of LGBTI people through the Rights, Equality and Citizenship programme. In addition, LGBTI dimension was also included in the good practices exchange seminar in Athens.

To raise awareness on the importance of LGBTI equality the Commission marked the International Day Against Homophobia and Transphobia (17 May) by numerous actions and prepared an #EU4LGBTI Toolkit for the Commission Representations to organise events and meet with stakeholders. To continue its online awareness raising campaign the Commission finalised five video testimonies, one for every letter of the acronym L-G-B-T-I.

On the International Transgender Day of Remembrance, on 20 November 2018, the Commission published a new comparative analysis on Trans and Intersex Equality Rights in Europe⁶⁷, which has been authored by the European network of legal experts in gender equality and non-discrimination.

| Specific objective 7.11 More support for EU Member States in key LGBTI-related areas and improved social acceptance | | Related to spending programmes Rights, Equality and Citizenship | |
|---|--------------------------|--|-----------------------------|
| Result indicator: number of Member State officials trained or participating in peer learning activities in LGBTI areas | | | |
| Source of data: own (meetings organised by DG JUST) | | | |
| Baseline (2015) | Interim Milestone (2017) | Target (2019) | Latest known results (2018) |
| 0 | 30 | 100 (Indicative number of officials attending training and peer learning seminars on LGBTI) | 70 |
| Result indicator: change in perceptions and attitudes towards LGBTI people (by | | | |

⁶⁷ https://ec.europa.eu/info/sites/info/files/trans_and_intersex_equality_rights.pdf

measuring data against the 2015 Eurobarometer survey on discrimination) Four previous Eurobarometer surveys on discrimination took place so far (in 2006, 2009 2012 and 2015). The next surveys in 2019 and 2022 will include several questions asked in previous years in order to provide insight into the evolution of perceptions, attitudes and awareness of discrimination in the European Union, including on perception and attitudes towards LGBTI people).

Source of data Eurobarometer surveys

| Baseline (2015) | Interim Milestone (2018) | Target (2021 + explanation how the target was agreed) | Latest known results (2015) |
|--------------------|-----------------------------|--|--------------------------------------|
| 45% | 55% | 65% | 45% |

Main outputs in 2018:

Important items from work programmes/financing decisions/operational programmes⁶⁸

| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
|---|---|---------|---|
| Support to stakeholders: activities tackling non-discrimination of groups at risk including LGBTI people. | Number of action and operating grants agreements signed in 2018 | 7 | 8 |
| Preparation of a methodology for a situation testing in 2019 including LGBTI | Methodology established with FRA+OECD | Q4 2018 | Postponed to 2019 |
| Awareness raising activities funded following a 2017 call for proposals under REC Programme | Number of projects ⁶⁹ | 9 | 4 projects implemented |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| A study on gender recognition legislation that affect transgender people's position on | Signature of a contract | Q2 2018 | Ongoing contract signed Q2 2018 |

⁶⁸ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

⁶⁹ Rough estimation on the previous year basis before the budget allocation.

| | | | |
|--|---|---------|---|
| the labour market and other areas | | | |
| Awareness raising packages and videos for LGBTI equality | Availability of video and promotional packages for Representation Offices and Delegations | Q2 2018 | EU4LGBTI Toolkit including the videos launched in Q2 2018 |

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

Following the dedicated Year on Focused Actions to end Violence Against Women in 2017, the Commission continued its communication campaign "No.Non.Nein. #Say No Stop VAW" producing and disseminating a number of social media and communications material to raise awareness about violence against women. In December, the Commission concluded the campaign with a high-level event to look back on what has been achieved and forward on next steps and challenges at national, European and international level to eliminate gender-based violence.

Progress was also made on the EUs accession to the Council of Europe Istanbul Convention on preventing and combating violence against women and domestic violence (Istanbul Convention) following the EU signature in June 2017. The Commission and the Member States have set out the practical arrangements in a Code of Conduct for the Union and Member States to jointly perform their legal obligations under the Convention. The Convention has been signed by all Member States. During 2018 three more Member States (Greece, Croatia and Luxembourg) concluded the ratification process bringing the total number to 20 Member States having ratified the Convention. The Commission is working with the Council of Europe to contribute to an informed debate in the remaining Member States to allow for a swift ratification of the Istanbul Convention.

In 2018, work continued to strengthen and improve the implementation of the Victims' Rights Directive. On 29 January 2018, a High-level expert meeting on the transposition of 2012/29/EU Victims' Rights Directive was organised. The discussions focused on the Victims' Rights Directive and its' role in shaping other victims' related instruments and policies, including victims of terrorism, compensation to victims of crime and victims of gender-based violence. An assessment of completeness and correctness of transposition of the Victims' Rights Directive is ongoing in all Member States and the Commission is taking the necessary legal steps against those Member States who failed to fulfil their obligations under the Directive. In addition, in 2019, the Commission will publish a report to the European Parliament and to the Council assessing the extent to which the Member States have taken the necessary measures in order to comply with the Victims' Rights Directive.

| | | | |
|--|----------------------------------|---|---------------------------------------|
| Specific objective 7.12 No gender-based violence and more victim support | | Related to spending programmes Rights, Equality and Citizenship | |
| Result indicator: % of people that consider that domestic violence against women is unacceptable | | | |
| Source of data: Eurobarometers | | | |
| Baseline (2010) | Interim Milestone 2017 | Target 2020 | Latest known results (2018) |
| 84% | 90% | 96% | 96% (Eurobarometer) |
| Result indicator: number of EU Member States that have signed and ratified the Istanbul Convention | | | |

| | | | |
|---|----------------------------------|-------------------------|---------------------------------------|
| Source of data: Council of Europe | | | |
| Baseline (2011: date of opening for signature and ratification) | Interim Milestone 2017 | Target (2020) | Latest known results (2018) |
| 0 | 17 | 28 | 20 |

| Main outputs in 2018: | | | |
|---|--|---------------|---|
| Important items from work programmes/financing decisions/operational programmes⁷⁰ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Grants to prevent and combat gender-based violence and violence against children | Publication of open call for proposals Number of grant agreements signed | Q1 2018 40 | 35 awarded action grants |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| High-level expert meeting on the transposition of the Directive 2012/29/EU on Victims' Rights | Organisation of the meeting | Q1 2018 | The High-level expert meeting took place on 29 January 2018. |
| Report on implementation of Directive 2011/99/EU on European Protection Order | Delivery of the report | Q4 2018 | The work on the EPO Directive is ongoing, the Commission is collecting the necessary data from Member States. |
| Support to the EU accession to the Istanbul Convention | Adoption by the Council of decision on the conclusion of the Istanbul Convention | Q1 2018 | Not achieved so far, however, agreement on code of conduct achieved |

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

With the adoption of the data protection reform, it was decided to put a greater emphasis on the international dimension of privacy and develop a strategy in this respect. This strategy was detailed in the Commission's Communication on Exchanging and Protecting Personal Data in a Globalised World adopted in January 2017, addressing all aspects of the external aspects of data protection (renewed focus and strategic approach on

⁷⁰ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

adequacy decisions, development of alternatives for transfers, interplay with other policy areas in both the commercial and law enforcement fields etc.).

Regarding existing instruments, DG JUST (together with representatives from the European Data Protection Board) carried out the second annual review of the EU-US Privacy Shield (the Commission’s report was published in December 2018). The report shows that the U.S. continues to ensure an adequate level of protection for personal data transferred under the Privacy Shield from the EU to participating companies in the U.S. The steps taken by the U.S. authorities to implement the recommendations made by the Commission in last year’s report have improved the functioning of the framework. However, the Commission does expect the US authorities to nominate a permanent Ombudsperson. The Commission also continued the review of the 11 existing adequacy decisions to ensure the continuity of these instruments under the new General Data Protection Regulation (GDPR).

Concerning new instruments for transfers, DG JUST implemented the strategy laid out in the above-mentioned Communication by finalising the negotiations with Japan and significantly advancing those with South Korea. The talks with Japan resulted in the agreement on a set of “Supplementary Rules” providing additional safeguards for personal data transferred from the EU, plus a number of assurances and commitments as regards government access, including on a new complaint mechanism administered by the Japanese Data Protection Authority (PPC) in this area. As regards South Korea, the discussions have led the government to introduce an amendment bill for the Korean data protection law (PIPA) that will, once adopted, defer the investigation and enforcement powers currently exercised by the Ministry of the Interior and Safety to the independent supervisory authority (PIPC). This would open the path for a general adequacy finding (rather than a partial adequacy finding based on the Network Act). In the meantime, the discussions are focussing on the limitations and safeguards with respect to government access for law enforcement and national security reasons.

The Commission also developed its approach regarding the interplay between data protection and other police areas, for instance by proposing negotiating directives for Europol agreements on law enforcement cooperation with 8 third countries (these are essentially agreements on the necessary data protection safeguards regarding the exchange of information between Europol and third countries). Following adoption by the Council, DG JUST together with DG HOME developed a model agreement that has been shared with the target countries, and negotiations on this basis have already started with Turkey. In parallel, DG JUST has co-led the negotiations on a new PNR Agreement with Canada, following the Court of Justice opinion on the original draft agreement.

Finally, DG JUST actively promoted high data protection standards globally, both through multilateral instruments (Convention 108 of the Council of Europe, where the negotiations were concluded and an agreement reached in May 2018) and through contacts with a number of important partners in Asia, Latin-America and North-Africa. As part of this work, DG JUST has submitted observations on a number of draft data protection laws or frameworks (e.g. U.S., India, Brazil, Pakistan, Thailand).

| | | | |
|---|----------------------------------|-----------------------|--|
| Specific objective 7.13 More safeguarding of the fundamental right to data protection in our external relations. | | | Related to spending programmes Rights, Equality and Citizenship |
| Result indicator: EU agreements ⁷¹ with third countries or international organisations which guarantee personal data protection | | | |
| Source of data EU Commission | | | |
| Baseline (2016) | Interim Milestone 2018 | Target 2020 | Latest known |

⁷¹ The nature of adequacy decisions is better reflected in the term "arrangements" rather than "agreements".

| | | | |
|---|---|-------------|-----------------------------------|
| | | | results (February 2019) |
| 0 | 1 | More than 1 | 1 |

| Main outputs in 2018: | | | |
|--|--|------------|--|
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Adequacy decision pursuant to Art 45 General Data Protection Regulation with respect to Japan PLAN/2017/2218 | Adoption by the Commission (in comitology, i.e. following a positive vote by the Art 31 Committee) | Q2 2018 | Negotiations concluded in July 2018. Draft decision adopted by College in September 2018. EDPB opinion in December 2018. |
| Adequacy decision pursuant to Art 45 GDPR with respect to South Korea PLAN/2017/2219 | Adoption by the Commission (in comitology, i.e. following a positive vote by the Art 31 Committee) | Q4 2018 | Ongoing negotiations, with renewed focus on the general data protection law (PIPA). |
| Modernisation of CoE Convention 108 (on data protection) | Signing of the amending Protocol by the Member States in the Committee of Ministers | Q2-Q3 2018 | Negotiations concluded in spring 2018 and agreement in CoE Committee of Ministers in May 2018. Opened for signature in October 2018. |
| Review of existing adequacy decisions (other than EU-US Privacy Shield) | Finalisation of re-evaluation based on information received from third country and confirmation of adequacy finding vis-à-vis that country (where necessary after changes in legal framework, commitments, etc.) | Q1-Q4 2018 | Ongoing review, in different stages depending on the input and cooperation from the respective countries. |
| Promotion of upward convergence of data protection laws in selected third countries (Asia, Latin America) | Adoption or revision of existing data protection laws | Q1-Q4 2018 | Very successful engagement with a number of countries, e.g. Brazil (adoption of data protection law in fall 2018) and |

| | | | |
|--|--|--|---|
| | | | India (presentation of draft bill by Expert Committee in summer 2018). Submissions also in other countries (e.g. U.S., Pakistan, Thailand). |
|--|--|--|---|

Specific objective: An adequate protection of EU citizens' personal data transferred to the US

In line with its objective to ensure a high level of protection for data transferred to the US, while facilitating such transfers for commercial reasons, DG JUST has monitored the full implementation of the EU-US Privacy Shield following the adoption of the adequacy decision in 2016. This involved, in particular, carrying out the second Annual Review of the Privacy Shield (in Brussels). This involved establishing a process, preparing the review, consulting various stakeholders and other institutional actors, organising the review meeting and leading the EU delegation to the review (composed of Commission representatives and national data protection authorities). Subsequently, DG JUST prepared a report to the Council and European Parliament that was adopted by the Commission in December 2018.

| Specific objective 7.14 An adequate protection of EU citizens' personal data transferred to the US | | Related to spending programmes Rights, Equality and Citizenship | |
|--|----------------------------------|--|---------------------------------------|
| Result indicator: number of Commission adequacy decisions and EU agreements with third countries which guarantee personal data protection | | | |
| Source of data: EU Commission | | | |
| Baseline (2015) | Interim Milestone 2018 | Target 2020 | Latest known results (2018) |
| 1 | 12 | More than 12 | 12 ⁷² |

| Main outputs in 2018: | | | |
|---|----------------------------|---------|--|
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Second annual report on the functioning of the EU-US Privacy Shield | Adoption by the Commission | Q3 2018 | Adopted in December 2018 |

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

The Data Protection Law Enforcement Directive 2016/680 (LED) was to be transposed by

⁷² The result indicator was erroneously inserted in the strategic plan under this objective. It cannot serve to illustrate results in the protection of EU citizens' data transferred to the US.

6 May 2018. The Commission worked with Member States prior to the transposition date in order to foster consistency, and started monitoring the transposition immediately afterwards. The Commission issued in July Letters of Formal Notice to 19 Member States for non-communication of the national legislation transposing the Directive.

The negotiation on a revised Regulation on data protection for EU institutions, bodies, offices and agencies, to bring it into line with the GDPR, was successfully concluded. The new Regulation 2018/1725 was adopted on 23 October and entered into application on 11 December.

| Specific objective 7.15 Common data protection rules within the European Union in place | | | Related to spending programmes Rights, Equality and Citizenship |
|---|---|-------------|---|
| Result indicator: awareness of individuals and Member States of the new data protection rules incl. existence of supervisory authorities | | | |
| Source of data: Eurobarometer, EU Commission | | | |
| Baseline (2015) | Interim Milestone | Target 2022 | Latest known results (2015) |
| Current awareness level: 37% have heard about a public authority in their country responsible for protecting their rights regarding their personal data (EB 431 (2015)) | End of implementation period for the Police Directive into national law | > 50% | 37% |

| Main outputs in 2018: | | | |
|--|-----------------------------------|---------|--|
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Terms of reference for a study on the transposition of the Police Directive by Member States | Publication of terms of reference | Q3 2018 | Published in March 2018 |

Specific objective: A reduced gender pay gap

Following on the 2017 gender pay gap action plan⁷³, the Commission initiated an evaluation of the Directive on equal opportunities and equal treatment of women and men in employment and occupation (Directive 2006/54/EC). The evaluation analyses in-depth the functioning of the relevant EU legal provisions on equal pay for equal work and work of equal value (Article 157(1-2) TFEU , Article 4 of Directive 2006/54/EC). It will support the Commission's assessment of the need for potential targeted amendments, in particular on pay transparency building on the 2014 Commission Recommendation on strengthening the principle of equal pay between men and women through transparency.

⁷³ Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee 'EU Action Plan 2017-2019. Tackling the gender pay gap', 20 November 2017, COM(2017) 678 final.

To collect evidence, an online open public consultation was launched in January 2019. Based on the results of the evaluation, the Commission will propose possible further measures to tackle the gender pay gap.

| Specific objective 7.16 A reduced gender pay gap | | Related to spending programme Rights, Equality and Citizenship | |
|--|----------------------------------|---|---------------------------------------|
| Result indicator: gender pay gap | | | |
| The gender pay gap (GPG) reflects ongoing discrimination and inequalities in the labour market, which, in practice, mainly affect women. In addition to direct discrimination, women face sectorial and occupational segregation, undervaluation of their work and unequal sharing of caring responsibilities. | | | |
| Source of data: Eurostat | | | |
| Baseline (2011) | Interim Milestone 2017 | Target (2020) | Latest known results (2017) |
| 17.1% (Baseline adjusted) | 15% | 14% | 16% |

| Main outputs in 2018: | | | |
|---|---|---------|--|
| Important items from work programmes/financing decisions/operational programmes⁷⁴ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Grants to address gender gaps over the life-cycle | Number of grant agreements signed in 2018 | 10 | 12 awarded action grants |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| European Equal Pay Day 2018 | Press releases and media coverage | Q4 2018 | Joint Statement by First Vice-President Frans Timmermans and Commissioners Marianne Thyssen and Vera Jourová, 26 October 2018 Country and EU factsheets |
| Contributions to the | Contributions for AGS | Q1 2018 | Contributions |

⁷⁴ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| | | | |
|--|----------------------------|--|---|
| Commission's Annual Growth Survey (AGS), country reports and definition of country-specific recommendations (CSRs) | and CSRs sent timely | (for CSRs) Q3 2018 (for AGS and country report) | submitted in line with the target |
| Evaluation of Directive on principle of equal opportunities and equal treatment of men and women 2015/JUST/032 | Publication of the report | Q4 2018 | Ongoing, public consultation launched in January 2019 |
| Initiative on equal pay for women and men 2017/JUST/014 | Adoption by the Commission | Q4 2018 | Ongoing pending evaluation |

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

Despite some encouraging progress during recent years, thanks, in particular, to regulatory pressure at national level, the under-representation of women on corporate boards and on management positions remains an important challenge in the EU. Such underrepresentation constitutes an untapped potential of highly skilled human resources, as evidenced by the discrepancy between the high number of female graduates and their underrepresentation in top-level positions. Unfortunately, the Commission's proposal from 2012 for a Directive to improve the gender balance among non-executive directors and related measures remains blocked in Council although there were some signs by the end of the year that some Member States are stepping up efforts to relaunch the negotiation in Council.

Specific objective 7.17 More equality between women and men in decision-making

Related to spending programme Rights, Equality and Citizenship

Result indicator: % of women among non-executive directors on boards of listed companies

Source of data: EIGE gender statistics database: <http://eige.europa.eu/gender-statistics/dgs/browse/wmidm>

| Baseline (2012) | Interim Milestone 2017 | Target (2020) | Latest known results (2018) |
|-----------------|------------------------|---------------|-----------------------------|
| 17% | 30% | 40% | 26.7 % |

Main outputs in 2018:

Important items from work programmes/financing decisions/operational programmes⁷⁵

| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
|--------------------|--|---------|--|
| Grants to address | Publication of open call for proposals | Q1 2018 | 8 action grants |

⁷⁵ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

| | | | |
|--|---|---------|--|
| equal participation of women and men in public fora, in leadership positions in politics and in the corporate sector | Number of grant agreements signed in 2018 | 8 | awarded |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support negotiations for the Directive on improving the gender balance on boards of listed companies | A general approach in the Council | 2018 | 18 MS support the Directive |
| Annual report on equality between women and men | Publication by the Commission | Q1 2018 | Q1 2018 |

Specific objective: Increased availability of childcare services

A key action under the Commission's 2017 Communication "An initiative for work-life balance for working parents and carers" is the monitoring of the Barcelona objectives on childcare. In May 2018, the Commission adopted a report that showed that there has been further improvement since 2013, but there are still some countries seriously lagging behind. On average in the EU28, the target has been reached for children under the age of three and it has nearly been reached for children from 3 until mandatory school going age.

| | | | |
|---|--|---|---------------------------------------|
| Specific objective 7.18 Increased availability of childcare services | | Related to spending programme Rights, Equality and Citizenship | |
| Result indicator: % of children up to 3 years/from 3 years of age to the mandatory school age, who are cared for under formal arrangements | | | |
| Source of data: Eurostat | | | |
| Baseline (2011) | Interim Milestone 2017 | Target (2020) | Latest known results (2016) |
| 30% (up to 3 years old) 84% (from 3 years old) | 33% coverage 90% coverage (achievement of the Barcelona target) | To be decided at political level | 33% 86% |

| | | | |
|---|-------------------------------|---------|--|
| Main outputs in 2018: | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Annual report on equality between women and men | Publication by the Commission | Q1 2018 | Published in Q1 2018 |

| | | | |
|---|---|---|----------------------|
| Contributions to the Commission's Annual Growth Survey (AGS), country reports and definition of country-specific recommendations (CSRs) | Contributions sent to JUST/C1 and EMPL in time for AGS and CSRs | Q1 2018 (for CSRs) Q3 2018 (for AGS and country reports) | Q1 2018 Q3 2018 |
| Initiative on quality framework for early childhood education and care (EAC in co-lead) | Adoption by the Commission | Q2 2018 | Adopted in Q2 2018 |
| Report on Barcelona targets | Publication by the Commission | Q3 2018 | Published in Q2 2018 |

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

During 2018, the Commission made significant progress with the European Parliament and the Council to reach agreement on the 2017 proposal for a Directive on work-life balance for parents and carers. The directive will modernise family leaves and allow for more flexible working arrangements that are better adapted to the needs of working women and men in different phases of their lives. On 21 June 2018, the Council reached a general approach on its negotiation position on the draft Directive and the European Parliament adopted its negotiation mandate on 12 September 2018. Trilogue discussions were close to conclusion at the end of the year⁷⁶.

To further inform the Commission's actions on work-life balance, a Eurobarometer survey showed that less than half of European men (41%) either have taken paternity leave already or are thinking of taking it. An even smaller proportion of men (32%) are interested in parental leave while 57% of European women are thinking of taking parental leave. Moreover, flexible work arrangements are not available for one in three Europeans.

| | | | |
|---|-------------------------------|--|--|
| Specific objective 7.19 Improved work-life balance for working parents and caregivers | | | Related to spending programme Rights, Equality and Citizenship |
| Result indicator: female employment rate (20-64 age group) | | | |
| Source of the data: Eurostat | | | |
| Baseline (2013) | Interim Milestone 2017 | Target (2020) EU2020 headline target | Latest known results (2017) |
| 62.5% | 68% | 75% | 66.5% |
| Result indicator: difference between men and women's employment rate in full-time equivalent (20-64 years) | | | |
| Source of the data: Eurostat | | | |
| Baseline (2013) | Interim Milestone 2017 | Target (2020) EU2020 headline target | Latest known results (2017) |

⁷⁶ The co-legislators reached preliminary agreement on the text on 24 January 2019.

| | | | |
|-------|-----|-----|--------|
| 18.2% | 15% | 10% | 18,1 % |
|-------|-----|-----|--------|

| Main outputs in 2018: | | | |
|--|---|------------------|---|
| Important items from work programmes/financing decisions/operational programmes⁷⁷ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Grants to support public authorities and civil society in relation with the "New Start" to Support Work-Life Balance for Parents and Carers' initiative | Publication of open call for proposals Number of grant agreements signed in 2018 | Q1 2018 8 | 4 awarded action grants |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Support to negotiations for the initiative to address the challenges of work-life balance faced by working families (Directive and Communication non-legislative measures) | Adoption by co-legislators | 2018 | Provisional agreement between co-legislators reached on 24/01/2019. |

A Union of Democratic Change

| General objective 10 A Union of Democratic Change | | | |
|--|--------------------------|-------------------------|---|
| Impact indicator: Voter turnout at European elections | | | |
| Source of data: European Parliament | | | |
| Baseline (2014) | Interim Milestone | Target (2019) | Latest known results (2018) |
| 42.61% | n/a | Increase | Results will only be known in May 2019 after the EP |

⁷⁷ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

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

In view of the European elections in May 2019, DG JUST intensified its focus on citizens' **democratic rights and democratic participation** in 2018.

DG JUST contributed to the Commission's Communication "A Europe that delivers: Institutional options for making the European Union's work more efficient", published on 14 February 2018, and elaborated on this with concrete measures in the accompanying Recommendation on enhancing the European nature and efficient conduct of the 2019 elections to the European Parliament.⁷⁸ In February 2018, the Commission issued its third report on the enjoyment of the right of EU citizens to vote and stand in municipal elections in their Member State of residence⁷⁹.

The Commission also organized an Event on democratic participation and electoral matters on 25-26 April 2018 in view of enhancing EU citizen's democratic participation.

The Commission prepared a set of **measures on elections** for adoption by the Commission on the occasion of the Commission President's State of the Union Speech of 12 September 2018. This set of measures is composed of the Communication on Securing Free and Fair Elections in Europe⁸⁰, Guidance on the application of Union data protection law in the electoral context⁸¹, Recommendation on election cooperation networks, online transparency, protection against cybersecurity incidents and fighting disinformation campaigns⁸², and a Targeted legislative amendment to tighten the rules on European political party funding.

In the framework of the European Week of Regions and Cities DG JUST presented its work on elections, and discussed the work of its grant-funded projects supporting the participation of mobile EU citizens and promoting best practices which help citizens vote and stand for EU elections.

The fourth Annual Colloquium on Fundamental Rights dedicated to Democracy in Europe was organised by DG JUST on 26-27 November 2018. It allowed focusing on encouraging best practices to increase the participation of young people, and vulnerable and underrepresented groups.

DG JUST also convened two meetings of the Expert group on electoral matters to plan and review progress on preparations for the exchange of information foreseen under Directive 93/109/EC to combat dual voting in European elections.

As far as financial support is concerned, DG JUST called for proposals under the Rights Equality and Citizenship programme for action grants to support the democratic participation of EU citizens, for the first time an amount of over EUR 5 million supported projects for this purpose.

Finally, DG JUST worked closely with the network of Academics to contribute evidence in the field of citizenship to support policy-making.

⁷⁸ C(2018)900 of 14.2.2018

⁷⁹ COM(2018)44 of 25.1.2018

⁸⁰ COM(2018)637 of 12.9.2018

⁸¹ COM(2018)638 of 12.9.2018

⁸² C(2018)5949 of 12.9.2018

| | | | |
|---|---------------------------|---|---------------------------------------|
| Specific objective 10.1 Enhanced EU citizens' democratic participation, including through cross-border information and facilitated participation in the EP elections, and increased legitimacy and accountability of EU decision-making, including by building on the concept of "lead candidates" | | Related to spending programmes Rights, Equality and Citizenship | |
| Result indicator: Citizens' awareness of their right to vote and to stand as candidate in European elections in the Member State of residence, without having the nationality of that Member State | | | |
| Source of the data: Eurobarometer | | | |
| Baseline (2010) ⁸³ | Interim Milestone 2017 | Target 2020 | Latest known results (2015) |
| 67 % | 76 % | | |

| | | | |
|---|--------------------------------------|---------|--|
| Main outputs in 2018: | | | |
| Important items from work programmes/financing decisions/operational programmes⁸⁴ | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| Action grants to improve democratic participation of mobile EU citizens | Action grants | 4 | 4 |
| Other important outputs | | | |
| Output description | Indicator | Target | Latest known results (situation on 31/12/2018) |
| High level event on democratic participation | Organisation of the high level event | Q3 2018 | Fundamental Rights Colloquium on Democracy in the EU (26-27/11/2018) |

⁸³ This baseline refers to year 2015 and not 2010.

⁸⁴ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2018](#).

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section explains *how* the DG delivered the achievements described in the previous section. It is divided into two subsections.

The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives⁸⁵. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive; appropriately covering all activities, programmes and management modes relevant to the DG.

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

2.1 Financial management and internal control

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

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

- the reports by Authorising Officers by Sub-Delegation;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross sub-delegation;
- the reports of the external auditors on control results of Union Agencies in indirect management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at DG level;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
- the results of the ex-post audits;
- the conclusion of the Internal Auditor on the state of internal control and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

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

⁸⁵ Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions

General of DG Justice and Consumers.

This section reports the control results and other relevant elements that support management's assurance. It is structured into (2.1.1) Control results, (2.1.2) Audit observations and recommendations, (2.1.3) Effectiveness of the internal control system, and resulting in (2.1.4) Conclusions on the impact as regards assurance.

2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives⁸⁶. The DG's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the relevant control systems.

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

DG Justice and Consumers managed a budget in 2018 of EUR 183.47 million, excluding co-delegation type 2 which amount to EUR 5.38 million, and represents 0.11% of the total EU budget.

As a first measure from the Action Plan for phasing out the N+1 budget execution, the Annual Work Programmes (AWP) 2018 for the Justice Programme, the Rights Equality and Citizenship (REC) Programme and the Consumer Programme have been adopted at the end 2017. Before global commitments, the implementation rate of legal commitments (grants, contracts) is 38,77% without agencies and 59% including agencies (49% in 2017, 52% in 2016) which is above the expectation. Legal commitments on the remaining budget will be signed in 2019, once calls for tenders and pending evaluations of the applications received in response to the calls for proposals have been finalized.

An overview of the budgetary consumption of DG JUST's total commitments and payments in 2018 by programme is presented in the table below:

⁸⁶ 1) Effectiveness, efficiency and economy of operations; 2) *reliability of reporting*; 3) *safeguarding of assets and information*; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). *The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.*

| Programmes | Implementation of commitment appropriations | | Implementation of payments appropriations | |
|---|---|------------|---|------------|
| | M€ | % | M€ | % |
| Administrative Expenditure (Global Envelope & Technical assistance) | 4,09 | 96% | 1,55 | 31% |
| REC Programme | 56,35 | 99% | 66,85 | 99% |
| Company Law | 1,74 | 100% | 1,21 | 91% |
| Other activities for fundamental rights | 1,29 | 100% | 0,61 | 89% |
| Justice Programme | 41,73 | 99% | 40,75 | 98% |
| Consumers Programmes | 5,72 | 100% | 6,23 | 90% |
| Pilot Projects | 0,01 | 2% | 0,82 | 49% |
| Completion Previous Programmes | 1,60 | 100% | 1,53 | 53% |
| Union Agencies | 68,74 | 99% | 68,50 | 99% |
| Total | 181,26 | 99% | 188,05 | 95% |

In terms of the use of commitment appropriations, 99% (EUR 181.26 million out of EUR 183.47 million) of the budget available was implemented, including the use of global commitments, which is in line with previous years' implementation rates (98%).

As far as payment appropriations are concerned 96% (EUR 188.05 million out of EUR 196.93 million) have been implemented during the year 2018.

During the year 2018 the three Union Agencies (EUROJUST, FRA, EIGE) have together used nearly all of their commitment appropriations 99% and 85% of the payment appropriations. This is a result very similar to 2017 (99% in commitment appropriations and 83% in payment appropriations).

The table below summarizes all payments made by DG Justice and Consumers in 2018, in terms of activities per each distinct control system, as well as the key indicators (Residual Error Rates (RER) and cost-efficiency) available for each layer.

Summary of payments, main internal control indicators and reservations, per control system, 2018

| | Activity | Total payments in 2018 (M EUR) |
|--|--|--------------------------------|
| Direct management grants <i>M EUR 91.86 (48.85%)</i> <i>RER = 2.7%</i> <i>Cost-efficiency: 5.06%</i> <i>Reservation issued</i> | MFF 2007-2013 (0.2%) | 0.4 |
| | MFF 2014-2020 (48.64%) | 91.46 |
| Other direct management <i>M EUR 27.71 (14.74%)</i> <i>RER est. <2%</i> <i>Cost-efficiency(procurement): 6.93%</i> <i>No reservation</i> | Procurement (13.93%) | 26.2 |
| | Cross subdelegations and service level agreements (0.8%) | 1.5 |
| Indirect management <i>M EUR 68.5 (36.43%)</i> <i>RER est. <2%</i> <i>Cost-efficiency: 0.7%</i> <i>No reservation</i> | Union Agencies (36.43%) | 68.5 |
| Total M EUR | | 188.05 |

Overall, reliable and complete control results are available for each control system. The analysis and conclusions of each relevant control category in terms of legality and regularity and cost efficiency is described and explained in further detail below under Part 2.1.1.1 and 2.1.1.2. Key indicators have been defined for each stage of the relevant control system and presented in details in Annex 10. One reservation has been issued based on the legality and regularity indicators and detailed in Part 2.1.4.

Regarding the overall efficiency of controls, a positive conclusion has been reached based on an overall cost-efficiency indicator of 3.71% (details in Part 2.1.1.2). Regarding fraud prevention and detection, a chain of actions has been taken in 2018 (Part 2.1.1.3). During 2018, no cases of suspicious fraud and irregularities were transmitted to OLAF for investigation.

Due to the fact that sub-delegations (EUR 0.79 million) and service level agreements (EUR 0.7 million) are immaterial when taken individually (total 0.8% of the total payments of DG JUST), these activities are not covered in-depth in the present Annual Activity Report.

Summary of payments for sub- delegation DG's

| DG | Cross sub-delegation (JUST/ DG X) (M EUR) |
|--------------|---|
| COMP | 0,03 |
| ESTAT | 0,24 |
| HOME | 0.52 |
| Total | 0,79 |

None of the concerned services have reported any particular problem/risk on the use of appropriations cross delegated to them by DG JUST in 2018.

2.1.1.1 Control effectiveness as regards legality and regularity

DG Justice and Consumers has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

The methodology **to determine the materiality level for reservations** is described in detail in Annex 4.

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

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

In 2018 AAR there is one reservation⁸⁷, because the residual error rate at the end of year (equal to 2.7%).

2.1.1.1.a Direct management – grants

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

Stage 1: Programming, evaluation and selection of proposals

⁸⁷ Reservation regarding the financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers under the budget chapters 33 02 and 33 03

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

In 2018, 254 applications in total (198 in 2017) were awarded a grant out of about 796 applications evaluated. As of 2017, most operating grants are awarded through framework partnership agreements (REC and JUSTICE programmes).

In 2018, 29 operating grants were awarded to DG JUST framework partners, 1 operating grant to a beneficiary identified in the basic act (Justice Programme) and 1 operating grant to a beneficiary in a monopoly situation (REC Programme).

In 2018 a higher number of grants was awarded (+25%). 19 projects (out of 54) were funded from the reserve list in order to achieve better results in terms of budget implementation for grants.

| | |
|----------------|--|
| Stage 1 | <p>Number of projects evaluated: ↗ 796 (670 in 2017)</p> <p>Number of projects selected: ↗ 254 (198 in 2017)</p> |
|----------------|--|

Control benefits (Stage 1)

The benefits of the Stage 1 – programming, evaluation and selection of proposals are not identifiable in quantitative or monetary terms.

In qualitative terms, the benefit of the evaluation and selection stage is higher performance of reaching the objectives/better quality results of the call, best quality projects selected.

Stage 2: Contracting and Monitoring

Contracting concerns the grant agreement preparation and signing of the legal commitment. The overall control objective of this stage is to ensure the optimal translation of each awarded proposal into a legally binding grant agreement. This is the main tool for ensuring best value for public money, effectiveness, economy and efficiency of the use of the budget appropriations.

| | |
|----------------|--|
| Stage 2 | <p>Value of grant agreements signed: ↗ EUR 96.9 million (74.2 million in 2017)</p> <p>Average amount of a grant: ↘ EUR 381,465 (374,950 in 2017)</p> |
|----------------|--|

While the content of the project is defined at this stage the controls aim at translating in the grant agreement the comments made by the evaluators and at fine tuning the deliverables. The achievement of the effectiveness of controls performed at this stage mentioned in Annex 5 as regards legality and regularity are difficult to quantify, indeed if the grant is well prepared and the deliverables well defined the chances of success of the action are more important hence the best indicator is our view the success of the actions. However the effectiveness of the controls can also be measured by the financial impact of the negotiation and signing process, defined as the reduction (expressed as a

percentage) of the value of the grant agreement. The 2018 average adjustment resulting from these controls was 0.63% (vs. 2.89% in 2017). The decrease in percentage shows a better knowledge of the rules by the beneficiaries.

In 2018, DG Justice and Consumers signed all grants awarded during the year for a total amount of EUR 96.9 million and a total of 254 grant agreements signed.

Monitoring comprises ex-ante checks of beneficiaries' cost claims and the verification of the reliability and legality of the underlying financial transactions. The overall control objective is to ensure that operational results (deliverables) from the projects are of good value and meets the objectives and that the related financial operations comply with regulatory and contractual provisions.

The effectiveness of controls for the legality and regularity of transactions is measured through the number of exceptions and non-compliance events recorded. The recording of the exceptions and non-compliance events for assessing the effectiveness of controls for the legality and regularity of transactions showed that in 2018 no exception was recorded in relation to the contracting phase for grants.

In 2018 no non-compliance events were recorded and no unfavourable opinions were issued by ex-ante verification.

| | |
|----------------|---|
| Stage 2 | <p>Value of final cost claims processed: ↗ EUR 57.2 million (49.4 million in 2017)</p> <p>Share of ineligible amount: ↘ 0.59% (1.52% in 2017)</p> |
|----------------|---|

Control benefits (Stage 2)

The controls in place aim to identify and prevent irregularities, allowing for immediate correction and avoid time-consuming recovery actions. As can be concluded these controls result in a considerable amount of detected errors and rejected costs in the cost claims submitted by the beneficiaries for a total value of more than EUR 57 million. This can be considered as a quantifiable benefit of the monitoring phase in 2018.

Stage 3: Ex-post control

The third stage includes the ex-post audits as well as the correction of any sums being paid incorrectly. The overall control objective of this stage is to detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls.

Regarding the legality and regularity of the underlying transactions, the main objective is to ensure that the estimated residual risk of error is less than 2%, at the end of the implementation of the programme.

In addition to the main control objective, the ex-post controls serve other purposes. In particular:

- ✓ Deterrent effect: this is certainly one of the main effects of the audit strategy certainly in DG JUST with an audit coverage close to 30%
- ✓ Detection and correction of any error or fraud remaining undetected after the implementation of ex-ante controls;
- ✓ Measuring the effectiveness of ex-ante controls;

- ✓ Addressing systematic weaknesses in the ex-ante controls based on the analysis of the findings (sound financial management);
- ✓ Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

In 2018, DG Justice received 37 final audit reports and implemented 34 of them. As per 31 December 2018, the finalised audits lead to an audit coverage of 27.65% for the combined auditable population of the 2007-2013 and 2014-2020 programming periods.

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

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

| | |
|----------------|---|
| Stage 3 | <p>Average amount of a grant audited: ↗ EUR 470.194 (409.443 in 2016)</p> <p>Percentage of projects audited that contains errors: ↘ 89% (94% in 2016)</p> |
|----------------|---|

The follow-up ratio shows that 81% of the audit files were followed up by a recovery order within three months.

Cumulative coverage rates for grants under direct management and the related residual error rates are reported below for the programming period 2007-2020. The sampling size is considered as adequate in order to extrapolate the cumulative (net) detected error rate to the non-audited population. A detailed explanation of the materiality criteria is set out in annex 4.

The residual error is the error that is supposed to affect the population after implementation of the audits. The table below summaries the results of this analysis done according to the four steps detailed in Annex 4.

| Audit coverage and error rate for 2007-2020 funds (multiannual) | 2018 | 2017 |
|---|-------|--------|
| Cumulative Auditable Population (in M EUR) | 397.3 | 358.49 |
| Cumulative Audited Population (in M EUR) | 109.9 | 92.46 |

| | | |
|---|--------|--------|
| Cumulative Audit coverage (%) | 27.65% | 25.79% |
| Cumulative detected error rate (%) | 3.6% | 3.47% |
| Cumulative residual error rate (%) | 2.7% | 2.63% |

The residual error rate for 2007-2020 funds remains still above 2% at the end of 2018 (2.7%). Compared to last year, the performance decreased. This is mainly due to the fact that very complicated audit reports with important costs rejections were backlogged or delayed in the previous years and have been finalized and sent to DG JUST for implementation in 2018. Among those files, the Thora Center file that concluded that 100% of the costs had to be rejected on the ground of lack of cooperation of the beneficiary (errors detected in the Thora Center file intervenes for more than 36% in the total errors detected) or the Center for the Study of Democracy Association file that also concluded with a major costs rejection.

These significant audit findings had a negative impact on the detected and the residual error rates.

The impact of these files was also negative in terms of implementation as they could not be implemented without a thorough assessment of all the consequences (risk of bankruptcy etc...).

The opportunity of a reservation in the declaration of assurance is detailed in section 2.1.4.

Targeted communication and the improvement in the IT tools made available to beneficiaries, along with ex-ante checks have a positive impact on the number of detected errors however error free projects could only be reached by increasing dramatically the level of controls which would not be cost effective and would not be accepted by the beneficiaries.

Control benefits (Stage 3)

There are a number of **qualitative** benefits resulting from the controls operated during the different control stages:

Stage 3: Ex-post controls have a deterrent and learning effect for beneficiaries, helping to reduce errors in future cost declarations. It enhances the beneficiaries' discipline for correctly reporting eligible costs by demonstrating that their probability to be audited is not negligible. It contributes to the improvement of ex-ante controls and clarification of rules and guidance by feeding back results and findings from ex-post audits.

2.1.1.1.b Direct management – procurement

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

Stage 1: Procurement procedures

The first stage concerns the calls for and evaluation of tenders, starting from the moment of planning and needs assessment until the selection of suppliers – the award decision. The overall control objective at this stage is to ensure that DG Justice and Consumers selects the offer that contributes the most towards the achievement of the policy or programme objectives in terms of effectiveness and compliance.

In order to reach a conclusion on the adequacy of management of risks relating to the legality and regularity of its tendering procedures and efficiency and economy of its controls, DG Justice and Consumers reviewed:

- Reporting of exceptions and non-compliance events, defined as control overrides or deviations from policies and procedures: during the reporting year, there were 7 exceptions (vs.2 in 2017) and 17 non-compliance (vs.3 in 2017) events registered in the exceptions and non-compliance events register. This increase compared to last year shows that the ex-ante verification team is very diligent. The increase is being analysed and mitigating actions will be taken: e.g. awareness raising actions with policy units on the respect of contractual provisions, better follow-up of running contracts.
 - 1 Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP) with a value of EUR 27 million. This represent an increase of the initial open procedure awarded in 2015 - only 6.000.000 € have been made in 2018 and through an exceptional negotiated procedure (which represent an increase of the ceiling of 2015 framework contract)
- 4 open procedure contracts with a total value of EUR 11.1 million were awarded by the relevant Authorising Officer.
- 1 competitive procedure with negotiation (Art. 135 RAP) with a total value of EUR 4.99 million
- Number of redress procedures filed by the applicants represent also an indicator of the robustness of the tendering process and provide assurance with respect to the effectiveness of the internal control system: during 2018, DG Justice and Consumers did not register any and there is no evidence that such an action may occur for the 2018 open procedures awarded.

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

| | |
|----------------|---|
| Stage 1 | <p>Value of contracts signed: ↗ EUR 37.76 million (30.83 million in 2017)</p> <p>Number of contracts: ↗ 238 (210 in 2017)</p> |
|----------------|---|

Control benefits (Stage 1)

The benefits of the Stage 1 are partially quantifiable (best offers are selected).
 Due to effective selection criteria enough and good quality offers are received.

Stage 2: Financial transactions/monitoring

The second stage concerns the management of the contracts and payments made. This stage comprises ex-ante checks of contractors’ invoices and the processing of transactions. The overall control objective is to ensure that operational results (deliverables) are of good value and meet the objectives and that the related financial operations comply with regulatory and contractual provisions.

There were no errors detected, nor penalties applied.

| | |
|----------------|--|
| Stage 2 | <p>Value of payments made: ↗ EUR 26.2 million (20.92 million in 2017)</p> <p>Number of payments: ↘ 683 (687 in 2017)</p> |
|----------------|--|

Control benefits (Stage 2)

Due to mitigating controls in place irregularities, errors and overpayments are prevented, deterrents and systematic weaknesses are corrected.

Stage 3: Supervisory measures

Based on the methodology described in Annex 4, as the ex-post controls on operations are carried out by the DG's own controls and/or internal and external audit (Internal Audit Service or the European Court of Auditors), no ex-post audits are performed for contracts within DG JUST. Audit findings signalled by the other internal or external auditors are duly taken into account for the assessment of assurance in relation to procurement transactions. As the Court of Auditors has estimated the overall error rate in the procurement implemented by the European Commission at **0,5%⁸⁸**, this has been used as the best estimate of the possible amount at risk in chapter 2.1.1.1.d.

2.1.1.1.c. Indirect management - Union Agencies

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

| Agency /MEUR | CA | Cons. | % Budget |
|--------------|--------------|--------------|----------|
| EIGE | 7.9 | 7.78 | 98% |
| EUROJUST | 39.07 | 38.6 | 99% |
| FRA | 22.47 | 22.35 | 99% |
| | 69.44 | 68.73 | 99% |

| Agency /MEUR | PA | Cons. | % Budget |
|--------------|--------------|-------------|----------|
| EIGE | 7.9 | 7.78 | 98% |
| EUROJUST | 38.98 | 38.34 | 98% |
| FRA | 22.47 | 22.35 | 99% |
| | 69.36 | 68.5 | 99% |

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

Stage 1: Operations: monitoring, supervision and reporting

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

⁸⁸ Source: 2018/C 357 Annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2017 (Annex 10.1)

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

However, the Commission's representation on the Management Board is not the only way to reflect the particular responsibility that the Commission holds in implementing EU legislation. DG Justice and Consumers ensures the following monitoring activities:

- *Monitoring of the agencies' policy activities:*

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

- *Budgetary monitoring:*

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

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

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

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

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

At the closure of the financial year, agencies provide their budget outturn calculations to the Commission. They contain an estimation of the amount to be paid back to the Commission. After the final closure, the partner DG will claim its reimbursement from the agency.

Thus, in the framework of building assurance for the 2018 Annual Activity Report, notification letters were sent by DG JUST to traditional agencies requesting to notify significant events with possible impact on DG JUST assurance for 2018, such as weaknesses of the internal control system or particular issues with reputational or political impact.

Finally, the Commission provides assistance to the agencies with regard to the application of the financial regulations, but also through the use of different Commission tools and services (ABAC, Medical Service, recruitment via EPSO, training, PMO).

Stage 2: Commission's contribution

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

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

Stage 3: Audit, evaluations and discharge

The IAS acts as the internal auditor for the agencies, while the European Court of Auditors gives yearly a statement of assurance as to the reliability of the annual accounts of the agency and the legality and regularity of the transactions underlying them. Based on these, the European Parliament grants discharge directly to the agencies.

Court of Auditors' reports for 2017

In the Court of Auditors opinion, the accounts of EUROJUST, FRA and EIGE for the year ended 31 December 2017 present fairly, in all material respects, the financial position at 31 December 2017, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer.

The Court comments on the legality and regularity of the procurement procedures (EIGE will adjust the procurement procedures to minimise the risk of future legal cases and potential dissatisfaction among unsuccessful tenderers).

On the on the reliability of the accounts the Court comment on the fact that there is a need to strengthen the accounting officer's independence (FRA).

On the sound financial management and on performance the Court comments on the fact that EUROJUST and EIGE did not publish their vacancies on the EPSO website and this will affect the transparency. This approach was due to the financial constrains deriving from EPSO's requirement of translating the vacancy notices into all 24 official EU language.

Audits performed by Internal Audit Service (IAS)

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

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

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

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

For DG JUST, the estimated overall amount at risk at payment⁸⁹ for the 2018 payments made is EUR 2.15 million. This is the AOD's best, conservative

⁸⁹ In order to calculate the weighted average error rate (AER) for the total *relevant expenditure* in the reporting year, the *detected*, estimated or other equivalent error rates have been used.

estimation of the amount of *relevant expenditure*⁹⁰ during the year (EUR 152.6 million) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

With regard to the direct management grants, the cumulative detected error rate is based on the results of audits carried out by DG JUST (Chapter 2.1.1.1.a- Stage 3). In the case of procurement, a reliable estimation from the Court of Auditors was used (0.5% see also point 2.1.1.1.b). Other activities are not considered risk-prone and it is estimated that the error rate is below the threshold as in the case of payments to Agencies as well as for cross-subdelegations.

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections⁹¹ for those 2018 payments made are EUR 1.01 million. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years.

The difference between those two amounts leads to the estimated overall amount at risk at closure⁹² of 1.14 M€.

⁹⁰ "*relevant expenditure*" during the year = payments made, minus new pre-financing paid out, plus previous pre-financing cleared.

⁹¹ Based on the 7 years historic average of recoveries and financial corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years. For 2018 the ARC rate has been calculated at 1.8%. For calculation of overall amount at risk the rate has been kept not higher than the estimated average error rate.

⁹² For some programmes with no set closure point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

Estimated overall amount at risk at closure

amounts in M€

| | 1 | 2 | 3 | 4 = 1 - 2 + 3 | 5 | 6 = 4 x 5 | 7 | 8 = 4 x 7 | 9 = 6 - 8 |
|---|----------------------------------|--------------|----------------------|----------------------|--------------------------|----------------------------------|---------------------------------------|-----------------------------|---|
| DG JUST activities | Payments made by DG JUST in 2018 | Prefinancing | Cleared prefinancing | Relevant expenditure | Average error rate AER % | Estimated overall amount at risk | Average recoveries and correct. ARC % | Estimated future correction | Estimated overall amount at risk at closure |
| Grants | 91,86 | 83,44 | 47,74 | 56,15 | 3,60% | 2,02 | 1,80% | 1,01 | 1,01 |
| Procurement | 26,20 | 2,63 | 1,42 | 25,00 | 0,50% | 0,12 | 0,00% | 0,00 | 0,12 |
| Subdelegations & service level agrmnts. | 1,50 | 0,00 | 0,00 | 1,50 | 0,00% | 0,00 | 0,00% | 0,00 | 0,00 |
| Traditional agencies | 68,50 | 68,50 | 69,95 | 69,95 | 0,00% | 0,00 | 0,00% | 0,00 | 0,00 |
| Tot. | 188,05 | 154,57 | 119,11 | 152,60 | 1,41% | 2,15 | 0,66% | 1,01 | 1,14 |

Notes to the table

(1) the relevant portfolio is segmented by the type of activity : direct management with grant and procurement and indirect management for the agencies.

(2) Payments made or equivalent, such as after the expenditure is registered in the Commission's accounting system, after the expenditure is accepted or after the pre-financing is cleared. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), the "payments made" are covered by the Delegated DGs. In the case of Cross-SubDelegations (Internal Rules Article 12), they remain with the Delegating DGs.

(3) New pre-financing actually paid by out the department itself during the financial year (i.e. excluding any pre-financing received as transfer from another department). The "Pre-financing" is covered as in the context of note 2.5.1 to the Commission (provisional) annual accounts (i.e. excluding the "Other advances to Member States" (note 2.5.2) which is covered on a pure payment-made basis).

"Pre-financings paid/cleared" are always covered by the Delegated DGs, even in the case of Cross-SubDelegations.

(4) Pre-financing actually having been cleared during the financial year (i.e. their 'delta' in FY 'actuals', not their 'cut-off' based estimated 'consumption').

*** In Cohesion, the retention which is now released or (partially) withheld by the Commission.**

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to L&R errors (see the ECA's 2017 AR methodological Annex 1.1 point 15), also our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [*& adds the retentions made*], and adds the previous pre-financing actually cleared [*& subtracts the retentions released and those (partially) withheld; and any deductions of expenditure made by MS in the annual accounts*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used .

For types of low-risk expenditure, as procurement, with indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating subsidies to agencies), we use 0.5% to have a conservative estimate.

(8) the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years has been used

2.1.1.1 e Fraud prevention and detection

DG Justice and Consumers' anti-fraud strategy has been updated in April 2018, following the methodology provided by OLAF. Its implementation is being monitored twice a year with reporting to management.

Even if, in principle, the controls targeted at preventing and detecting fraud are very similar to those intended to ensure the legality and regularity of the transactions (the unintentional errors), specific anti-fraud related actions were carried out in DG Justice and Consumers in 2018:

- the risk of fraud was integrated in the risk assessment,
- fraud risk-based selection of audits is among the parameters of the annual external audit plan,
- discussions at management level on how to further strengthen the culture of trust and zero tolerance to fraud in DG JUST, as well as the professional integrity of its staff members
- regular attendance at Fraud Prevention and Detection Network meetings.

To increase fraud awareness among staff members, dedicated training sessions and lunchtime seminars have been organized in collaboration with OLAF. A red flags document was updated and will be published on DG JUST's intranet.

During 2018, no investigation was opened. DG Justice and Consumers continued to provide as far as possible, upon request of an investigator, all required information and to assist the investigator in his/her analysis.

Objective: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.

Main outputs in 2018:

| Output | Indicator | Target | Latest known results (2018) |
|---|--|--------|---|
| Implementation of the anti-fraud strategy | % of implementation of actions planned for 2018 in the anti-fraud strategy | 100% | <i>Almost 100% (the action related to awareness raising on dealing with tenderers among operational units, including about the necessity to report about any conflict of interests is slightly delayed from the initial target, due to the heavy workload of the financial unit in charge of implementing the action)</i> |
| Training sessions on anti-fraud | Number of participants from the DG in training sessions on anti-fraud | 40 | +40 |

2.1.1.2 Efficiency of controls

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

procedure.

Concerning grants, DG JUST awarded a higher number of grants (+28.3%) in comparison to 2017 (254 vs. 198) with an amelioration of time-to-grant (100 days vs 113 days in 2017) and increased the time-to-award (157 days vs 150 days in 2017), as well as the time-to-pay (45 days vs. 38 days in 2017).

Time to award have deteriorated in 2018 compared to 2017 (respectively + 7 days). This is due to the phasing in of the new and complex grant management H2020 IT system, fully rolled out in 2017, which requires a huge investment during the first two-three years.

| | |
|---|--|
| Direct management grants | Time-to-inform: ↗ 157 days (150 in 2017, limit Art. 194.2 FR is 180) Time-to-grant: ↘ 100 days (113 in 2017, limit Art. 116.1 FR is 90) |
|---|--|

At the level of the payment transactions performed in the DG, the efficiency indicators show that DG Justice and Consumers' overall average payment time for the year amounted to 33 days (with suspension) and 84% of all payments were made on time (vs. 83% in 2017).

Late interests paid in 2018 amount to EUR 17.302 (vs. EUR 4.482,50 in 2017). This is due to the fact that old grant files pending for a long time have been closed and paid in 2018, generating high interests for a few of them.

In relation to payment delays in procurement transactions, the average number of days dedicated to a payment increased by 2 days, while the time for payment of subsidies to Union Agencies increased by 3 days compared to 2017.

| | |
|------------|--|
| All | Procurement time-to-pay: ↗ 26 days (24 in 2017) Union Agencies time-to-pay: ↗ 16 days (13 in 2017) Grants time-to-pay: ↗ 45 days (38 in 2017, Art. 92 FR) |
|------------|--|

2.1.1.3 Economy = the cost of controls

The costs at DG JUST level are reported in absolute values and as a percentage of the payments made, globally and broken down by relevant control system and step (as described in Annex 5).

The assessment of the economy of the cost of controls has been carried out through analysis of the evolution over time and in relation to the volume of resources managed.

Costs of controls at DG JUST level

DG JUST has analysed the estimation of the cost of control in relation with the value of the payments made in 2018 per control system (Annex 5) and over the last two reporting years, to draw conclusions also on the trend.

As a general overview, the total cost of controls performed in 2018 in DG Justice and Consumers was estimated at EUR 6.98 million, representing 3.71% of total payments made in the year. It should be noted that, in total, the efficiency indicators slightly decreased compared to 2017 (3.71% vs 4.49 %), mainly due higher payments made in 2017 for both grants and procurement. The methodology used for the calculation slightly modified taking into consideration BG BUDG instruction based on control function/activities and the split of FTE's by grade. It should be noted that allocating the staff by programme would create an unnecessary workload and would not bring proportionate advantage since the activities are same (same percentage) and same actions. Consequently, DG JUST choose to do the calculation of the estimated cost of control by the type of activity: direct management with grant and procurement and indirect management for the agencies. Other indirect costs are mainly represented by externalised audit work, dedicated IT tools as well other costs related to external experts.

The below table provides exhaustive information on the data analysed by DG JUST to draw this conclusion.

| Control System | 2018 | | | 2017 | | |
|---------------------|---------------|-----------------|-------------------|---------------|-----------------|-------------------|
| | Costs (M EUR) | Payment (M EUR) | Costs/payment (%) | Costs (M EUR) | Payment (M EUR) | Costs/payment (%) |
| Direct - Grants | 4.6 | 91.86 | 5.06% | 5.41 | 69.1 | 7.83% |
| Direct Procurement | 1,82 | 26.2 | 6.93% | 1,8 | 20.92 | 8.6% |
| Indirect - Agencies | 0.5 | 68.5 | 0.76% | 0.42 | 78.12 | 0.5% |
| Other | n/a | 1.5 | n/a | n/a | 1.64 | n/a |
| Total | 6.98 | 188.05 | 3.71% | 7.6 | 169.79 | 4.49% |

2.1.1.4 Conclusion on the cost-effectiveness of controls

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

Regarding the cost-effectiveness of controls, the conclusion was reached on the basis of an estimation of costs of control over the value of the related funds (value of payments), in the form of indicators and their evolution over time for

each of the distinct control systems and stages described in Annex 5. Details are presented in Annex 10.

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

The DG's relative⁹³ level of cost-effectiveness is considered adequate. 2018 was the fourth year when the risk based approach was applied for verification of the final cost claims in view of different risk profiles of the beneficiaries and completeness and accuracy of the provided documentation with the aim to redirect the control resources towards more stringent controls where needed, while having leaner and less burdensome controls where appropriate.

2.1.2 Audit observations and recommendations

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

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

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

During the reference period, the IAS completed its internal audit plan for the year 2018:

- The IAS finalised in DG Justice and Consumers one new multi-DG audit on **"Audit on Risk Management"**. In its Final Report, the IAS issued a very important recommendation relating to Risk identification, assessment and response within the DG and two important recommendations relating to Integration of the Risk management process in the organisation's culture and systems and Monitoring and reporting. All recommendations stemming from this audit were accepted by DG JUST, and the action plan were partially implemented in 2018. DG JUST RM Guide was updated accordingly. Two workshops have been done in the light of the 2019 Risk Management exercise. At Directorate and Horizontal Unit level a Risk Register is kept and regularly monitor. The methodology used for identifying and assessing risks was revised. Mini-session meeting with the new members of Task Force (representative staff appointed by each Director/HoU to assist in compiling and assessing potential risks identified

⁹³ E.g. taking into account the relative labour-intensity of the operations, which may imply (dis)economies of scale due to the number and value of the transactions

within their Directorate/Horizontal Unit) took place at the beginning of 2019 Risk Management Exercise, followed by two workshops. The Risk Management exercise was launched in the same time with Management Plan and the assessment of risks started from DG's objectives.

- The IAS launched and finalised in 2018 "**Audit on Procurement**". In its Final Report, the IAS issued one very important recommendations relating to Preparation of procurement procedures and important recommendations relating to Implementation of procurement procedures, Supervision of the procurement process and Implementation of the Anti-Fraud Strategy. All recommendations stemming from this audit were accepted by DG JUST and will be implemented in 2019.

- The IAS launched and finalised in 2018 the multi-DG audit on CEF Telecom governance. In its Final Report, the IAS issued 2 important recommendation for DG JUST relating to Internal Governance Arrangements and the Performance Framework. All recommendations stemming from this audit were accepted by DG JUST and will be implemented in 2019 and 2020.

As regards the implementation of recommendations issued in previous year:

Regarding the audit "Management of grants under 2014-2020 Justice and Rights, Equality and Citizenship programmes in DG JUST", finalised in July 2016, the IAS followed up and closed the last two recommendations in 2018: one Very Important (relating to "Evaluation Process") and one Important (relating to "Implementation Phase").

Regarding the multi-DG audit on "**HR management / staff allocation**" finalised in 2017, the very important recommendation relating to Allocation of human resources within the DG is partially implemented and will be finalised in the first quarter of 2019.

Regarding the "**Audit on Other Statistics**" finalised in 2017, two of the important recommendations issued by IAS related to Management of the statistical process by DG JUST, Methodological and quality framework for the statistics produced or acquired internally were implemented and are ready for review.

In conclusion, the Internal Auditor stated in its contribution to this report (cut-off date 31 January 2019) based on all the work undertaken by the IAS in the period 2016-2018 that the internal control systems in place for the audited processes are effective, except for the observations giving rise to the 'very important' recommendations which remain to be addressed, in line with the agreed action plans.

In this regard, DG JUST has carried out a detailed analysis of the possible impact of the identified issues on the effectiveness of the DG's internal control system, also taking into account the actions already taken to mitigate the related risks. This showed that, for all the open 'very important' recommendations, DG JUST is taking the necessary actions to tackle the different issues identified by the IAS audits. In particular, parts of the action plan relating to the audit on "*Risk management in DG JUST*" have already been implemented. It is also to be noted that none of the 'very important' recommendations is overdue for more than six months.

On the basis of the analysis carried out, DG JUST considers that, in view of the actions already put in place for risks mitigation, the residual risk related to the above-mentioned recommendations does not affect in a material way the achievement of the internal control objectives, and therefore the assurance

provided in the AAR.

- **Summary of the ECA audit findings**

The European Court of Auditors examined the financial management/legality & regularity of transactions of DG Justice and Consumers in *Chapter 8 "Security and citizenship"* of its Annual Report for 2017 (published in October 2018). The Chapter does not have any reference to DG Justice and Consumers.

Beginning of January 2019 the Court published its special report for the audit "Fighting fraud in EU spending: action needed". This was a performance audit with three separate work modules and different groups of Commission services involved. In connection with the scope of the audit, **ECA also considered the arrangements for establishing the European Public Prosecutor Office (EPPO) and analysed whether the new body has the potential to address the current weaknesses.** The auditors considered the establishment of EPPO a step in the right direction, but they warned that the current EPPO regulation poses several risks. One of the main issues concerns detection and investigation, which will be heavily dependent on national authorities. However, the regulation does not put in place any mechanism enabling the EPPO to urge Member States to allocate the resources necessary to proactively investigate fraud in EU spending.

None of the four recommendations from the report concern DG JUST.

DG JUST has also been associated to the implementation of the eight (one very important and seven important) recommendations ECA issued following the audit "EU passenger rights are comprehensive but passengers still need to fight for them" (special report published in November 2018). The lead DG for this audit is DG MOVE. The audit assessed to what extent passenger rights are effectively protected, by examining whether the scope and reach of regulations effectively protected passenger rights and if they were actually obtained, and whether the passenger rights were effectively enforced. The Court makes a number of recommendations concerning: improving the coherence, clarity and effectiveness of the passenger rights framework; increasing passenger awareness; further empowering the National Enforcement Bodies and enhancing the mandate of the Commission. It also provides 10 tips to try make everyone's travel experience better.

The very important recommendation on improving coherence of the EU passenger rights framework should be implemented by the end of 2020.

ECA has interviewed the DG for its briefing paper on the EU response to the "dieseltgate" scandal, published in February 2019. The DG contribution is reflected in the part informing on compensation to consumers as a result of this scandal (points 70 to 72), where the paper reflects the proposal for a Directive on representative actions for the protection of the collective interests of consumers.

The European Parliament resolution on 2016 discharge urging the development of a coherent and systematic strategy with clearer, stronger and long-term political and operational priorities for protecting fundamental rights and freedoms, while

ensuring its effective implementation also by granting sufficient funds for this purpose was reported as implemented by DG JUST in 2018.

The adoption by the Commission on 23.04.2018 of the Proposal for a Directive of the European Parliament and of the Council on the protection of persons reporting on breaches of Union law (COM/2018/218 final) allowed the closure of the European Parliament resolutions § 378 and § 379 (second part) on 2014 discharge (the European Parliament invites the Commission to ensure that every Union institution implements rules on the protection of whistle-blowers; calls the Commission to promote legislation on the protection for whistle-blowers in the Union).

As a follow up of the performance audit on "*EU policy initiatives and financial support for Roma integration: significant progress made over the last decade, but additional efforts needed on the ground*", published on 26 June 2016, there is still an open recommendation to be fully implemented by the end of 2020: the European Parliament calls on the Commission to establish a genuine European strategy for Roma inclusion, that is to say, a European action plan devised and implemented at every political and administrative level, involving representatives of the Roma community, and based on the core values of equality, access to rights, and non-discrimination; maintains that such a strategy must help to promote genuine inclusion of Roma and their access to education, employment, housing, culture, health care, participation in public affairs, training, and free movement within the Union.

The Commission assesses annually the implementation of National Roma Integration Strategies. It reports to the European Parliament and the Council on progress made in integration of Roma population in Member States and achievement of goals per each key area defined in the EU Framework. In response to the call of the Council (Council Conclusions (EPSCO) of 8 December 2016: 'Accelerating the Process of Roma Integration,') on 4 December 2018 the Commission finalised an evaluation of the EU Framework. The evaluation found that the Framework had a positive EU added value by putting Roma inclusion on the EU and national agendas, developing structures and increasing coherence between EU policy, legal and funding instruments that have been mobilised and aligned for Roma inclusion. The results of the evaluation will feed into reflections on future policies for Roma.

By the end of 2020 DG JUST should implement also the European Parliament resolution Eurojust § 31 on 2016 discharge: the European Parliament notes with concern, given the fast-reducing time frame, from Eurojust's reply that for the time being there is no information exchange between Eurojust and the Commission with regard to the preparation for carrying out Eurojust's future activities after Brexit; calls on both Eurojust and the Commission to ensure an efficient flow of the necessary information bearing in mind that a cooperation agreement with the United Kingdom will need to be put in place. The Commission has been in close contact with Eurojust in the context of preparedness work necessary for the EU to get ready for any scenario of the United Kingdom's withdrawal. The Political Declaration on the framework of future relations between the EU and the United Kingdom that accompanies the Withdrawal Agreement foresees that the future relations between the EU and the United Kingdom should include cooperation with Eurojust, taking into account the UK future status of a non-Schengen third country that does not provide for the free movement of persons.

In conclusion, the findings presented by IAS and ECA do not have any impact on the assurance provided in this Annual Activity Report.

2.1.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with the internal control framework is a compulsory requirement.

DG JUST has put in place the organisational structure and the internal control systems suited to the achievement of the policy and internal control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

2.1.3.1 Sources and methodology for the internal control assessment

The internal control self-assessment exercise was performed between November 2018 and February 2019 in compliance with the methodology proposed by DG BUDG. It was based on desk reviews of information from various sources, ad-hoc discussions with specialized functions (HR, financial management) and the evaluation of monitoring indicators, taking also into account:

- the authorizing officers by sub-delegation reports
- the results of audits and follow-up engagements performed by IAS and ECA during 2018
- the status of implementation of action plans from previous IAS/ECA audit work
- the results from the 2018 Staff Survey (organized by DG HR)
- the results of the risk assessment exercise
- the analysis of the register of exceptions and non-compliances.

2.1.3.2 Internal control self-assessment results for 2018

The assessment was carried out based on the **COSO**⁹⁴ methodology, all five components and 17 principles being evaluated. The results show that all 17 principles are present and 12 of them are fully functional.

⁹⁴ **COSO**: Committee of Sponsoring Organizations of the Treadway Commission. As explained in the Internal Control Framework of the Commission, Implementation Guide of 2017, the Commission follows the international best practice, for which the leader is COSO. As a matter of fact, the Internal Control Framework published by COSO is recognized as the leading guidance for

One principle was found to be partially present with improvements needed:

- Principle 10: following its audit on procurement in DG JUST concluded in 2018, IAS issued one very important recommendation concerning the preparation of procurement procedures and two important recommendations on the implementation of the procurement procedures and the supervision of the procurement process. DG JUST developed an action plan to mitigate the identified risks, but the implementation is still at an early stage.

In addition, DG JUST will develop by the end of 2019 a control strategy, assembling all control activities already in place.

Four principles were noted as present and functioning, but some improvements are needed, as follows:

- Principle 2: DG JUST needs to streamline the process for registration, estimation and establishment of amounts receivable
- Principle 4: the implementation of the very important recommendation relating to allocation of human resources within the DG and the two important recommendations relating to HR strategy and sustainable people management issued by IAS in its final report of the multi-DG audit on "HR management / staff allocation", although delayed, is approaching completion. The DG aims for a full implementation by the end of the first quarter of 2019.
- Principle 6: its fully functioning status is affected by the important recommendation on the performance framework of the IAS audit on the CEF Telecom Governance finished at the end of 2018 (a multi-DG audit involving DG CNECT, DG DGT, DG DIGIT, DG EMPL, DG GROW, DG JUST and DG SANTE). An action plan has been drawn out, its implementation foreseen during 2019.
- Principle 13: DG JUST needs to strengthen the local systems for the identification, registration and recovery of receivable amounts.

As a result, one of the five components of the internal control system is present and functioning and three are present and functioning, but some improvements are needed. Due to the deficiency observed with regard to principle 10, component III "Control activities" is assessed as partially present and functioning.

The exercise did not result in the identification of any further weaknesses, errors or actions that could jeopardize the overall effectiveness of DG JUST's internal control system.

During the annual **risk management exercise** performed in the context of the management plan, and the subsequent mid-term review, no critical risks were identified.

The review of the register of exceptions and non-compliance events revealed a number of seven exceptions and seventeen non-compliances, an increase compared to 2017. This increase compared to last year shows that the ex-ante

designing, implementing and conducting internal control and assessing its effectiveness.

verification team is very diligent. The increase is being analysed and mitigating actions will be taken: e.g. awareness raising actions with policy units on the respect of contractual provisions, better follow-up of running contracts.

2.1.3.3 Conclusion on the internal control system

DG JUST has assessed its internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended, with the very important recommendations issued by IAS following the audit on HR management and staff allocation in DG JUST and the audit on procurement in DG JUST being addressed through the implementation of the agreed action plans.

In addition, on the principles 2, 4, 6 and 13, even though they are present and functioning overall, some improvements are needed as some minor deficiencies were identified related to the streamlining and strengthening the local systems for the identification, registration and recovery of receivable amounts, the allocation of human resources within the DG, the HR Strategy and sustainable people management and the performance framework of the BRIS system.

2.1.4 Conclusions on the impact as regards assurance

This section reviews the assessment of the elements reported above (in Section 2.1.1, 2.1.2 and 2.1.3), the sub-conclusions above, and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2.1 stems from the results of management and audit monitoring, based on the results of the self-assessment, ex-post controls, the observations of the Internal Audit Service, lessons learnt from the reports of the Court of Auditors as well as information received from other authorising officers in cases of cross sub-delegations or delegation agreements.

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

The key arguments for the assurance are listed below:

- Overall our internal control system is present and functioning, but some improvements are needed. Nevertheless positive results were registered in terms of legality and regularity, cost-effectiveness (except for the high multiannual residual error rate in grant management as explained below).
- No critical issues highlighted by internal or external auditors;
- For DG Justice and Consumers, the estimated overall amount at risk for the 2018 payments made is estimated as at EUR 2.15 million. This is the AOD's best conservative estimation of the amount of expenditure

authorised during the year (EUR 188.05 million), not in conformity with the applicable contractual and regulatory provisions at the time the payment is made. This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections for those 2018 payments made are EUR 1.01 million. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years.

- No other major issues pointed out by the Authorizing Officers by Sub - delegations in their reports.

Methodology for determining materiality level for reservations

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

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

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

The estimated multiannual residual error rate for the grants directly managed by DG Justice and Consumers for 2017 is 2.7% and slightly increase compared to last year (2.63%).

Overall Conclusion

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

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

The financial impact of the reservation on the assurance is assessed at 0.81% of the payments made by DG Justice and Consumers in 2018 amounting to EUR 1.52 million.

2.1.5 Declaration of Assurance [and reservations]

DECLARATION OF ASSURANCE

I, the undersigned,

Director-General of General Directorate of Justice and Consumers

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁹⁵.

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the limited conclusion of the Internal Auditor on the state of control and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

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

However the following reservations should be noted:

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

Brussels, 03/04/2019

Tiina Astola

(signed)

⁹⁵ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

Reservation 1 (template to be adhered to)

| | |
|---|---|
| DG | Justice and Consumers |
| Title of the reservation, including its scope | Financial risk corresponding to the residual error rate in the non-audited population of grants in the programmes managed by DG Justice and Consumers |
| Domain | Centralised direct management - grants (2007-2020 programmes) |
| ABB activity and amount affected (= "scope") | 33 02 – Rights, Equality and Citizenship and 33 03 – Justice. Total payments related to grants (2007-2020 programmes) in 2018: € 91.9 million. |
| Reason for the reservation | At the end of 2018, the residual error rate is above the materiality threshold. |
| Materiality criterion/criteria | The materiality criterion is the cumulative residual error rate, i.e. the level of errors that remain undetected and uncorrected, by the end of the management cycle. The control objective is to ensure that the residual error rate on the overall population is below 2% at the end of the management cycle. |
| Quantification of the impact (= actual exposure) | The estimated multiannual residual error rate for DG Justice and Consumer directly managed grants for 2018 is 2.7%. The maximum impact is calculated by multiplying the multiannual residual error rate by the sum of direct management payments based on cost statements actually processed and pre-financings cleared in 2018 (€ 56.2 million). The estimated impact in 2018 is € 1.52 million. |
| Impact on the assurance | Legality and regularity of the affected transactions, i.e. only payments made against cost claims (interim payments and payments of balance). The assurance is affected within the scope of the quantified budgetary impact, which represents 0.81% of payments made by DG JUST in 2018. |
| Responsibility for the weakness | Some weaknesses still persist in the control system (the resources constraints does not allow to control 100% of the cost claims). The remaining weaknesses are still mainly due to the complexity of the rules defining the eligibility of the costs and the difficulties for beneficiaries to put in place a proper project accounting system. This is reinforced by the fact that DG Justice signs mainly multi beneficiary grant agreements where co-beneficiaries as such are also managing the project money and should apply the same eligibility rules and principals as the project co-ordinators but the Commission contractually does not have direct control over the co-beneficiaries or direct communication channels. Moreover, the co-beneficiaries are not directly responsible toward the Commission but they are represented by the project coordinator. |
| Responsibility for the corrective action | Action plan corrective action proposed: The most recent analysis of detected errors shows that the main reasons for ineligibility are linked to a lack of supporting documentation (18%) and staff costs related findings (6%). Ineligible costs can be reduced thanks to targeted communication with the help of appropriate calculation tool made available to the beneficiaries and, where necessary (based on risks identified during |

implementation phase), through on the spot monitoring visits.

The rate of ex ante correction can also be improved using an ex ante financial analysis strategy based on project/beneficiary risk assessment. The Corrective actions hereafter are also based on the outcome of the IAS audit on JUST management of grants, the recommendation received and the agreed Action plan

1/ Risk based ex ante financial analysis

The need for sampling supporting documents of individual projects is assessed by each project officer in collaboration with the financial officer with the aim to identify potential risks within each costs claim. Particular emphasis will be put on checking staff costs which represent 57.18% of total ineligible costs.

A specific Excel tool calculating eligible project staff costs, as well as standard timesheet are made available on the website for grant beneficiaries (and training regarding their use is presented during kick-off meetings).

2/ Better communication with beneficiaries

Specific emphasis is put on the description of eligible costs and justifying documents in the grant management guide/guide for applicants. During kick-off meetings, a dedicated session on project financial management is organised. On-the-spot monitoring visits should be organised on the beneficiaries' premises, focussing on the financial management of projects. The coverage of the project portfolio by such visits should cover beneficiaries selected on the basis of the risks identified during project implementation, or for recurrent beneficiaries selected because of irregularities revealed at the occasion of an ex-post audit.

3/ Rules for costs eligibility have been simplified in the sense that the distinction contained in the guide for applicant, between public and private staff costs has been abolished. This simplification was introduced in 2015 and will produce its effects only on projects financed in 2016. It should reduce the number of errors linked to inaccurate staff costs reporting because of a complex set of rules, difficult to apply in practice.

4/ Business processes for budget reviews and final payments are gradually being aligned with those in force within H2020 family to take into account the use of the corporate e-grant IT tool. This might imply, in the medium term, an extension of the use of simplified costs options for specific categories such as staff and subsistence costs.

5/ Maintain the (high) rate of projects audited in the population at risk.

HOME E4 (in charge of carrying out external audits for DG JUST) has reviewed the ex-post audit strategy with the aim to shift from a full risk based approach to a more balanced approach. The choice of the projects from AWP 2018 to be audited is based on a statistical sampling method and not exclusively a risk based approach.

| | |
|--|---|
| | <p>It is expected that the new audit strategy would reduce the error rate because the projects sampled represent the whole population of grantees and not only those representing a higher risk for EU funds.</p> |
|--|---|

2.2 Other organisational management dimensions

2.2.1 Human resource management

In the context of the HR Modernisation project, laid down in the Communication on Synergies and Efficiencies, progress has been achieved in refining the procedures and distribution of tasks between the HR BC Team and DG HR (both Corporate HR and AMC5) i.e. on learning and development and the induction of new colleagues. The collaboration with the AMC5 is further developing and could produce further results in 2019, especially concerning forward planning.

In 2018 the local HR BC Team coordinated strategic HR matters and prepared the related decisions of the DG's management. The HR BC Team continued to fulfil its steering function in multiple HR processes, ranging from selection and recruitment, through learning and development, career management and to performance management. The HR BC team proved its commitment to deliver the high quality services.

DG JUST is committed to reaching all gender equality targets including those linked to first time female appointments to middle management positions. In 2018, DG JUST reached 50% of women in management, thus achieving its objective and creating an equal representation of women and men in management. At senior management level DG JUST has women appointed in 4 out of 7 posts. Of the 3 remaining posts, one is covered by a man and 2 are vacant and currently covered by women. Concerning first-time female appointments, DG JUST has gone beyond its target of 1, by appointing 2 women on their first management post in 2018.

In terms of staff engagement and well-being, in 2018 DG JUST worked to plan and implement a diverse set of activities. Following two reorganisations in 2016 and 2017 and under the coordination of the HR Business Correspondent team, DG JUST consolidated the staff situation in the DG and to create a comprehensive approach to staff-well-being as well as foster staff engagement. This is part of DG JUST's HR policy which was further developed in 2018. Resource allocation within the DG, and training and development, were addressed to reflect the policy priorities.

2.2.2 Better regulation

In 2018 DG JUST completed eight impact assessments underpinning legislative proposals adopted in the first part of the year (in line with the policy calendar). The Regulatory Scrutiny Board (RSB) issued a positive opinion at first submission on five of them, namely on the impact assessments for a proposal amending the legislation on Emergency Travel Documents, a proposal on residence and identity documents to facilitate the exercise of the right of free movement, two proposals to modernise the judicial cooperation in civil and commercial matters (proposals on taking of evidence and service of documents), and the new Values (financial) programme. A positive opinion was issued on second submission for the proposals on whistle-blower protection and the New Deal for consumers that includes targeted amendments to the consumer and marketing law as well a proposal for a directive on representative action for the protection of the collective interest of consumers and repealing the Injunctions Directive.

Six evaluations were completed in 2018. Three were conducted alongside the

impact assessments ("back-to-back"), i.e. the evaluations on a proposal on Emergency Travel Documents and the two proposals in judicial cooperation in civil and commercial matters (i.e. a proposal on service of documents and one on taking of evidence). In addition, three (stand-alone) evaluations were finalised by the end of the year, i.e. the interim evaluations on the Justice and on the Rights, Equality and Citizenship programmes, as well as the mid-term evaluation of the EU framework for national Roma Integration Strategies. The latter was positively scrutinised by the RSB.

For three further evaluations that were originally scheduled for 2018, the work has reached the final stages in 2018 but the Staff Working Documents with the Commission's evaluation will only be completed in 2019. This applies to the Evaluation of the European Judicial Training Strategy and the evaluations of the two consumer financial programmes (i.e. the mid-term evaluation of the ongoing programme and the ex-post evaluation of the preceding programme). The DG has also worked on an assessment of the second external evaluation of the Fundamental Rights Agency as established by the founding Regulation of the Agency in 2018.

Work is well underway for four additional evaluations scheduled to finalise in 2019, of which two – an evaluation on the provision on equal pay and one on environmental crime – were selected by the RSB for scrutiny in 2019. An upstream discussion on the equal pay evaluation took place in October 2018.

The DG reconsiders its plans to evaluate the whole EU acquis on gender equality, as several parts were either recently evaluated and/or are currently being evaluated.

A training on evaluations under the current Better Regulations Guidelines as part of the awareness raising efforts in the DG was postponed to January 2019 due to logistic reasons.

In 2018 DG JUST consulted stakeholders via open on-line consultations on several initiatives, namely on modernisation of judicial cooperation in civil and commercial matters in the EU (embedded in Regulations on Service of documents and on Taking of evidence), on the funding programmes (Rights and Values programme and Justice programme) and on training justice professionals on EU law, which was part of the evaluation of the European Judicial Training Strategy.

2.2.3 Information Management Aspects

In 2018, DG JUST complied with the document management policies of the Commission. The filing of documents was done on a consistent basis and the percentage of unfiled documents was within the target value (**1.69%** and the target is <2%).

The number of DG JUST's ARES files open for consultation to the entire Commission reached **21.5%**. While opening up the closed/old files for consultation at Commission level might pose confidentiality problems, since it is difficult to reassess past sensitivities in terms of content, all newly created files in DG JUST have been by default open for consultation at Commission level (as of 2015).

In 2018, DG JUST developed its Knowledge Management Strategy through a participatory process that involved an internal task-force and included a dedicated staff survey. The Strategy was discussed by senior management in December 2018 (and formally endorsed in January 2019), paving the way for the

development and implementation of a corresponding action plan in 2019.

In October 2018, DG JUST adopted its Data Quality Framework and associated guidelines, designed to improve the quality standards for the statistics developed or procured outside the Eurostat framework. The implementation of the Data Quality Framework is phased until end 2019.

Following the agreement between the Council and EP on a new Data Protection Regulation for EU institutions (Regulation (EU) 2018/1725), the Commission adopted an Action Plan on the implementation of the new Regulation on 7 November 2018. DG JUST has implemented the actions listed in the Action Plan, grouped under five objectives, which are to be carried out by DGs. In particular, DG JUST carried out an inventory of its data processing operations as required under point 3.2 of the Action Plan. The inventory did not reveal any processing operations that had not been notified to the DPO. The existing notifications were updated, including the responsible controller following organisational changes in the DG. The compliance with the general principles of the Regulation were reassessed in the context of the inventory, including the legal bases for processing as well as the indicated retention periods, in accordance with point 1.1 and 1.2 of the Action Plan. No changes were deemed to be required in this respect. The inventory confirmed also that no restrictions of data subjects' rights were required in the context of the DG's processing operations (point 4.2 of the Action Plan). The work on converting the notifications into records started as soon as the new DPMS system became available in December (point 3.3 of the Action Plan).

Prior to the entry into force of Regulation 2018/1725 on 11 December 2018, DG JUST revised the privacy statements for its processing operations, to ensure that they are in line with the new rules and include correct references and information on recourse for citizens (point 4.1 of the Action Plan). In that context, the practices relating to consent were revisited, to ensure that explicit consent is requested as required by the new Regulation (point 1.2 of the Action Plan). An information session for DG JUST management was held to inform about the new Regulation and the Action Plan (point 2.2 of the Action Plan).

2.2.4 External communication activities

1/ Press and speeches

There were 77 press materials published throughout the year (including 35 press releases, 14 MEMOs and 28 statements) on DG JUST topics. Several press materials achieved more than 10 000 clicks with some achieving more than 20 000 (24 000 clicks for the data protection guidance press release of January 2018). On top of that, DG JUST produced 44 sets of speaking points for press conferences, as well as 92 full speeches for the Commissioner.

2/ Social media

Press activities were accompanied with a strong social media on three accounts, including

2 Twitter accounts (@EU_Justice – 42,7 K followers; @EU_Consumer – 25,7 K followers) and one Facebook account (EU Justice and Consumers - 84,4 K fans). In 2018, DG JUST had the 3rd fastest growing Facebook account across the entire Commission (43% Fan Growth) and it was the 8th DG when it comes to growth in

the number of Twitter followers (28% Followers Growth). In 2018, DG JUST also prepared and agreed a social media strategy for the Commissioner's account and actively helped the Cabinet to deliver on the established indicators (increase in the number of followers; increase in the average engagement rate).

3/ Campaigns

GDPR

The entry into application of the general Data Protection Regulation came with a big communication effort. DG JUST launched a web guidance for the occasion of the international data protection day in January 2018. Additional communication products such as brochures and infographics were also produced and translated to 23 languages. A paid multi-channel media strategy followed suit, which aimed to drive traffic to the website through Facebook, Twitter, LinkedIn, Google and banners on online media. An earned media strategy was also put in place with tailored press releases in all EU countries. DG JUST also joined the corporate stand on the Web Summit in Lisbon, promoting GDPR awareness. These combined efforts attracted 1.8 million visits to the web guidance in 2018.

Consular protection

DG JUST promoted new consular protection rights available to EU citizens. The consular protection campaign ran from August to October 2018 using online ads on Facebook, Snapchat, Instagram and Google. By branding the various products based on the corporate campaign #EUandME, the bulk of the budget could be used for promotion. On Instagram and Facebook, the campaign generated 11 million impressions, overall.

LGBTI

The advancement of LGBTI equality was promoted through several smaller initiatives throughout 2018. A physical communication toolkit including brochures, factsheets, a readymade PPT presentation and a rainbow flag was produced and sent to the EC Representations to ease their communication in this topic. A key date was the International Day Against Homophobia, transphobia and biphobia (IDAHOT) for which the toolkit was disseminated. DG JUST managed to engage 14 EC REPs and 5 delegations in communication around IDAHOT. DG JUST also made sure that the rainbow flag was projected on the Berlaymont building and organised an internal breakfast on LGBTI equality. For wider external communication a suite of five video testimonials of "straight allies" was produced telling the story of an LGBTI person through the lens of their friends and family. These videos were disseminated in 14 Member States (where the tolerance for LGBTI is lower than the EU average) through paid promotion on YouTube, Facebook and Twitter in October to December, which generated 5 million full video views.

Violence Against Women

The campaign on fighting violence against women had its closing in 2018. DG JUST produced a new video on the topic which generated 700.000 views only by organic reach (no active promotion). DG JUST also organised a video competition which attracted 60 entries from students and young professionals across Europe. The winning script was produced and the Facebook post promoting the video reached 140.000 people.

4/ Events

2018 Annual colloquium on fundamental rights

The theme of the colloquium was 'Democracy in the EU' and it aimed at reaffirming that democracy is a central value common to the EU and all its

Member States, also looking at how to renew democratic engagement within the EU and the European societies. The event attracted 427 participants and DG JUST produced a set of 7 videos with keynote speakers subsequently used on social media.

RAPEX media event

The event took place on 12 March 2018 in the SGS laboratory in Brussels, Belgium. The event consisted of a press briefing, an exhibition of dangerous goods withdrawn from the market, a tour of the SGS test facilities with safety test demonstrations and a meeting between Member State representatives and the Commission. Commissioner Jourová gave a press conference to present the main results of the 2017 report. The participants in the event included representatives from the Member States and DG JUST and journalists from all over Europe. In total, 88 participants of which 35 journalists (+ camera crews) took part in the event and there were 23 news items published as a result of the action.