

ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR

In my capacity as Resources Director of DG TRADE

“I declare that in accordance with the Commission’s communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹⁰, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in Part 2 and point 3.1 of the present AAR and in its annexes 2 to 5 is, to the best of my knowledge, accurate and exhaustive.”

Brussels, 31 March 2011

signed
Jens Schaps

¹⁰ SEC(2003)59 of 21.01.2003

ANNEX 2: HUMAN AND FINANCIAL RESOURCES PER AAB ACTIVITY

HUMAN RESOURCES (person years)

Code ABB Activity	ABB activity	Human Resources by ABB activity		
		Establishment Plan posts	Estimates of external staff	Total
20 02	Trade policy	397	70	467
20-AWBL-01	Administrative support	51	4	55
20-AWBL-02	Policy, strategy & Coordination	38	6	44
Total		486	80	566

The above data reflects a snapshot of Commission personnel actually employed in DG TRADE as of 31/12/2010. In addition to these posts and as result of the establishment of the European External Action Service (EEAS), DG TRADE will have as from 2011 postings in delegation (81 establishment plan posts and 118 external personnel).

FINANCIAL RESOURCES (€) (in commitment appropriations)

Activity	Operational Expenditure	Administrative expenditure (DG managed) (1)	Total
20 02	€13.500.000	€5.674.870	€19.174.870
Total	€13.500.000	€ 9.242.399	€22.742.399

(1) Decentralised administrative appropriations ("global envelope") + article 20 01 04 but not including management expenditure of 'Trade' delegations of the European Union for which DG TRADE is not Authorizing Officer by Delegation.

IMPLEMENTATION OF THE GLOBAL ENVELOPE
 BUDGET LINES CONCERNED: 20 01 02 11 00 01 TO 20 01 02 11 00 06

(IN EUROS)		APPROPRIATIONS 2010 (C1)			APPROPRIATIONS carried over (C8)	
BUDGET LINE*	BUDGET LINE DESCRIPTION	AVAILABLE APPROPRIATIONS 2010	COMMITMENTS 2010	PAYMENTS 2010	AMOUNTS OF APPROPRIATIONS CARRIED OVER FROM 2009	% IMPLEMENTATION ON APPROPRIATIONS CARRIED OVER FROM 2009
20.010211.00		5.250.061				
20.010211.00.01.10	Mission expenses		4.020.000	3.344.940	1.516.289	55,41%
20.010211.00.01.30	Representation expenses		25.167	18.998	4.628	77,46%
20.010211.00.02.20	Meeting costs		97.500	69.436	43.728	28,08%
20.010211.00.02.40	Conference costs		217.119	138.383	34.940	66,19%
20.010211.00.03	Meetings of committees		220.000	195.401	55.982	86,28%
20.010211.00.04	Studies and consultations		69.851	20.217	91.841	100,00%
20.010211.00.05	Development of management and information systems		369.734	214.320	314.120	100,00%
20.010211.00.06	Further training and management training		225.499	151.149	79.506	99,07%
	TOTAL		5.244.870	4.152.844	2.141.034	65,97 %

ANNEX 3: Draft annual accounts and Financial Reports

(see separate attached document)

Annex 3 Financial Reports - DG TRADE - Financial Year 2010**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Economic Outturn Account****Table 6 : Average Payment Time Limits****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures (excluding Building Contracts)****Table 12 : Summary of Contracts (excluding Building Contracts)****Table 13 : Building Contracts****Table 14 : Contracts declared Secret**

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2010 (in Mio €)				
Chapter		Commitment appropriations authorised *	Commitments made	%
		1	2	3=2/1
Title 20 : Trade				
20 01	Administrative expenditure of `Trade¿ policy area	5,69	5,68	99,80 %
20 02	Trade policy	12,04	11,03	91,61 %
Total Title 20		17,73	16,71	94,24 %
Total DG TRADE		17,73	16,71	94,24 %

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

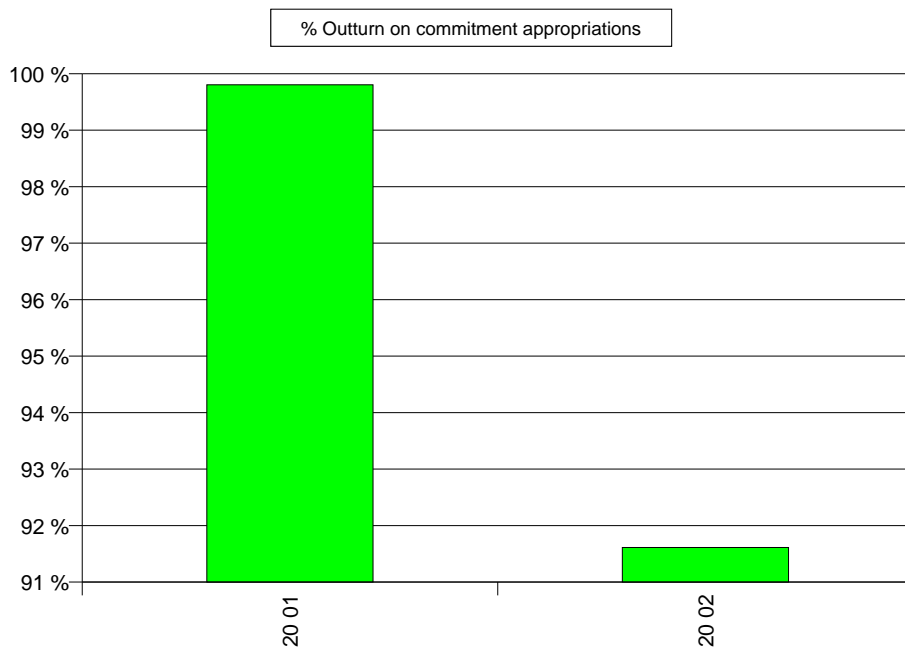


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2010 (in Mio €)				
Chapter		Payment appropriations authorised *	Payments made	%
		1	2	3=2/1
Title 20 : Trade				
20 01	Administrative expenditure of Trade policy area	8,20	6,03	73,57 %
20 02	Trade policy	15,43	9,33	60,47 %
Total Title 20		23,63	15,36	65,02 %
Total DG TRADE		23,63	15,36	65,02 %

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

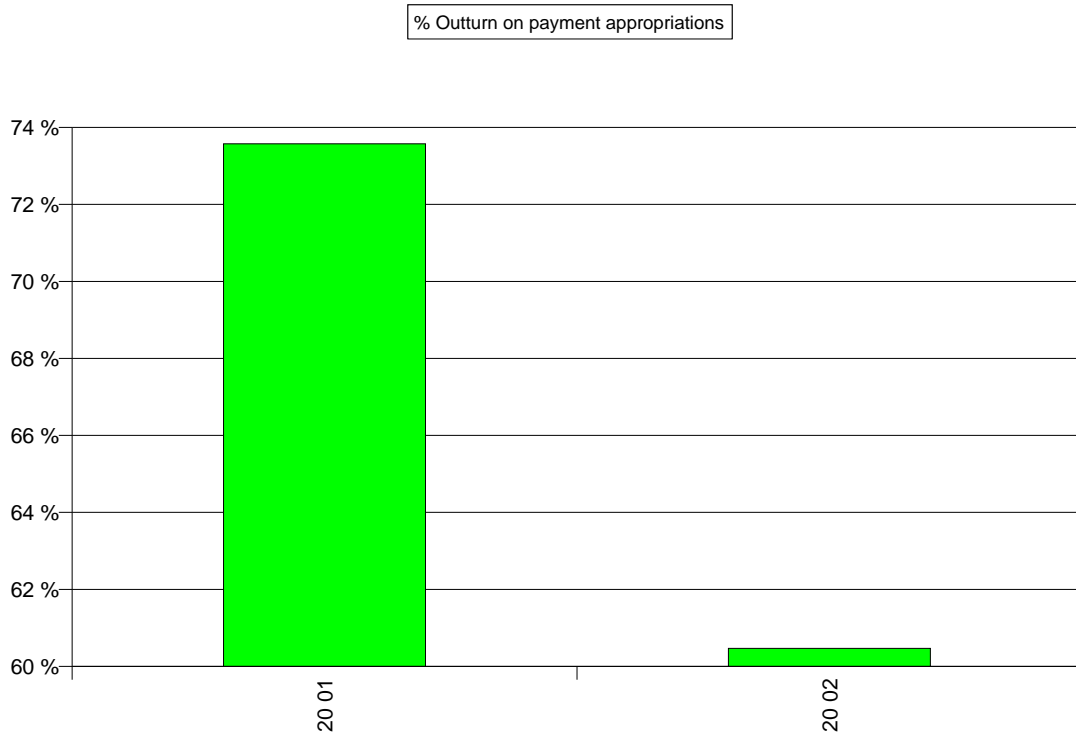


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2010 (in Mio €)

Chapter	2010 Commitments to be settled				Commitments to be settled from financial years previous to 2010	Total of Commitments to be settled at end of financial year 2010 (incl.corrections)	Total of Commitments to be settled at end of financial year 2009 (incl.corrections)
	Commitments 2010	Payments 2010	RAL 2010	% to be settled			
	1	2	3=1-2	4=1-2/1			
Title 20 : Trade							
20 01	Administrative expenditure of Trade policy area	5,67	4,30	1,36	24,06 %	0,00	2,51
20 02	Trade policy	11,03	3,09	7,93	71,94 %	6,09	12,86
Total Title 20		16,70	7,40	9,30	55,69 %	6,09	15,37
Total DG TRADE		16,70	7,40	9,30	55,69 %	6,09	15,39

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

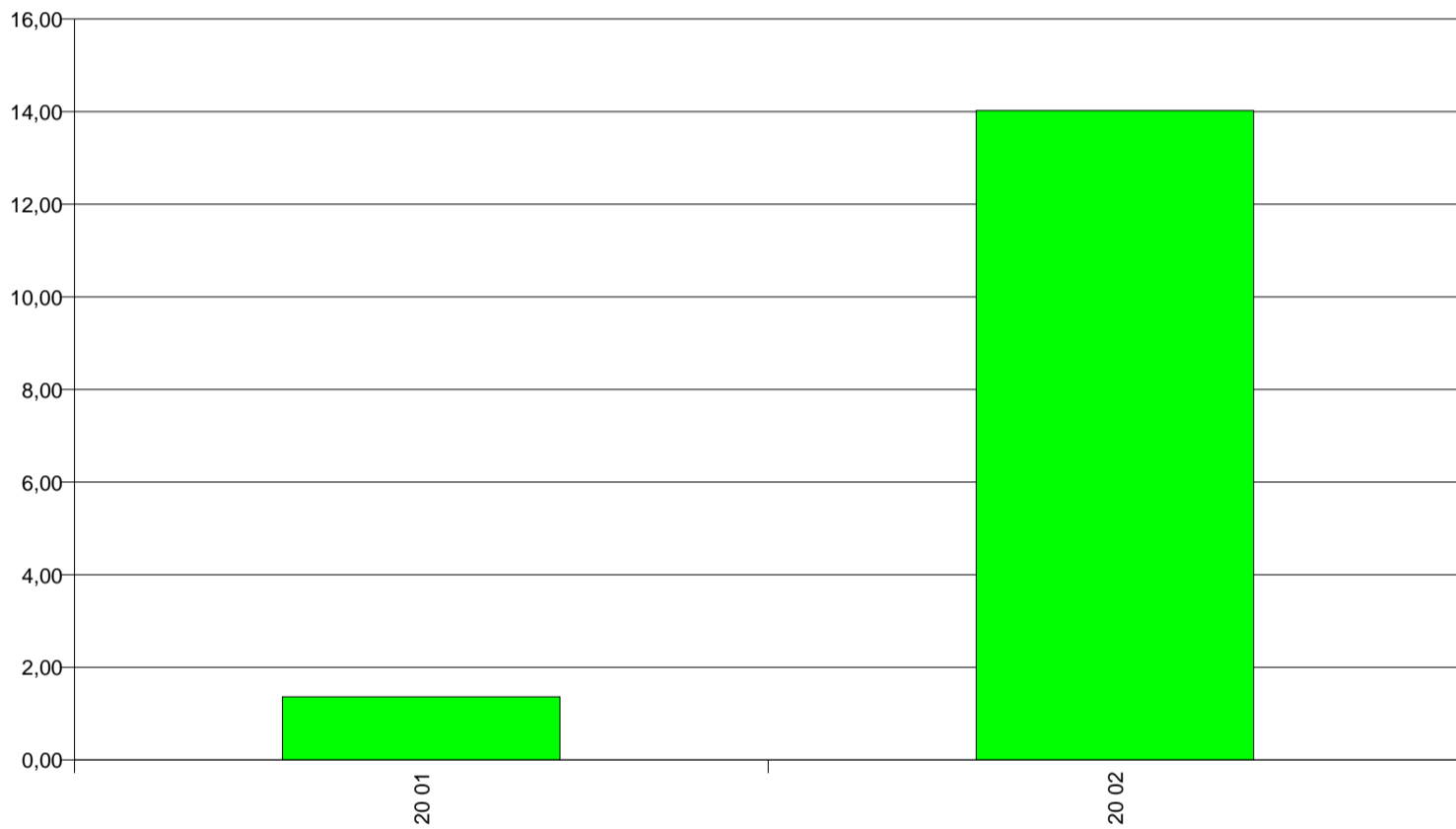


TABLE 4 : BALANCE SHEET TRADE

BALANCE SHEET	2010	2009
A.I. NON CURRENT ASSETS	1.021.693,00	1.672.166,67
A.I.5. LT Pre-Financing	1.021.693,00	1.672.166,67
A.II. CURRENT ASSETS	1.378.249,90	1.226.940,43
A.II.2. Short-term Pre-Financing	603.020,36	568.470,00
A.II.3. Short-term Receivables	775.229,54	658.470,43
ASSETS	2.399.942,90	2.899.107,10
P.III. CURRENT LIABILITIES	-3.121.584,45	-4.045.080,87
P.III.4. Accounts Payable	-3.121.584,45	-4.045.080,87
LIABILITIES	-3.121.584,45	-4.045.080,87
NET ASSETS (ASSETS less LIABILITIES)	-721.641,55	-1.145.973,77
P.I.2. Accumulated Surplus / Deficit	0,00	0,00
Non-allocated central (surplus)/deficit*	721.641,55	1.145.973,77
TOTAL	0,00	0,00

* This figure is a balancing amount presented here so as to reflect the fact that the accumulated result of the Commission is not attributed to each DG

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

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

TABLE 5 : ECONOMIC OUTTURN ACCOUNT TRADE

ECONOMIC OUTTURN ACCOUNT	2010	2009
II.1 SURPLUS/ DEF. FROM OPERATING ACTIVT	10.213.164,56	13.723.343,82
II.1.1. OPERATING REVENUES	24.114,44	18.680,52
II.1.1.1. Other operating revenue	24.114,44	18.680,52
II.1.2. OPERATING EXPENSES	10.189.050,12	13.704.663,30
II.1.2.1. Administrative Expenses	3.079.048,15	1.237.157,52
II.1.2.2. Operating Expenses	7.110.001,97	12.467.505,78
II.2. SURPLUS/DEF. NON OPERATING ACTIVIT	632,66	721,90
II.2. FINANCIAL OPERATIONS	632,66	721,90
II.2.2. Financial expenses	632,66	721,90
ECONOMIC OUTTURN ACCOUNT	10.213.797,22	13.724.065,72

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

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

TABLE 6: AVERAGE PAYMENT TIME LIMITS FOR 2010 - DG TRADE

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	450	418	92,89 %	15,79	32	7,11 %	43,72
45	180	176	97,78 %	15,99	4	2,22 %	62,25
60	112	112	100,00 %	14,38			

Total Number of Payments	742	706	95,15 %		36	4,85 %	
Average Payment Time	17,08			15,61			45,78

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	11	10	90,91 %	10,10	1	9,09 %	25,00
30	731	683	93,43 %	15,29	48	6,57 %	43,77

Total Number of Payments	742	693	93,40 %		49	6,60 %	
Average Payment Time	17,08			15,22			43,39

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
1	26	64	8,63 %	742	1.103.329,75	10,74 %	10.275.657,14

Late Interest paid in 2010			
DG	GL Account	Description	Amount (Eur)
DG TRADE	65010100	Interest on late payment of charges New FR	632,66
			632,66

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2010								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
Title 5: REVENUE ACCRUING FROM THE ADMINISTRATIVE OPERATION OF THE INSTITUTION								
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	52.664,33	1.144,52	53.808,85	52.664,33	1.144,52	53.808,85	0,00
	Total Title 5	52.664,33	1.144,52	53.808,85	52.664,33	1.144,52	53.808,85	0,00
Total DG TRADE		52.664,33	1.144,52	53.808,85	52.664,33	1.144,52	53.808,85	0,00

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG TRADE
Report printed on 18/03/2011

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

RECOVERY ORDERS ISSUED IN 2010 Year of Origin (commitment)	Irregularity		TOTALS	
	Nbr	RO Amount	Nbr	RO Amount
2007	2	21.671,45	2	21.671,45
2009	5	30.595,56	5	30.595,56
2010	1	397,32	1	397,32
	8	52.664,33	8	52.664,33

EXPENSES

	Nbr	Amount
INCOME LINES IN INVOICES	0	

	Nbr	Non-Eligible Amount
NON ELIGIBLE AMOUNT IN COST CLAIMS	0	

	Error		Irregularity		No error / irregularity	
	Nbr	Credit Note Amount	Nbr	Credit Note Amount	Nbr	Credit Note Amount
CREDIT NOTES	8	-24.272,78	5	-1.561,14	23	-312.391,17

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 28/02/2011.

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2010 FOR TRADE

Year of Origin	Number at 01/01/2010	Number at 31/12/2010	Evolution	Open Amount (Eur) at 01/01/2010	Open Amount (Eur) at 31/12/2010	Evolution
2009	1		-100,00 %	1.144,52		-100,00 %
Totals	1		-100,00 %	1.144,52		-100,00 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2010 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG TRADE	
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Number of RO waivers	0
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J u s t i f i c a t i o n s :

No data to be reported

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG TRADE - YEAR 2010

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

No data to be reported

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

Internal procedures > € 60,000	2009		2010	
Contract Class	Count	Amount (€)	Count	Amount (€)
Service	12	13.759.635,00	7	2.541.946,00
TOTAL	12	13.759.635,00	7	2.541.946,00
Procedure Type	Count	Amount (€)	Count	Amount (€)
Negotiated Procedure after publication of a contract notice Art. 127 IR	1	1.246.400,00		
Negotiated Procedure without publication of a contract notice Art. 126 IR	2	442.000,00		
Open Procedure (Art. 122.2 IR)	9	12.071.235,00	7	2.541.946,00
TOTAL	12	13.759.635,00	7	2.541.946,00

External procedures > € 10,000
Contract Class
TOTAL
Procedure Type
TOTAL

Additional comments

TABLE 13 : BUILDING CONTRACTS

Total number of contracts :	0
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)
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No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :	0
Total amount :	

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)
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No data to be reported

ANNEX 4: Materiality criteria

(see section 3.1)



ICT N° 1: Expenditure implemented as part of joint management with international organisations																	
Total appropriations committed in 2010	€3,821,000																
Budget item	20.020300																
<p>Key figures:</p> <p>Average value of contracts: 640.000 Euros, varying between 300.000 and 900.000 Euros</p> <p>Average contract period: 25 months, varying between 12 months and 36 months</p>	<div style="display: flex; align-items: flex-start;"> <div style="border: 1px solid black; padding: 5px; margin-right: 20px;"> <ul style="list-style-type: none"> ■ Open procedure (>60.000) ■ Negotiated (<60.000) or low value contract ■ Negotiated (>60.000) ■ Framework contract ■ Joint management ■ Implementation through other departments ■ Other </div> <div style="text-align: center;"> <p>Total DG</p> <table border="1" style="margin-top: 10px;"> <caption>Implementation Method Distribution</caption> <thead> <tr> <th>Method</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Open procedure (>60.000)</td> <td>20%</td> </tr> <tr> <td>Negotiated (<60.000) or low value contract</td> <td>4%</td> </tr> <tr> <td>Negotiated (>60.000)</td> <td>1%</td> </tr> <tr> <td>Framework contract</td> <td>44%</td> </tr> <tr> <td>Joint management</td> <td>31%</td> </tr> <tr> <td>Implementation through other departments</td> <td>0%</td> </tr> <tr> <td>Other</td> <td>0%</td> </tr> </tbody> </table> </div> </div> <p>As shown in the above graph, 31% of the overall committed projects (in value) are joint management projects.</p> <p>6 joint management projects were concluded in 2010. Two of the projects initially provided in the 2010 financing decision were not concluded.</p>	Method	Percentage	Open procedure (>60.000)	20%	Negotiated (<60.000) or low value contract	4%	Negotiated (>60.000)	1%	Framework contract	44%	Joint management	31%	Implementation through other departments	0%	Other	0%
Method	Percentage																
Open procedure (>60.000)	20%																
Negotiated (<60.000) or low value contract	4%																
Negotiated (>60.000)	1%																
Framework contract	44%																
Joint management	31%																
Implementation through other departments	0%																
Other	0%																

Management and control systems : stages and main actors	
<p>Selection process (of beneficiaries, intermediaries, agencies, contractors etc), including preventive measures</p>	<p>On the basis of article 53d of the Financial Regulation DG TRADE works together with those International public-sector organisations set up by inter-governmental agreements, and specialised agencies set up by such organisations, with a specific vocation in the area of trade policy (WTO, subsidiary bodies of WTO and WTO Trust Funds, Codex Trust Fund, World Organisation for Animal Health (OIE), International Plant Protection Convention (IPPC) and the OECD.)</p> <p>The international organisations and the actions to be financed under joint management, as well as the chosen method of implementation (or management mode), must be specified in the related financing decision to be adopted by the College. In advance of the adoption of the annual work programme (constituting financing decision), the Commission services concerned and the relevant international organisations discuss the actions to be funded through joint management with International Organisations. An working group at desk level has been set up, including the relevant policy DGs (TRADE,AIDCO,DEV and SANCO) in view of discussing potential projects to be included in the financing decision, thereby ensuring coherency with project funding out of other financial instruments.</p>



Management and control systems : stages and main actors

	<p>DG TRADE relies on the four pillar reviews carried out by DG AIDCO G2, (i.e. the results of an independent review assessing the extent to which such organisations apply standards which offer guarantees equivalent to internationally accepted standards in the areas of accounting, audit, internal control and procurement procedures).</p> <p>The decision of the authorising officer needs to be reasoned and duly documented and the specific contribution drafted and signed in line with the framework or administrative agreement signed with the respective organisation or in full respect of the model contribution agreement developed by DG AIDCO.</p>
<p>Communication and information measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries</p>	<p>DG TRADE has developed a standard application form and forward budget form which may be used, including a detailed description of the action as well as a detailed forward analysis of total costs of the action.</p> <p>Close contacts between the finance cell, the operational unit and DG AIDCO particularly as regards the state of play of the four pillar assessment.</p>
<p>Detective and corrective controls: Checks and monitoring during the initial phases of the programme/contract Checks and monitoring during the final/ closure phases of the programme/contract</p>	<p>Final financial and narrative report before final payment subjected to substantive review.</p> <p>The creation of an internal network of administrative coordination assistants. The network meets formally with the resources unit in principle once per month in order to ensure a coordinated approach to planning, execution and follow-up; and to provide a forum for the exchange of best practice.</p> <p>The annual programming is subject, to a "mid-term review" where the status of implementation of the planned actions is discussed and, if necessary the scope, budget or calendar, modified.</p> <p>Detailed management resources reporting is carried out on a quarterly basis, providing a breakdown of expenditure by Directorate and management mode, as well as an analysis of the consumption of administrative expenditure, the RAL, de-commitments and payment deadlines. The timely closure is systematically monitored through the quarterly accounting controls.</p>
<p>Preventive and corrective controls and audit: Desk reviews, on-the-spot audits carried out either <i>ex-ante</i> or <i>ex-post</i>.</p>	<p>Before entering into a contribution agreement the following controls must be carried out:</p> <ul style="list-style-type: none"> • Ensure inclusion in financing decision; • Ensure satisfactory results 4 pillar review (liaise with AIDCO); • Authorisation of the budgetary and legal commitments carried out by the operational Director and validated by an independent financial verifying agent in accordance with the financial circuit set up for the DG.



Management and control systems : stages and main actors

	<p>Financial checks are carried out on all pre-financing and final payment requests by the Financial verification function located in the central resources unit in order to verify compliance with contractual conditions and the eligibility of the expenses in accordance with the financial circuit set up for the DG.</p> <p>An appropriate system for the segregation of functions is in place. The financial cell within the "Resources and Strategic Planning" unit is responsible for the control of the operational and administrative budget, including missions. The cell is composed of 2 AD and 7 AST staff and is also in charge of the SPP cycle management, the co-ordination of internal control and risk management, responding to audits, as well providing general advice to the operational units in order to promote sound financial management.</p> <p>An exhaustive internal financial procedure manual including a specific section on joint management, including specific checklists and circulation sheets.</p> <p>Apart from the financial training provided centrally, DG TRADE provides 3 training modules three times per year (with, at request, one dedicated specifically to joint management.)</p> <p>Regular reminders are sent to staff concerning their responsibility to alert their Director-General, the Secretary-General or OLAF if they suspect any irregular, illegal or criminal activity. This is also set out in the DG TRADE Code of Conduct and the financial procedures manual.</p>
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Feedback which enables control activities to be optimised

<p>Verification processes that are working as designed</p> <p>Monitoring of performance of independent bodies, 3rd party auditors, externally contracted auditors</p>	<p>Results of 4 pillar reviews conducted by independent external auditors.</p> <p>The process for implementing joint management with international organizations has been audited by the DG TRADE IAC in 2009. There were no critical recommendations in the report and the ensuing action plan has now been fully implemented. DG TRADE IAC will undertake a follow-up audit in 2011.</p> <p>As part of the ongoing DAS procedure the Court of auditors did not signal having selected transactions relating to joint management (If applicable, DG Trade awaits their findings).</p>
<p>High level management reporting (e.g. to the Director General and its role in monitoring problem issues)</p>	<p>The annual programming is subject, to a "mid-term review" where the status of implementation of the planned actions is discussed and, if necessary the scope, budget or calendar, modified.</p> <p>Detailed management resources reporting is carried out on a quarterly basis, providing a breakdown of expenditure by Directorate and management mode, as well as an analysis of the consumption of administrative expenditure, the RAL, de-commitments and payment deadlines.</p>



ICT N° 2: Grants for activities to promote fair Trade – Implementation cross sub-delegated to DG AIDCO	
Total appropriations committed in 2010	€0 (committed in 2008 and 2009)
Budget item	20.020100
Key figures:	Two grant agreements have been concluded end of 2009 for an amount of 1.970.977 Euros (respectively 1.459.275 and 1.511.722 Euros).-
Management and control systems : stages and main actors	
Selection process (of beneficiaries, intermediaries, agencies, contractors etc), including preventive measures	With a view to promoting fair trade, the activities have been implemented by the DG AIDCO through a call for proposals for global, multi-country actions in partner countries in the framework of the grants already provided for in its Annual Action Programme for 2009 under the thematic programme "Non-State Actors and Local Authorities in Development", whose overarching objective is poverty reduction in the context of sustainable development. The overall objective of the call for proposals was the promotion of an inclusive and empowered society in partner countries to facilitate Non-State Actors' participation in poverty reduction and sustainable development strategies. The activities to be funded takes place in at least two partner countries eligible for funding according to the Development Cooperation Instrument (respectively in Latin America and India/Nepal).
Communication and information measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries	A crossed subdelegation was granted to DG AIDCO for the use of 2.000.000 Euros (1.000.000 Euros in 2008 and 2009) of commitment appropriations in view of implementing the promoting of fair trade.
Detective and corrective controls: Checks and monitoring during the initial phases of the programme/contract Checks and monitoring during the final/ closure phases of the programme/contract	Close working relationship between AIDCO and unit C1 and A1 of DG TRADE and reporting requirement as defined within the act of sub delegation. Detailed management resources reporting is carried out on a quarterly basis, providing a breakdown of expenditure by Directorate and management mode, as well as an analysis of the consumption of administrative expenditure, the RAL, de-commitments and payment deadlines.
Preventive and corrective controls and audit: Desk reviews, on-the-spot audits carried out either <i>ex-ante</i> or <i>ex-post</i> .	Close working relationship between AIDCO and unit C1 and A1 of DG TRADE as required in the act of sub delegation.



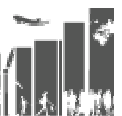
Feedback which enables control activities to be optimised	
Verification that processes are working as designed Monitoring of performance of independent bodies, 3rd party auditors, externally contracted auditors	Part of responsibilities cross sub delegated to DG AIDCO
High level management reporting (e.g. to the Director General and its role in monitoring problem issues)	Year end report from the AOD of DG ADICO to the Authorizing Officer by Delegation of DG Trade in accordance with the instrument of cross sub-delegation.

ICT N° 3: Procurement activities and other expenditure									
Total appropriations committed in 2010	€400 000 €8 537 000								
Budget item	20.010401 20.020100								
<p>Key figures:</p> <p>Number of contractors: approx. 100</p> <p>Average /value/ median range of contracts: 400.000 Euros (open procedures) and 100.000 (all procedures)</p> <p>Average/median contract period: 9-12 months</p>	<p style="text-align: center;"><u>Public Procurement</u></p> <p>or low value contract</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <ul style="list-style-type: none"> ■ Open procedure (>60.000) ■ Negotiated (<60.000) ■ Framework contract </div> <table border="1"> <caption>Public Procurement Distribution</caption> <thead> <tr> <th>Contract Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Open procedure (>60.000)</td> <td>29%</td> </tr> <tr> <td>Negotiated (<60.000)</td> <td>5%</td> </tr> <tr> <td>Framework contract</td> <td>66%</td> </tr> </tbody> </table> <p>29% of the procurement procedures (in value) are implemented via open procedures, representing 20% of all implementing procedures in the DG. Specific contracts concluded under existing framework contracts amount to 66% of all procurement procedures while negotiating procedures below 60.000 Euros represent 5% of the total procurement procedures.</p> <p>A multiple framework contract was set in place to assist DG TRADE in the organization of events, such as negotiating rounds.</p>	Contract Type	Percentage	Open procedure (>60.000)	29%	Negotiated (<60.000)	5%	Framework contract	66%
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Management and control systems : stages and main actors

<p>Selection process (of beneficiaries, intermediaries, agencies, contractors etc), including preventive measures</p>	<p>The process of public procurement takes place according to the steps defined in the Financial Regulation and Implementing Rules, the Vademecum on public procurement and the specific guidance developed within DG TRADE. Therefore the selection of contractors complies with the principles of transparency, proportionality, equal treatment and non discrimination.</p>
<p>Communication and information measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries</p>	<p>In compliance with the principle of transparency, adequate measures are adopted in order to guarantee proper ex-ante and ex-post publicity of the tendering procedures. Open call for tenders are published in the OJ and the Europa website and results of the tendering procedures are conveniently and timely communicated to successful and unsuccessful tenderers.</p> <p>The award decision is taken by the operational Director and the procedure and decision is validated by an independent financial verifying agent assigned to the financial cell in the Resources and Strategic Planning unit in accordance with the financial circuit set up for the DG.</p>
<p>Detective and corrective controls: Checks and monitoring during the initial phases of the programme/contract Checks and monitoring during the final/closure phases of the programme/contract</p>	<p>The creation of an internal network of administrative coordination assistants. The network meets formally with the resources unit in principle once per month in order to ensure a coordinated approach to planning, execution and follow-up; and to provide a forum for the exchange of best practice.</p> <p>The annual programming is subject, to a "mid-term review" where the status of implementation of the planned actions is discussed and, if necessary the scope, budget or calendar, modified.</p> <p>Detailed management resources reporting is carried out on a quarterly basis, providing a breakdown of expenditure by Directorate and management mode, as well as an analysis of the consumption of administrative expenditure, the RAL, de-commitments and payment deadlines.</p>
<p>Preventive and corrective controls and audit:</p> <p>Desk reviews, on-the-spot audits carried out either <i>ex-ante</i> or <i>ex-post</i>.</p>	<p>The authorisation of the budgetary and legal commitments is carried out by the operational Director and validated by an independent financial verifying agent in accordance with the financial circuit set up for the DG.</p> <p>Financial checks are carried out on all pre-financing and final payment requests by the Financial verification function located in the central resources unit in order to verify compliance with contractual conditions and the eligibility of the expenses in accordance with the financial circuit set up for the DG.</p> <p>An appropriate system for the segregation of functions is in place. The financial cell within the "Resources and Strategic Planning" unit is responsible for the control of the operational and administrative budget, including missions. The cell is composed of 2 AD and 7 AST staff and is also in charge of the SPP cycle management, the coordination of internal control and risk management, responding to audits, as well providing general advice to the operational units in order to promote sound and efficient financial management.</p> <p>An exhaustive internal financial procedure manual with dedicated sections on procurement, as well as additional guidance, checklists and circulation sheets for all financial transactions has been drawn up and posted on the intranet. The financial manual has been redrafted in 2010 and will be published early 2011.</p>



Management and control systems : stages and main actors

	<p>Apart from the financial training provided centrally, DG TRADE provides 3 training modules in procurement and other financial subjects twice a year. A management seminar has been dedicated to financial management as well as one meeting with all DG TRADE's project officers.</p> <p>Regular reminders are sent to staff concerning their responsibility to alert their Director-General, the Secretary-General or OLAF if they suspect any irregular, illegal or criminal activity. This is also set out in the DG TRADE Code of Conduct and the financial procedures manual.</p>
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Feedback which enables control activities to be optimised

<p>Verification that processes are working as designed</p> <p>Monitoring of performance of independent bodies, 3rd party auditors, externally contracted auditors</p>	<p>As part of the ongoing DAS procedure the Court of Auditors did not signal having selected transactions relating to joint management (If applicable, DG Trade awaits their findings).</p> <p>IAC audit on payment processes and procedures.</p> <p>Follow-up of DG BUDG on outstanding recommendations validation of local systems.</p>
<p>High level management reporting (e.g. to the Director General and its role in monitoring problem issues)</p>	<p>The annual programming is subject, to a "mid-term review" where the status of implementation of the planned actions is discussed and, if necessary the scope, budget or calendar, modified.</p> <p>Detailed management resources reporting is carried out on a quarterly basis, providing a breakdown of expenditure by Directorate and management mode, as well as an analysis of the consumption of administrative expenditure, the RAL, de-commitments and payment deadlines.</p>

