



2018

Annual Activity Report

**European
Strategy
(EPSC)**

**Political
Centre**



Table of Contents

THE DG IN BRIEF	3
EXECUTIVE SUMMARY	4
A) KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG (EXECUTIVE SUMMARY OF SECTION 1)	4
B) KEY PERFORMANCE INDICATORS (KPIs)	5
C) KEY CONCLUSIONS ON FINANCIAL MANAGEMENT AND INTERNAL CONTROL (EXECUTIVE SUMMARY OF SECTION 2.1)	6
D) PROVISION OF INFORMATION TO THE COMMISSIONER(S)	6
1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG	7
1.1 COMMISSION PRIORITY: A NEW BOOST FOR JOBS, GROWTH AND INVESTMENT	8
1.2 COMMISSION PRIORITY: A CONNECTED DIGITAL SINGLE MARKET	10
1.3. COMMISSION PRIORITY: A RESILIENT ENERGY UNION WITH A FORWARD-LOOKING CLIMATE CHANGE POLICY	12
1.4. COMMISSION PRIORITY: A DEEPER AND FAIRER INTERNAL MARKET WITH A STRENGTHENED INDUSTRIAL BASE	13
1.5. COMMISSION PRIORITY: A DEEPER AND FAIRER ECONOMIC AND MONETARY UNION	14
1.6. COMMISSION PRIORITY: AN AREA OF JUSTICE AND FUNDAMENTAL RIGHTS BASED ON MUTUAL TRUST	16
1.7. COMMISSION PRIORITY: TOWARDS A NEW POLICY ON MIGRATION	16
1.8. COMMISSION PRIORITY: EUROPE AS A STRONGER GLOBAL ACTOR	17
1.9. HORIZONTAL PROJECTS	19
1.10. ROAD TO SIBIU: DELIVERING BY 2025: A MORE UNITED, STRONGER AND MORE DEMOCRATIC UNION	21
2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL	23
2.1 FINANCIAL MANAGEMENT AND INTERNAL CONTROL	23
2.1.1 CONTROL RESULTS	23
2.1.2 AUDIT OBSERVATIONS AND RECOMMENDATIONS	30
2.1.3 ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS	30
2.1.4 CONCLUSIONS ON THE IMPACT AS REGARDS ASSURANCE	31
2.1.5 DECLARATION OF ASSURANCE	32
2.2 OTHER ORGANISATIONAL MANAGEMENT DIMENSIONS	33
2.2.1 HUMAN RESOURCE MANAGEMENT	33
2.2.2 INFORMATION MANAGEMENT ASPECTS	33
2.2.3 EXTERNAL COMMUNICATION ACTIVITIES	34

THE DG IN BRIEF

The **European Political Strategy Centre (EPSC)** is the European Commission's **in-house think tank**, established in November 2014 by European Commission's President Jean-Claude Juncker. The EPSC operates directly under his authority in accordance with the Communication C(2014) 9001 final of 6 November 2014 on "the European Political Strategy Centre: Mission, Tasks and Organisation Chart".

Tasked with a mission to innovate and disrupt, the EPSC provides the President and the College of Commissioners with strategic, evidence-based analysis and forward-looking policy advice on matters related to the policy priorities as defined by the President in his political guidelines presented to the European Parliament on 15 July 2014.

Among its responsibilities, the EPSC has a mandate to engage in foresight and anticipatory governance, spearheading the European Commission's involvement in the **European Strategy and Policy Analysis System (ESPAS)** – the EU inter-institutional collaboration that aims to build preparedness for upcoming challenges and opportunities. The EPSC also seeks to facilitate communication and outreach with decision-makers, think tanks and civil society.

Powered by its highly versatile and experienced team, the EPSC provides a unique space within the European Commission for conducting **interdisciplinary analysis, collaborative projects** and organising **thought-provoking seminars and events**. The EPSC staff combines a unique set of perspectives and skills: public and private sector experience, data visualisation and design, financial expertise and legal advice, social media savviness and political acumen.

In order to optimise its strategic planning and be as agile and responsive as possible to new disruptions and challenges facing the European Union, DG EPSC organises its work and knowledge creation in an innovative way, managing by projects its human capital and skills across the organisation, cutting through silos.

In January 2018 and 2019, the EPSC was listed in the top ten global 'best government-affiliated think tanks' by the authoritative Think Tanks & Civil Societies Programme (TTCSP) of the University of Pennsylvania, in its prestigious '2017 Global Go To Think Tank Index', which covers over 6,800 think tanks. In the previous edition of the index, the EPSC was awarded the title of 'Best New Think Tank 2016'.

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director-General of DG EPSC to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute 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.

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

Throughout 2018, DG EPSC continued to be very closely involved in strategy development and policy design within the European Commission, underpinned by sound, evidence-based and non-conventional analysis and foresight.

Most of the outputs as set out in the 2018 Management Plan were delivered, while many others were added to the list of the DG's activities. As in past years, President Juncker's State of the Union (SOTU) address, as delivered on 13 September 2017, provided the central focus for the year's activities.

In 2018 the EPSC made an important contribution to the on-going reflection on the Digital Age through the development of the Artificial Intelligence and its implications for the future of the European competitiveness and growth. The security aspects were also scrutinised by highlighting the risks of disinformation and cyber-security threats. The importance of Europe as global actor was explored as were the geopolitical developments affecting Europe's role on the international stage. Discussions also continued on the future of European Defence, as well as future relations with its main partners more broadly.

DG EPSC provided a substantial support on the reflection around the Future of Europe by delivering key policy papers on the trends in various policy areas and with a forward-looking perspective for the new Union of 27. It contributed to the on-going reflection around the proposals for the next Multiannual Financial Framework that were put forward by the European Commission in May 2018. The innovative organisation of a flagship programme called "EPSC #TT27 Leadership Academy", gathering young think tankers, researchers, community leaders from the 27 Member States was also an important outreach event for the future oriented Commission's agenda.

The variety of EPSC contributions continued to show the unique added value of the Commission's think tank to the policy process but also its agility and responsiveness to the on-demand nature of President's Cabinet's way of working, thanks to its interdisciplinary nature and close links to the political priorities. This way of working also means it is difficult for DG EPSC to plan comprehensively on all the outputs it will be called to deliver on. Nonetheless, the set targets were completed with full satisfaction from the Commissioners and Cabinets involved.

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

b) Key Performance Indicators (KPIs)

Policy relevance of EPSC advice confirmed by the President, Vice-Presidents and their Cabinets	No quantitative target defined		Full satisfaction of the President and his Cabinet (very positive regular feedback expressed orally during regular meetings and in e-mails).
Timeliness and relevance of successfully delivered outreach activities (events, seminars, papers published)	No quantitative target defined		Alignment of outreach activities with the timeline/calendar defined in the Commission Work Programme – ex ante activities to prepare for an adoption of a strategy/package of proposals/consultation etc.
Timeliness and relevance of papers and briefings sent to the President's cabinet	No quantitative target defined		Alignment of substantial outputs with the timeline/calendar of high-level events or College agenda (e.g. Summits).
Sound Financial Management	Baseline (2014-2015)	Target	Latest value
1) Execution rate of the administrative budget	64% in commitments 55 % in payments	75% in both commitment and payments	92.50% in commitment appropriations and 34.76 % in payment appropriations*
2) Number of days for payments' execution per year	9 days	≤ 15 days	9.99 days
3) Conclusion on efficiency and reliability	Yes	Yes	Yes (See comments on the latest known results in the part 2 Organisational Management and Internal Control)

* Following the changes made in the Annex 3 (financial reporting) since 2018, consumed payment appropriations for the missions are not part of the EPSC payment execution, but are part of the PMO payment execution, which does not allow a comparison with the baseline and target defined in the Strategic Plan 2016-2020. For further explanation, please refer to part 2 point 2.1.1

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 EPSC 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 EPSC 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 0 for further details.

In addition, DG EPSC 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 his 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 President's Cabinet on management matters, also the main elements of this report and assurance declaration have been brought to the attention of the President's Cabinet.

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

Relevant general objective(s): To help achieve its overall political objectives, the Commission will effectively and efficiently manage and safeguard its assets and resources, and attract and develop the best talents.

Specific objective: Provide strategic analysis, policy advice and foresight to the President and the College related to the ten policy areas set by the Commission

Related to spending programme(s): N/A

The presentation of the EPSC's outputs is based on the definition of projects, which were designed to respond to its specific role of the internal Commission's think tank encouraging open, collaborative and inter-disciplinary ways of working. All projects are presented according to the European Commission's priorities, General Objective(s) and specific Objective(s) with the exception of those that have been classified as "horizontal" due to their impact on several Commission's priorities.

Given the complexity of the challenges in the political environment, the management planning in the EPSC does take into account a large degree of flexibility in order to stand ready to quickly, efficiently and to the highest standards respond to unexpected requests and needs for expertise and analysis.

Throughout 2018, DG EPSC continued to be very closely involved in strategy development and policy design within the European Commission, underpinned by sound, evidence-based and non-conventional analysis and foresight. The big majority of outputs as set in the 2018 Management Plan were delivered, while many others were added to the list of the DG's deliverables.

DG EPSC played a fundamental role in echoing and further developing the motto from the 2018 Commission Work Programme "A more united, stronger and more democratic Europe" and its main priorities. As planned, it also supported the development of inter-institutional foresight and anticipation capabilities with events culminating around 2018 ESPAS (European Strategy and Policy Analysis System) conference devoted to "Global Trends to 2030- Shaping the Future in a fast-changing World". What also deserves a special mention is the first edition of the EPSC Leadership Academy, a flagship workshop with the aim of building up a dynamic network of young think tankers, researchers, community leaders and other change-makers coming from the 27 Member States around the topics of Future of Europe.

The non-exhaustive outputs presented below refer to the 2018 Management Plan based on the 10 priorities of President Juncker.

1.1 COMMISSION PRIORITY: A NEW BOOST FOR JOBS, GROWTH AND INVESTMENT

The EPSC teams has contributed to the discussion on the right climate for innovation and investment in Europe, to help create industries and jobs to tackle societal and environmental challenges and improve people's well-being.

The Renewed Industrial Policy Strategy for Europe as well as the Circular Economy Action Plan served as a reference. The EPSC has highly contributed to the discussion on the sustainable European future (with a 2025 perspective).

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Europe as an Investment Destination			
- Policy briefs and events	Organisation	Q1 – Q4	High-Level Conference “Global Europe as Investment Destination” Date: 5 November 2018
-Policy papers			Publication on 'The State of Investment in Europe and the World' Date: 9 November 2018
Sustainable Finance			
- Contribution to the new Commission policy initiatives	Delivery	Q1 - Q4	High-Level Dinner on “Sustainable Finance: the Role of Public Bodies in Triggering Investments for the Clean Economy” Date: 27 February 2018

Innovation/Competitiveness			
- Policy papers – internal and for publication	Delivery	Q1 - Q4	Publication on “Where EU Governments Spend?: A Comparative Overview of Public Expenditure in EU Member States” Date: 20 July 2018
- Brainstorming sessions	Availability of in-house expertise Outreach to relevant external experts	Throughout the year	<p>Policy Briefing: “Mind the Gap: A Unicorn Perspective on Equity Growth” Date: 8 February 2018</p> <p>Working Session; “Filling the Gap: Does the EU Need an Equity Growth Flagship?” Date: 8 February 2018</p> <p>Policy Briefing “Blockchain for a Safe Internet of Things Europe’s Competitive Edge for Industry 4.0” Date: 27 February 2018</p> <p>High-Level Roundtable on “Productivity Growth in the Digital Age: What is Different This Time?” Date: 23 May 2018</p> <p>Policy Briefing: “How to Foster Knowledge – Transfer for Innovation: Learning from the Best” Date: 4 July 2018</p> <p>Policy Briefing: “Blockchain for Industrial Transformation. A Real Opportunity for European Companies?” Date: 6 December 2018</p>

1.2 COMMISSION PRIORITY: A CONNECTED DIGITAL SINGLE MARKET

DG EPSC supported the work of the Commission in completing the Digital Single Market by looking at the challenges and opportunities coming from innovation and technological developments, with a focus on artificial intelligence and digital platforms. A particular attention was given to social media and disinformation. Raising awareness about the cyber security threat as well as reflecting about ways to counter it were high on our agenda.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Artificial Intelligence			
- Policy papers and ad-hoc high-level events	Organisation	Q1 – Q2	<p>Policy Briefing: "Fostering the Power and Potential of Artificial Intelligence in the EU" Date: 15 February 2018</p> <p>High-Level Hearing on "A European Union Strategy for Artificial Intelligence" Date: 27 March 2018</p> <p>Policy Briefing: "How to Reconcile GDPR with Artificial Intelligence: Europe's Competitive Edge in Technological Innovation" Date: 18 April 2018</p> <p>Paper: "10 Trends Shaping Innovation in the Digital Age" published on 16 May 2018</p> <p>Policy Briefing : "Private Data for Public Policy: the Emerging Practice for Data Collaboratives" Date: 31 May 2018</p> <p>Policy Briefing: 'To Lead or to Be Led: How Businesses Are Changing in the Age of Artificial Intelligence' Date: 3 October 2018</p>
- Contribution to the new Commission policy initiatives	Delivery	Q1 - Q4	Highlights from the High-Level Hearing on "A European Union Strategy for Artificial Intelligence" published on 27 March 2018
- Strategic Notes	Delivery	Q1 - Q2	Strategic Note: "The Age of Artificial Intelligence – Towards a European Strategy for Human-Centric Machines" published on 27 March 2018

Disinformation			
- Policy briefs and ad-hoc high-level events	Organisation	Q1 – Q4	<p>High-Level Hearing on “Preserving Democracy in the Digital Age” Date: 22 February 2018</p> <p>Policy Briefing: “The Mechanics of Elections Interference: How to Prevent the Next Wave?” Date: 10 July 2018</p> <p>Policy Briefing “A Blueprint for Countering Interference in Democracies” Date: 2 October 2018</p> <p>High-Level Conference on “Election Interference in the Digital Age: Building Resilience to Cyber-Enabled Threats” Date: 15-16 October 2018</p>
- Contribution to new Commission policy initiatives	Delivery	Q1 – Q4	<p>Highlights from the High-Level Hearing on “Preserving Democracy in the Digital Age” published on 22 February 2018</p> <p>Contribution to the Commission’s communication “Tackling Online Disinformation: A European Approach” adopted on 26 April 2018</p> <p>Newsletter: Democracy and Governance in the Digital Age Date: 26 November 2018</p>
Cyber-security threat			
- Policy briefs and ad-hoc high-level events	Organisation	Q1 – Q4	<p>Policy Briefing: “Bolstering Cybersecurity Ahead of the European Parliament Elections” Date: 22 May 2018</p> <p>Roundtable on “Digital Strategic Autonomy” Date: 24 October 2018</p> <p>Policy Briefing on “Global Cybersecurity at a Crossroads: Effective Responses to a Growing Threat” Date: 8 November 2018</p> <p>Policy Briefing: “Developing 5G Networks: The importance of Digital Infrastructure in the 4th Industrial Revolution” Date: 12 December 2018</p> <p>High-Level Hearing on “Strategic Autonomy in the Digital Age” Date: 17 December 2018</p>
- Contribution to Commission policy papers, speeches	Delivery	Q1 – Q4	Contribution to the work on strategic autonomy, also in the context of the Security Union Task Force.

1.3. COMMISSION PRIORITY: A RESILIENT ENERGY UNION WITH A FORWARD-LOOKING CLIMATE CHANGE POLICY

The EPSC played a crucial role in working towards the delivery of our commitments needed to make the modernisation of the European economy a reality while ensuring a socially fair transition. The EPSC staff devoted also considerable effort in the preparation of the Commission's Strategy for a climate neutral Europe by 2050 "A Clean Planet for All".

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Energy Union and Modernisation of the Economy			
- Policy papers	Delivery	Q1- Q4	Publication on "10 Trends Reshaping Climate and Energy" Date: 3 December 2018
- Contribution to Commission's papers	Delivery Availability of in-house expertise Outreach to external expertise	Q1- Q4	Support to the services and the political level in the preparation of the long-term strategy "Clean Planet for All"
- Ad-hoc events	Organisation	Q1- Q4	High-Level Policy Dinner on "Sustainable Finance: the Role of Public Bodies in Triggering Investments for the Clean Economy" Date: 27 February 2018 Workshop on "Sustainability transitions and EU policy" Date: 13 July 2018 Workshop on "Digitalisation of the energy system" with Wirtschaftsrat Deutschland Date: 19 September 2018
- Experts meetings	Organisation Availability of expertise		High-Level Workshop on "Sustainability Transitions" Date: 19 April 2018

1.4. COMMISSION PRIORITY: A DEEPER AND FAIRER INTERNAL MARKET WITH A STRENGTHENED INDUSTRIAL BASE

EPSC projects continued to focus on competitiveness, innovation, digitalisation and industrial transformation. They contributed to the work leading to the completion of the Capital Market Union with a view to ensuring easier access to finance for business and to supporting investment in the real economy. A link was made to the next Multiannual Financial Perspective in the reflection on the recalibration of EU financial instruments to better serve the needs of competitiveness of the European economy.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Social fairness			
- Contribution to Commission internal policy papers	Delivery	Q1 – Q4	Contribution to the Reflection Paper on Sustainable Europe 2030 Contribution to the Commission Communication "The Single Market in changing world. A unique asset in need of renewed political commitment" adopted on 22 November 2018
- Ad-hoc policy briefs and experts workshops	Organisation	Q1- Q2	Study Visit to Leuven: "Social Economy as a Tool for Resilience and Innovation" Date: 9 February 2018 Accompanied the work of the SG on the organisation of a stock taking workshop on convergence on 14 September 2018 High-Level Brief on "European Industrial Policy: Fit for Purpose?" Date: 24 October 2018

1.5. COMMISSION PRIORITY: A DEEPER AND FAIRER ECONOMIC AND MONETARY UNION

The EPSC continued its work on the EMU strengthening. Projects under this heading are obviously also linked with the preceding priority around the Single Market. Completing the Banking Union together with the Capital Market Union constitutes a separate pillar of work. The EPSC continues bringing its value added in the discussions about the structural reforms and convergence attracting the attention of policy-makers to the micro level of the economy. This work also takes place with a 2025 perspective.

As far as the social agenda is concerned, the EPSC work focused on the operational of some of the elements of the European Pillar of Social Rights, including of the social scoreboard in the context of the European semester. The Future of Work and of Welfare, in particular the reflection on the skills, effective and efficient social protection, modern public services and inter-generational equity featured high under this project. Much effort went to mainstreaming the social agenda across all the policy fields, i.e. energy and climate with work on the economic transition, convergence and structural reforms, deepening of the single market, foresight and the future of work.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Strengthening EMU			
- Contribution to Commission internal reflection papers	Delivery	Q1 – Q2	Contribution to the Commission’s communication “Towards a stronger international role of the euro”, adopted on 5 December 2018
- Ad-hoc high-level policy briefs	Organisation	Throughout the year	<p>Policy Briefing on World Bank’s Report: “Growing United: Reigniting Europe’s Convergence Machine” Date: 31 January 2018</p> <p>EPSC Speaker Series on the Future of Finance: “Initial Coin Offerings and Cryptocurrencies: What Future on Europe’s Financial Markets?” Date: 2 February 2018</p> <p>Policy Briefing: “A Resilience Framework for the EU: Addressing Upcoming Challenges and Threats” Date: 13 April 2018</p> <p>Policy Briefing on “Economic State of Play in the Euro Area: Challenges and Opportunities Going Forward” Date: 23 May 2018</p> <p>EPSC High-Level Roundtable on ‘The International Role of the Euro’ Date: 29 November 2018</p>

Europe Pillar of Social Rights and Future of Work and Welfare			
- Papers	Delivery	Q1 - Q2	
- Ad-hoc events – policy briefs and meetings with experts	Organisation	Q1 - Q4	<p>Presentation of the Reflection paper on the Social Dimension of Europe and the European Pillar of Social Rights at High-level Policy Dialogue on Re-organising Solidarity in 21st Century European Capitalism, School of Transnational Government (STG), European University Institute (EUI), Florence Date: 15 February 2018</p> <p>Presentation of the Reflection paper on the Social Dimension of Europe and the European Pillar of Social Rights to the European Economic Area (EEA) Consultative Committee, Reykjavík, Iceland Date: 4 May 2018</p> <p>Participation in the Informal Inter-Service Group on the Future of Work organised by DG EMPL and contribution to the organisation of the High-Level Conference on the Future of Work planned for April 2019</p>

1.6. COMMISSION PRIORITY: AN AREA OF JUSTICE AND FUNDAMENTAL RIGHTS BASED ON MUTUAL TRUST

Over the last years, the EPSC has built strong expertise in this field. Also in 2018, it continued nurturing the work on the EU security agenda, notably on developing a Security Union, including on cyber-security. The work-strands developed over 2017 continued in 2018: counter-radicalisation as well as the disinformation in the social media. A link was made with work carried under the Commission priority "Connected Digital Single Market" when it comes to disinformation (see point 1.2 above).

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Security Union			
- Policy papers	Delivery	Q1 – Q4	
- Contribution to Commission papers	Delivery	Q1 – Q4	
- Ad-hoc events	Organisation/ Availability of in-house expertise/Reach out to external expertise	Q1 – Q4	Policy Briefing: "European's Views on Democracy" Date: 8 March 2018

1.7. COMMISSION PRIORITY: TOWARDS A NEW POLICY ON MIGRATION

The EPSC continued being involved in the discussion on a more effective and sustainable migration management. The DG contributed to monitoring and identifying trends, including in the field of demographic changes.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
European Agenda on Migration			
- Policy papers	Delivery/Availability of in-house expertise	Q1 – Q4	Contribution to the Commission communication "Enhancing Legal Pathways to Europe" adopted on 12 September 2018
- Public speaking engagements and outreach	Active participation	Q1 – Q4	On-going – by the Foreign Affairs and the Institutional teams, as well as the EPSC Adviser on Demography and Migration

1.8. COMMISSION PRIORITY: EUROPE AS A STRONGER GLOBAL ACTOR

The EPSC continued playing a central role in all work streams towards a stronger Europe in defence, including in the implementation of the Europe Defence Action Plan in general, and more specifically to the operationalization of the European Defence Industrial Development Programme and the development of the proposal for a European Defence Fund 2021-2027. It also contributed to the implementation of the EU Global Strategy on Foreign and Security Policy. Outreach, along and in conjunction with relevant portfolio holders, to Member States, European Parliament and other key stakeholders for matters related to the European Defence initiatives, but also more broadly topical foreign affairs issues – from Western Balkans to Africa to geopolitical developments - constituted an important part of the EPSC activities in 2018. In addition, the EPSC has taken on an additional focus area with the appointment of a Senior Adviser for Arctic Policy.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
European Defence			
- EPSC High-Level Speakers Series on European Defence	Organisation	Q1 – Q4	<p>“Taking European Defence Forward: Achievements and Challenges Ahead” Date: 25 January 2018</p> <p>“More European, More Connected, More Capable: Building a Future-Proof European Defence” Date: 9 April 2018</p> <p>“Tackling Emerging Security Challenges: a NATO Perspective” Date: 20 June 2018</p> <p>“Lessons Learned on Hybrid Threats” Date: 27 June 2018</p> <p>'Quo Vadis? Next Steps Towards a European Defence Union' Date: 21 November 2018</p>
- Policy papers and notes – internal and for publication	Delivery	Q1 – Q4	Contribution to internal documents, including materials for meetings of the Project Team on Defence and MFF sectoral proposal on the European Defence Fund
- Public speaking engagements and outreach	Active participation	Q1 – Q4	On-going – by the EPSC deputy Head and the Foreign Affairs team

Foreign policy priorities			
- Policy notes and papers	Delivery: EPSC policy-related contributions	Q1 – Q4	<p>Brief: "Engaging with the Western Balkans. An Investment in Europe's Security" published on 17 May 2018</p> <p>Brief: "Geopolitical Outlook for Europe: Confrontation vs Cooperation" published on 8 June 2018</p>
- Experts meetings	Organisation	Q1 – Q4	<p>Speakers Series on Africa:</p> <ul style="list-style-type: none"> ▪ <i>"The Dangers of Europe Underestimating Security Challenges in Africa"</i> Date: 22 January 2018 ▪ <i>"Investing in Africa: A New Era of Partnership"</i> Date: 14 March 2018 ▪ <i>'A New Chapter in the EU-Africa Relationship'</i> Date: 15 November 2018 <p>High-Level Speaker Series on Geopolitics:</p> <ul style="list-style-type: none"> ▪ <i>"Global Views in a Changing World Order"</i> Date: 5 October 2018 ▪ <i>"Future of Transatlantic Relations: A View from Germany"</i> Date: 14 November 2018 <p>Policy Briefing: "China in Europe": Assessing Levers of Political and Economic Influence" Date: 17 May 2018</p> <p>High-Level Policy Lunch on 'EU Policies towards China' Date: 17 October 2018</p> <p>Presentation of a study 'How do Europeans understand the open society?' Date: 21 November 2018</p> <p>Policy Brief: "Asia's Growth Model: What to Expect and Implications for Europe" Date: 27 November 2018</p>
- Public speaking engagements and outreach	Active participation	Q1 – Q4	On-going - by the EPSC deputy Head and the Foreign Affairs team

1.9. HORIZONTAL PROJECTS

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
EPSAS Strategic Foresight			
- ESPAS Young Talent Network training on strategic foresight	Organisation	Q1 – Q4	<p>Briefing on “Is the Internet Eroding Europe’s Middle Ground? Public Opinion, Polarisation and New Technologies” Date: 30 January 2018</p> <p>Speakers Series: “Shaping the Future: Can We Avoid Enslavement by Technology?” Date: 23 March 2018</p> <p>Network Dinner on ‘The Future of Leadership’ Date: 28 November 2018</p>
- Annual Conference	Organisation	Q4	<p>High-level Conference “Global Trends to 2030- Shaping the Future in a fast-changing World” Date: 28 November 2018</p> <p>ESPAS Publication on ‘Shaping the Future in a Fast-Changing World’ Date: 28 November 2018</p>
- Ad-hoc (high-level) events	Organisation	Q1 – Q4	<p>Policy Briefing: “Is the Inter Internet Eroding Europe’s Middle Ground? Public Opinion, Polarisation and New Technologies” Date: 30 January 2018</p> <p>Futures Conversation: - “Through the Eyes of Others: The Future of Migration and Mobility from and within North Africa” Date: 16 February 2018</p> <p>Event: “Global Trends to 2030: The Future of Migration and Integration” Date: 23 April 2018</p> <p>Event: “Global Trends to 2030: The Future of Work and Workplaces” Date: 15 May 2018</p> <p>Futures Conversation “Through the Eyes of Others: Future of Mobility and Migration within and from Sub-Saharan Africa” Date: 30 May 2018</p> <p>Scenario Exercise with Blue Book Trainees on Future Relations between Russia and the West in the context of Strategic Foresight Date: 20 July 2018</p> <p>Event: “Global Trends to 2030: Identities and Biases in Digital Age” Date: 18 September 2018</p> <p>High-Level Dinner on “China’s Long Term Digital Strategy: What’s in Store for Europe and the World?” Date: 28 November 2018</p>

- Events with ESPAS and international partners	Outreach Organisation	Q1 – Q4	Strategic Dialogue on Future Challenges to European Security: “EU-NATO: Joining Forces to Protect Democracy” Date: 19 April 2018
- Public speaking and outreach engagements	Active participation	Q1 – Q4	On-going by the EPSC Head, the two deputy Heads and the Adviser for Strategic Foresight

Future of the EU Budget			
- High Level Conference “Future of Finance” in collaboration with the Cabinet Oettinger	Organisation	Q1	High-level Conference: “Shaping our Future: Designing the next MFF” Date: 8 and 9 January 2018
- Contribution to notes	Delivery	Q1-Q2	Contribution to internal briefings and reflection notes
- Ad-hoc (high-level) events	Organisation	Q1-Q4	Policy Briefing: “The US Budgeting Experience: Lessons for the Next MFF” Date: 11 April 2018 Policy Briefing for Think Tanks on “The Next Multiannual Financial Framework: What Is Different This Time?” Date: 4 May 2018

1.10. ROAD TO SIBIU: DELIVERING BY 2025: A MORE UNITED, STRONGER AND MORE DEMOCRATIC UNION

DG EPSC has been entrusted with supporting the President and his team in the forward-looking work on the new Union of 27 and its future until 2025. The EPSC brought its value-added across the institutional themes and policy areas through strategic thinking and specific written contributions on key issues, but also through outreach to and debate with the think tank community and other relevant stakeholders.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicators	Target date	Current State of Play
Road to Sibiu: Delivering by 2025			
- Policy papers	Delivery Availability of in-house expertise	Q1 – Q4	“Building on the Spitzenkandidaten Model: Bolstering Europe’s Democratic Dimension” published on 16 February 2018 “A double-Hatted President: A New Way of Governing for a Union of 27” published on 16 February 2018
- Public speaking engagement and outreach	Active participation	Q1 – Q4	

In addition to the deliverables foreseen in the 2018 Management Plan, the EPSC got also involved in a series of projects that were difficult to foresee last year. Many of them should be seen as an assessment or a response to the political developments in Europe and the world; some others reflect various ad hoc requests from the political level such as contributions to G20 Summits.

What deserves a special mention is the first edition of the EPSC Leadership Academy, a flagship workshop with the aim of building up a dynamic network of young think tankers, researchers, community leaders and other change-makers coming from the 27 Member States around the topics of Future of Europe. The four-day “Leadership Academy” was organised as follows:

- debates with senior officials of the EU institutions on current policy issues;
- interactive exchanges with inspiring speakers, offering unique perspectives on the future of Europe;
- networking opportunities with Brussels-based think tanks, policymakers and others;
- work on a project around the Future of Europe.

Example of events and publications not foreseen in the 2018 Management Plan

Event	Organisation		<p>EPSC High-Level Policy Dinner on ' The State of the Union 2018' Date: 6 September 2018</p> <p>EPSC High-Level Dinner on 'Investing in European Public Goods' Date: 15 November 2018</p>
Leadership Academy	Organisation	Q4	<p>1 series of a 4-day workshop with 1 representative per EU Member State on the Future of Europe Date: 9 to 12 October 2018</p>
Publication of Papers	Delivery		<p>“Europe Is Back: Economic, Financial, Social and Technological Trends in a Changing World” published on 22 January 2018</p> <p>“Three Visions, One Direction: Plans for the Future of Europe” published on 19 June 2018</p> <p>Publication: 'State of the Union 2018: Our Destiny in Our Hands' Days: 13 September 2018</p>

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 objectives². 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, 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 monthly financial reports by AOSDS;
- The contribution of the Internal Control Coordinator, including the results of internal control monitoring at the Directorate-General level;
- The observations and the recommendations reported by the Internal Audit Service (IAS);
- The analysis of the register of exceptions and non-compliance events.

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-General of DG EPSC.

This section reports the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of the internal control system, and resulting in (d) 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 objectives³. The DG's assurance

² 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

³ 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

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 control systems.

DG EPSC has a portfolio of activities that represent low-risk profile in financial management. However, the reputational risk has to be taken into consideration as it operates directly under the President's authority. The budget consists only of administrative credits covering conferences' organisation, reflection papers and missions. The authorised budget for 2018 is equal to 704,435 euro with an increase compared to 2017 (642,807 euro) that reflects the arrival to the EPSC of 3 hors-class advisers and their teams.

The financial management is centralised in the Management and Resources unit with a fully centralised financial workflow model.

The summary table below details the different types of expenditure based mainly on the use of public procurement procedures and the mission's costs co-delegated to PMO, which are not part of the EPSC payment execution. The public procurement procedures managed in EPSC are mainly linked to the use of framework contracts, in particular for events' organisation or to the preparation of low value negotiated procedures (below the threshold of 15,000 euro) for reflection papers in the context of foresight activities.

Expenditure type linked to Procurement	Consumed Payments Appropriations
Admin Budget	194,950
Subtotal Procurement	194,950
Expenditure type non Procurement	Consumed Payments Appropriations
Representation costs	780
Missions costs (sub-delegation PMO)	264,435.26*
Ad-hoc Experts (sub-delegation PMO)	2,413.5*
Subtotal non Procurement	780
GRAND TOTAL	195,730
C8 Payment Appropriations carried forward	124,156
C4 Internal assigned revenue	0
TOTAL BUDGET 2018	319,886

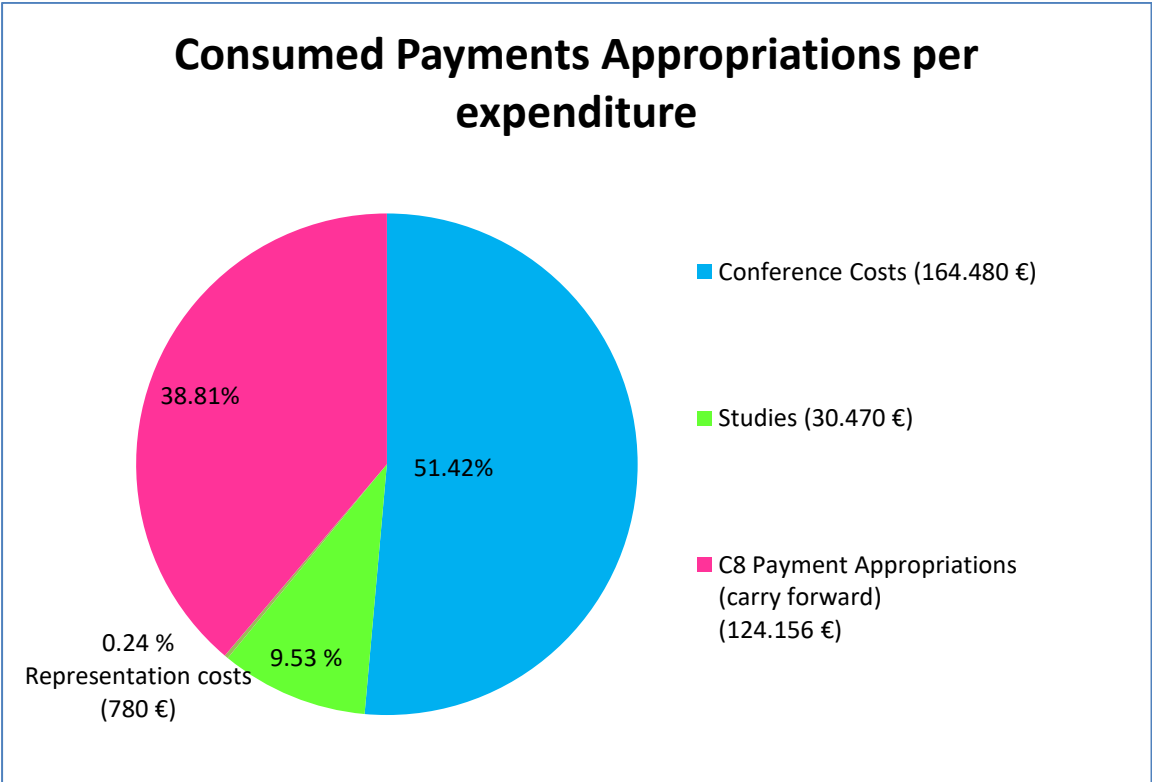
* Consumed payment appropriations for the missions and Ad-hoc Experts are not part of the EPSC payment execution but are part of the PMO execution.

The total amount of payment appropriations made in 2018 is equal to 319,886 euro that cover the organisation of conferences and events, the reflection paper and minor representation costs. This amount does not take into account the payment of 264,435.26 euro on mission – sub-delegated to PMO but fully managed and controlled in the EPSC.

The execution of the budget in commitment appropriations is equal to **92.50 %**, which is above the target of 75% described in our financial management objective for 2018.

The execution of the budget in payment appropriations is equal to **34.76 %**, which is below the target of 75% described in the EPSC’s financial management objective for 2018, but is in progress by comparison with 2017 (25.89 %). This rate does not allow, however, a comparison with the previous years based on the target defined in the KPIs, due to the major change in the presentation of Annex 3. If indeed calculated using the methodology from the AARs drafted before 2017, the execution in payment appropriations would be around **63.76 %**, which is a more realistic figure. Despite considerable improvements in comparison to 41.84% in 2016 and 47.43% in 2017, the rate continues to be under the target due to the delay in invoicing by contractors for events and reflection papers delivered in the second half of 2018.

The chart below shows the share of EPSC payments made by type of expenditure:



60.95 % of the 2018 consumed payment appropriations are linked to the use of procurement procedures. In the field of events’ organisation (51.42 %), the procurement procedures are based on framework contracts managed by other DGs. In the area of studies (9.53 %), the procurement procedures are low value negotiated procedures (below 15,000 euro) managed by the Management and Resources Unit. As already mentioned in last years’ AARs, the figure of 38.81 % of carried forward Payment Appropriations confirms the delay in invoicing by contractors in the second half of the year.

No (reputational) event or unmitigated risk has been identified by the management, which could have a significant impact on assurance on the achievement of the internal control objectives.

The management has supported the assurance on the achievement of the relevant internal control objectives and can conclude that there is no reservation to be listed in section 2.1.4.

1. Effectiveness = the control results and benefits

- **Legality and regularity of the transactions**

DG EPSC 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 nature of the payments concerned.

The main control objective is to maintain a balance between the control of risks relating to the legality and regularity of financial transactions, especially for public procurement procedures, and the principle of cost-effectiveness of control.

The Management and Resources Unit is playing a central role performing the ex-ante controls, as well as the operational and financial verification for all financial transactions and public procurement procedures. Moreover, low-value negotiated procedures are always coordinated by the staff with relevant expertise from the Management and Resources unit in cooperation with the Project Manager. Due to the nature of the EPSC activities, there is no additional value in supervisory ex-post control in light of the low value negotiated procedures (equal or less than 15,000 euro).

The 100 % ex-ante control of financial transactions by staff with relevant financial skills was feasible because of the limited number of transactions (81 payments in 2018), which guarantees a low risk of error. Moreover, the new Internal Control processes, including the recorded controls (based on detailed checklists), exceptions and/or compliance events, did not indicate any recurrent control weaknesses.

DG EPSC is, therefore, able to conclude that the mandatory minimum error rate of 0.5 % for low-risk transactions is applicable to the present case. There are no indications that procurement procedures and payment transactions were illegal and irregular.

The historic average recoveries and corrections capacity is estimated to be around 6.6 %, but this figure takes into account the results of ex-ante controls by means of received credit notes sent before the payment execution and cannot be considered as a correction action. Taking into account the absence of ex-post control, the adjusted recoveries and corrections rate is 0%.

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 EPSC, the estimated overall amount at risk at payment for the 2018 expenditure is 1,599.43 euro. This is the AOD's best, conservative estimation of the amount of *relevant expenditure* during the year (319,886 €) 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 the 2018 expenditure are 0 €. 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 closure for the 2018 expenditure of 1,599.43 €.

Table X - Estimated overall amount at risk at closure

DG EPSC	"payments made" (FY; m€)	<i>minus</i> new prefinancing [<i>plus</i> retentions made*] (in FY; m€)	<i>plus</i> cleared prefinancing [<i>minus</i> retentions released* and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (<i>weighted</i> AER; %)	estimated overall amount at risk at payment (FY; m€)	Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	estimated future corrections [and deductions] (for FY; m€)	estimated overall amount at risk at closure (m€)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Programme, Budget Line(s), or other relevant level	as per AAR annex 3, table 2	as per ABAC DWH BO report on prefinancing	as per ABAC DWH BO report on prefinancing	= (2) -/+ (3) +/- (4)	Detected error rates, or equivalent estimates	= (5) x (6)	H-ARC (as per ABAC DWH BO report on corrective capacity), <u>but adjusted</u>	= (5) x (8)	= (7) - (9)
Overall, total	319,886 €	0 €	0 €	319,886 €	0.5%	1,599.43	0%	0 €	1,599.43

- ***Fraud prevention, detection and correction***

DG EPSC has developed and implemented its own anti-fraud strategy since 2013, elaborated based on the methodology provided by OLAF. It has been updated in 2018.

A review was launched during 2018 in parallel with the annual assessment of the new Internal Control Framework (applicable as of 1/01/2018). It was concluded that the EPSC Anti-fraud Strategy was still valid in terms of content and areas of vigilance regarding fraud until the end of the mandate. The update took into consideration only adjustments of the Action Plan concerning the objectives.

No case was transmitted to OLAF or to the Investigation and Disciplinary Office (IDOC) in 2018. DG EPSC has therefore come to a positive conclusion on the effectiveness of its anti-fraud strategy.

2. Efficiency = the Time-to-... indicators and other efficiency indicators

The 2018 average time to pay is 9.99 days, which is far below the target of 20 days, and lower than the one of 2017 (13.04 days) for a higher volume of transactions (81 payments instead of 74 payments in 2017). All payments were executed within the time limit (no late payment).

All procurement procedures launched in 2018 were successful. The absence of litigation procedures provides a positive indication of the quality.

3. Economy = the cost of controls

The corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls was revisited in September 2018 and applied the first time in the 2018 annual reporting. The difference of the estimated cost of controls as compared to previous years derives from this new methodology and does not reflect any substantial change in the DG's control strategy.

EPSC is a non-spending Directorate-General applying a cost of control indicator linked mainly to ex-ante verification and public procurement procedures as described in Annexes 5 and 10. This indicator remains stable for all expenditure and is equal to 54,250 euro (= 0.5 FTE). The 2018 overall cost of control calculated based on Annex 3 is equal to 16.96 %. This high number (even though lower than last year) is mainly due to the change of presentation of the consumed payment appropriations, as already explained in the point 2.1.1 (*Control Results*), which does not include the funds co-delegated to PMO for the missions and experts' reimbursement. Nevertheless, very detailed controls are still performed by the Management and Resources Unit before and after the return from missions by the EPSC staff.

Due to the time devoted by the EPSC Management and Resources Unit for the ex-ante control of the missions' budget, before the validation of the payments by PMO, the cost-effectiveness indicator that DG EPSC realistically takes into account is calculated the following way:

- Amount of payments authorised (319,888 euro) + the consumed payment appropriations co-delegated to PMO for the missions and experts (266,849 euro)

This lead to an actual overall cost of control equivalent to **9.25 %**, which is lower compared to 18.07 % for 2017 and to 16.33 % in 2016. The 2018 decrease results from an increase of the consumed payment appropriations.

4. Conclusion on the cost-effectiveness of controls

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

The relatively high control costs of the EPSC should be analysed in the particular context of this in-house Commission's think tank operating directly under the authority of the President of the European Commission. In such context, the quantifiable benefits of controls are very difficult to evaluate and are more of qualitative nature due to the EPSC mandate and the high potential risk of reputational damage.

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 internal 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.

During the reporting period, the Internal Audit Service (IAS) did not undertake any new audit. The action plan linked to the single audit recommendation on financial management was successfully implemented in 2017.

Based on this result, the IAS provided the EPSC with their limited conclusion, which stated that the internal control systems for the audited processes are effective.

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 EPSC 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.

In order to evaluate the effectiveness of the EPSC's system of controls, the assessment was carried out following the methodology described in the "Implementation guide of the Internal Control Framework of the Commission". The evidence required to support the process has been gathered from management knowledge gained through daily operations, analysis of the register of exceptions/non-compliance events, risk register and data extracted from the ex-ante control put in place, in particular for the financial management.

The assessment was realised under the supervision of the appointed Director in charge of the Internal Control and Risk Management by assessing the tailor-made monitoring criteria specific to the EPSC environment identified in the new Internal Control Framework.

DG EPSC 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.

2.1.4 Conclusions on the impact as regards assurance

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 0), and draws the overall conclusion supporting the declaration of assurance and whether it should be qualified with reservations.

DG EPSC implemented all suitable ex-ante controls, to the extent that they are cost-effective and do not affect the policy objectives. The risk linked to administrative expenditure including procurement was low and the centralised management of the budget was efficient to mitigate the potential risks.

Conclusion on the effectiveness of our anti-fraud strategy is positive.

The IAS limited conclusion during the reporting period gives an overall positive feedback and does not include any critical findings.

Results from the assessment of the Internal Control Framework as well as the very limited number of exceptions prove that it is implemented and functioning.

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.

2.1.5 Declaration of Assurance

I, the undersigned,

Director-General of EPSC

In my capacity as authorising officer by delegation

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

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, the work of the Internal Audit Service for years prior to the year of this declaration.

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

Brussels, 29/03/2019

.....

Ann Mettler

< *signed* >

2.2 Other organisational management dimensions

2.2.1 Human resource management

The success of the EPSC continues to be driven by the competence and motivation of its staff, which is highly prioritised by the management. The EPSC remains committed to maintaining the highest staff engagement (78% in the latest Commission's staff survey compared to the Commission's average of 69%) and feeling of wellbeing at work (74% positive responses in the latest staff survey compared to 52% in the Commission on average).

The EPSC management remains also committed to ensuring gender balance. The gender balance target for the middle management set by the Commission has indeed been maintained. The Head of the EPSC and the Head of Unit in charge of management and resources are women, which means that 50% of the management posts are occupied by women. As far as team leaders are concerned, the share of women also reaches 50%.

The size of the DG grew considerably over the last year. With three Hors-Classe advisers and their teams joining the EPSC in early 2018 as well as the recruitment of the Senior Adviser for Arctic as well as of several new analysts with new areas of competence (e.g. outreach to think tanks), the portfolio of activities covered by the administrative staff (and the Management and Resources unit) also expanded considerably. The HR Business Correspondent team (1 FTE) managed 33 recruitment/departure files over 2018 (compared to 56 EPSC staffers on 1 March 2019, including stagiaires and intérimaires).

"Management by projects" continued to be relevant more than ever to ensure the flexibility needed to respond to unexpected requests and calls for expertise coming from the political level, as well as to tackle files of great levels of complexity.

Being a very small DG, the EPSC staff benefits from the well-being activities organised by the Secretariat-General and AMC 5. Internal communication is done by email as well as orally during the regular weekly staff meetings held every Monday afternoon.

The promotion of learning and development activities is the other important driver of the DG's success. All staff members were encouraged to participate in the EPSC's events and training activities organised within the Commission and externally. The satisfaction taken from learning and development activities is reflected in the results of the latest staff survey. Indeed, EPSC staff considers that their performance has improved thanks to L&D activities completed over the past 12 months (18 pp increase compared to 2016) and that they have the opportunity to become more efficient and effective via a variety of L&D activities (6 pp increase compared to previous staff survey)

Moreover, analysts meetings were often opened to all staff members to stimulate open, collaborative and inter-disciplinary ways of working.

2.2.2 Information management aspects

One of the core activities of the EPSC is the production of strategic notes and policy briefs. Those are written through a process of a series of "editorial boards",

bringing together all the colleagues that have a potential input to provide to the text. Some of them are conceived during weekly analysts' meetings and/or announced at the staff meetings taking place every Monday. EPSC publications are then made available on our website, and are consequently accessible not only to colleagues in the EPSC but also in the Commission and beyond.

These weekly meetings as well as electronic communication by email on management matters replace in our small organisation more formal exchanges of data and information, such as an internal webpage.

The administrative signatories are almost exclusively used by the Management and Resources Unit. The e-signatory is being used more and more frequently.

DG EPSC reached its objective of 100% of mission reports being files in ARES under the financial and political headings to reflect both aspects. The financial ones account for the management of expenses for missions whereas the thematic ones take stock of the steps undertaken in the relevant policy fields.

DG EPSC also identified publications in a systematic manner, via the Publications Office, to ensure access, visibility and preservation.

The large number of new staff arrivals to the EPSC, as mentioned in the section 2.2.1 above, put an additional burden on the administration and de facto reduced the possibility to monitor the filing "reflexes" within the DG. This resulted in a slight increase of unfiled registered documents.

Data protection

DG EPSC took stock of the data processing operations carried out across the organisation. They were all identified in the DP02 database and are currently updated as "legacy notifications", the new Data Protection database, DPMS.

Due to the small size of the DG and its specific mandate, the EPSC handles few personal data. They are processed to disseminate publications or information linked to events organisation; collecting only what is necessary to perform these actions, namely: names, contact details, organisations and job titles.

2.2.3 External communication activities

The main objective of the communication activities is to build the "EPSC brand" both within the European institutions and among the broad community of stakeholders. DG EPSC aims also to leverage the Commission's key political messages and help obtain third-party endorsement of the President's priorities.

The EPSC complements the outreach and communication efforts of DG COMM, SPP and of the Commissioners and their teams. For this reason, the EPSC Outreach and Communication team works in close contact with all the above-mentioned services and supports their work in strategic communication and at the same time concentrating on a more targeted audience, consisting mainly of think tanks, researchers and academics, opinion leaders and intellectuals.

The EPSC makes use of a broad range of communication tools to carry out its work including:

- Policy briefs – internal documents, produced for the Cabinet of the President.

- Strategic notes – external documents, produced on demand or on own initiative. They are the results of interdisciplinary research and collaborative projects on EU policy priorities, and are published in relation to key events, policy developments, etc.
- Newsletters – These are biannual external publications gathering a series of editorials, articles, data projects, visuals and other digital inputs.
- Events and conferences – the EPSC creates a unique space for thought-provoking seminars and events. These are organised on a regular basis (5-6 events per month). In 2018, around 76 events were organised. The EPSC also spearheads the European Commission’s involvement in the European Strategy and Policy Analysis System (ESPAS) – the EU inter-institutional collaboration that aims to build preparedness for upcoming challenges and opportunities. In this role, it co-organises the annual ESPAS conferences, as well as a number of other events.
- The EPSC webpage and the social media, especially Twitter, are regularly updated and is managed by the EPSC communication and outreach team.
- The EPSC also regularly experiments with new publication formats and methods, in particular making full use of a range of digital channels to expand its outreach and communicate in a more timely and open manner for example through recorded videos explaining some of our publications.

Example of economy and efficiency

The Management and Resources Unit continues to explore ways of saving money, notably in the field of events’ organisation which constitutes more than 50% of consumed payment appropriations in 2017. Taking into account small ad hoc events with external speakers for whom individual travel arrangements have to be organised, the EPSC started using direct reimbursement instead of using the Commission’s framework contract with high average management fees for small amount orders.

In another field, the maintenance of the EPSC website in 2018 was performed with internal means and in close collaboration with DG COMM. As a result, no contract was necessary with an external provider, which, by comparison, represented 6,000 euro in 2017.