

Annual Activity Report 2020

Annexes

Executive Agency for Small and
Medium-sized Enterprises

Contents

ANNEX 1: Statement of the Head of Department in charge of Risk Management and Internal Control.....	3
ANNEX 2: Performance tables	4
ANNEX 3: Draft annual accounts and financial reports	33
ANNEX 4 : Financial Scorecard.....	70
ANNEX 5: Materiality criteria.....	77
ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)	85
ANNEX 7: Specific annexes related to "Financial Management"	94
ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"	112
ANNEX 9: Reporting – Human resources, information management and external communication	114
ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable).....	125
ANNEX 11: EAMR of the Union Delegations (if applicable)	125
ANNEX 12: Decentralised agencies and/or EU Trust Funds (if applicable).....	126

ANNEX 1: Statement of the Head of Department in charge of Risk Management and Internal Control

"I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in the Executive Agency to the Executive Director.

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

Brussels, 31 March 2020

/e-signed/

Nathalie Stefanowicz

¹ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

COSME

Specific objectives: <ul style="list-style-type: none"> <i>To improve access to finance for SMEs in the form of equity and debt</i> <i>To improve access to markets</i> <i>To improve framework conditions for the competitiveness and sustainability of Union enterprises</i> <i>To promote entrepreneurship and entrepreneurial culture</i> 			Parent DG: GROW Related to spending programme COSME
Main outputs in 2020:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	15 (12 from 2020 WP and 3 from the previous WPs)	15 (12 calls published from WP 2020 and 3 from WP 2019)
Calls for tender	Number of calls published	10 (7 from 2020 WP and 3 from the previous WPs)	14 (8 from WP 2020 and 6 from 2019)
Final reports	Number of final reports evaluated	200	179 grants (133 grants on CORDA +12 EDEN 2017 + 17 EDEN 2018 + 2 other Ad-hoc grants +15 payment ongoing) Covid-19 led to late submission of project reports and extensions of project durations .
Evaluation sessions	Time to inform applicants	100% of applicants informed within 6 months (183 days) after the call deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	2.2%
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	180 (35-40 from 2020 WP and 148 from the previous WPs)	148 (No grant agreements signed from WP2020). Some calls delayed due to late reception of call texts. These grant agreements will

			be signed in 2021.
	Time to grant	100% of grant agreements signed within 9 months (274 days) after the call deadline	93% (9 grant agreements signed beyond that target date). Delays were caused by necessity to complete linked amendment (to the FPA) or due to late submission of supporting evidence by beneficiaries.
Contracts	Number of contracts signed	20 (estimated 5-10 from 2020 WP and 14 from the previous WPs)	19 (6 from WP2020 + 13 from WP 2019). One call from 2019 was cancelled
Payments	Time to pay	100% of payments within legal deadlines	100%
Events <ul style="list-style-type: none"> ▪ EEN Days ▪ Trainings ▪ Cluster Conference 	Satisfaction rate participants	80-85 ²⁰ %	85% (EEN) 85% (Training sessions) 72% (Cluster conference) – last-minute changes in conference format due to Covid-19 affected the satisfaction rate.
Applicants' feedback on services provided by the Agency ³	Satisfaction rate	62%	66.6%
Beneficiaries' feedback on services provided by the Agency ⁴	Satisfaction rate	85%	95%
External experts' feedback on services provided by the Agency ⁵	Satisfaction rate	86%	94.1%
Contractors' feedback on service provided by the Agency ⁶	Satisfaction rate	67%	60% ⁷

² Baseline figure calculated on satisfaction rates of previous annual conference.

³ Source: 2020 EASME client satisfaction survey Final report

⁴ Idem.

⁵ Idem.

⁶ Idem.

Planning calls for proposals and tenders 2020⁸:					
Call title	Call identifier	Publication date⁹	Closing date¹⁰	Ind. Budget (EUR million)	Latest known result
Tax compliance costs for SMEs in the EU: an update and a complement	GRO/SME /19/A/033 a	2019	Q1 2020	0.250	Contract ongoing (achieved)
Accounting requirements for SMEs not regulated at EU-level	GRO/SME /19/A/033 b	2019		0.250	Action cancelled
Training for SME-Friendly policies in Central Purchasing Bodies	GRO/SME /19/B/07	2019	Q3 2020	0.400	Action ongoing (achieved)
Accelerate and scale up innovation applications for a sustainable and circular fashion industry	GRO/SME /19/C/08	2019	Q1 2020	3.500	Action ongoing (achieved)
EU SME Centre in China	GRO/SME /19/B/04	Q1	Q2	1.200	Action ongoing (achieved)
SPR - Annual report and fact sheets	GRO/SME /19/C/011	Q2	Q2	1.000	Contract ongoing (achieved)
Competitiveness of the European construction sector - Observatory (contract renewal)	GRO/SME /19/C/041			0.400	Contract ongoing (achieved)
Virtual Tourism Observatory	GRO/SME /19/C/072	Q1	Q3	0.205	Contract ongoing (achieved)
Promoting the take-up of Corporate Social Responsibility (CSR) by SMEs and start-ups	GRO/SME /19/D/03	Q3 2019	Q2 2020	0.150	Contract ongoing (achieved)

⁷ The team will analyse these results in detail to understand why the target was not met and identify relevant follow up actions. From a preliminary reading of participants' comments, the reasons for these lower results seem to be linked to a need for faster replies, more consistent management of contracts and clarity of roles between EASME and partner DGs during the execution of the contract.

⁸ The table lists all calls (for proposals and open calls for tenders and FWC) published and/or with a deadline for submission in 2020, regardless of the year of adoption of the WP.

⁹ Publication dates are tentative and based on the ones scheduled in the WP.

¹⁰ To be read as: "date of submission of the proposal/offer".

Hackathon - European Industry day 2020	GROW/SM E/19/F/22 2	Q1	Q3	0.500	Contract ongoing (achieved)
Enterprise Europe Network (EEN) grants	GROW/SM E/20/B/01 1 ¹¹	Q2 2019	Q2 2019	54.350	Actions ongoing (achieved)
Enterprise Europe Network (EEN) Annual Conference	GROW/SM E/20/B/01 2	Q1	Q1	0.150	Action completed (achieved)
Enterprise Europe Network animation tasks	GROW/SM E/20/B/02	Q1	Q2	3.150	Contract ongoing (achieved)
EU-Japan Center for Industrial Cooperation	GROW/SM E/20/B/03	Q1	Q1	5.600	Action ongoing (achieved)
Supporting European SMEs to participate in public procurement outside EU	GROW/SM E/20/B/04	Q1	Q3	2.000	Action under evaluation (achieved)
Co-financing of public procurement of innovation consortia	GROW/SM E/20/B/05	Q1	Q1 2021	10.000	Action published (achieved)
Adaptations of Your Europe Business and SOLVIT	GROW/SM E/20/B/09 3	Q4	Q4	0.600	Contract published (achieved)
Creating Links for the Facilitation of Public Procurement of Innovation	GROW/SM E/20/B/06	Q1	Q1 2021	1.500	Action published (achieved)
Training for SME-Friendly policies in Central Purchasing Bodies	GROW/SM E/20/B/07	Q2	Q3	0.500	Action planned (not achieved)
International Intellectual property SME Helpdesks	GROW/SM E/20/B/10 /A	Q1	Q3	5.000	Contract ongoing (achieved)
International Intellectual Property SME Helpdesks- INDIA	GROW/SM E/20/B/10 /B	Q2	Q2	1.000	Contract ongoing (achieved)
Setting up of a Big Public Buyers network for strategic public procurement	GRO/SME /20/B/11	Q4	Q4	5.000	Contract in preparation (not achieved)
Boosting competitiveness and innovation capacity of SMEs through creative partnerships	GROW/SM E/20/C/05	Q2	Q1 2021	4.000	Contract published (achieved)

¹¹ Covered by the call COS-EEN-SGA-2020-2021, carried out in 2019.

and the use of new technologies - Worth Partnership II					
Competitiveness of tourism industry – implementation of policy (events, stakeholders' meetings, market intelligence capacity building through ad-hoc analytical or trends reports) - European Tourism Day 2021	GROW/SM E/20/C/08 1	Q1		0.250 ¹²	Contract planned (not achieved)
Implementation of the Action Plan "Construction 2020" – European Construction Observatory year 4	GROW/SM E/20/C/10	Q1		0.400	Contract planned (not achieved)
SME POLICY / SME Assembly	GROW/SM E/20/C/01 2	Q1	Q4	1.100	Contract under evaluation (achieved)
SME POLICY / contract renewal EASME/COSME/2017 /041	GROW/SM E/20/C/01 4			0.698	Contract ongoing (achieved)
Clusters Go International	GROW/SM E/20/C/02	Q3	Q4	6.600	Action published (achieved)
Cluster Internationalisation Programme for SMEs in the Defence & Security sector	GROW/SM E/20/C/03	Q1	Q4	0.900	Action published (achieved)
European Cluster Excellence Programme with ClusterXchange scheme connecting ecosystems and cities	GROW/SM E/20/C/04	Q4	Q1 2021	6.000	Action published (achieved)
European Cluster Collaboration Platform	GROW/SM E/20/C/15	Q4		5.900	Contract planned (not achieved)
Innovation uptake and digitalisation in the tourism sector	GROW/SM E/20/C/07	Q2	Q1 2021	8.000	Action published (achieved)

¹² Exact amount out of the total budget not yet specified by DG GROW at the time of drafting of the present document.

Strategic alliances for the uptake of advanced technologies by SMEs	GROW/SM E/20/C/09	Q2	Q1 2021	5.000	Action published (achieved)
European Social Economy Missions	GROW/SM E/20/D/0 1 and GROW/SM E/20/D/0 2	Q1/Q2	Q2	1.665	Action in grant agreement preparation (achieved)
Erasmus for Young Entrepreneurs - Support Office	GROW/SM E/20/D/0 11	Q2	Q3	0.700	Contract under evaluation (achieved)
Setting up of a Big Public Buyers network for strategic public procurement	GRO/SME /20/B/11	Q3		5.000	Call not launched. First draft of tender specifications not received
Enhancing Digital and Entrepreneurial Competences in Girls and Women	GRO/SME /20/D/03	Q4 2020		0.500	Call not launched. First draft of tender specifications not received
TOTAL				143.42	

Innovation in SMEs

Specific objective: <i>To ensure an effective and efficient implementation of Horizon 2020 and maximise synergies</i>			Parent DG: GROW Related to spending programme Horizon 2020
Main outputs in 2020:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	5	5
Calls for tender	Number of calls published	1	1
Evaluation sessions	Number of evaluation sessions implemented	8	7 (INNOSUP 8 call postponed on request of H2020 programme committee – new deadline 28/01/21)
	Time to inform applicants	100% of applicants informed within 5 months (153 days) after the call deadline	100%
	% of evaluated proposals challenged	Less than 3% of evaluated proposals	1,08%

	under the evaluation review procedure		
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0.5%
Grant agreements	Number of grant agreements signed	55 + 89 EEN H2020	61 INNOSUPS +90 EEN H2020 SGAs
	Time to grant	100% of grant agreements signed within 8 months (245 days) after the call deadline.	100%
Contracts	Number of contracts signed	2	2
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	60 + 89 EEN H2020	16 + 89 EEN H2020 (many projects extended to 2021 due to the Covid-19 pandemic - final report assessments thus postponed to 2021).
Payments	Time to pay	100% of payments within legal deadlines	100%
Applicants' feedback on services provided by the Agency ¹³	Satisfaction rate	65%	35.7% ¹⁴
Beneficiaries' feedback on services provided by the Agency ¹⁵	Satisfaction rate	85%	91.3%
External experts' feedback on services provided by the Agency ¹⁶	Satisfaction rate	86%	89.2%

¹³ Source: 2020 EASME client satisfaction survey Final report

¹⁴ The team will analyse these results in detail to understand why the target was not met and identify relevant follow up actions. From a preliminary reading of participants' comments, the lower level of satisfaction seems to be partly linked to the difficulty in finding online information as well as a request for more guidance and access to good practice to understand what is expected. Respondents also called for a more direct helpdesk contact as well as less complex language and procedures.

¹⁵ Idem.

¹⁶ Idem.

Planning calls for proposals 2020 ¹⁷ :					
Call title	Call identifier	Opening date	Closing date	Ind. Budget (EUR million)	Latest known result/achieved/not achieved (latter to be explained)
Cluster facilitated projects for new industrial value chains	INNOSUP-01-2018-2020	07/11/2019	02/04/2020 (stage 1) 08/09/2020 (stage 2)	25.15	Achieved. Five funded projects (total EU contribution: ~€24.83 million)
European SME innovation Associate - pilot	INNOSUP-02-2019-2020	03/09/2019	15/01/2020	4.5	Achieved. 42 funded projects (total EU contribution: ~€4.84 million)
Peer learning of innovation agencies	INNOSUP-05-2018-2020	07/11/2017	17/03/2020 (cut off)	0.25	Achieved. Seven funded projects (total EU contribution: €350,000).
Peer learning of innovation agencies	INNOSUP-05-2018-2020	07/11/2017	14/10/2020 (cut off)	0.25	Achieved. Five funded projects (total EU contribution: €250,000).
Pan-European advanced manufacturing assistance and training for SMEs	INNOSUP-08-2020	04/08/2020	01/12/2020	5.7	Not yet achieved but still expected. Award decision delayed due to postponement of the call deadline. ERL to be sent Q1 2021. One project to be funded.
Enterprise Europe Network's services provision	Other Actions 1	28/03/2019	04/06/2019	14.1	Achieved. 90 projects running.
TOTAL:				49.95	€35.97 million + €22.3 EEN¹⁸

¹⁷ The table lists all calls published and/or with a deadline for submission in 2019, regardless of the year of adoption of the WP.

¹⁸ Includes amount for three Enterprise Europe Network (EEN) H2020 contracts in third countries not participating in COSME but taking part in H2020.

Specific objective: <i>To ensure an effective and efficient implementation of Horizon 2020 and maximise synergies</i>		Parent DGs: RTD, GROW, ENER, CONNECT Related to spending programme Horizon 2020	
Main outputs in 2020:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	2
Calls for tender	Number of calls published	2	2
Evaluation sessions	Time to inform applicants	EIC 100% of applicants informed within 4 months (120 days) after the cut-off date FTI: 100% of applicants informed within 3 months (92 days) after the cut-off date	Achieved EIC-accelerator: 48 days in average for TTI, 68 days in average for TTI for selected companies FTI: 100% of applicants informed within 3 months (92 days) after the cut-off date
	% of evaluated proposals challenged under the evaluation review procedure	EIC Accelerator: Less than 3% of evaluated proposals FTI – less than 3%	Achieved EIC Accelerator: less than 1% of evaluated proposals FTI – less than 3%
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	Achieved EIC Accelerator – 0% FTI – 0%
Grant agreements	Number of grant agreements signed	+250	EIC Accelerator - 259 FTI - 39
	Time to grant	100% of grant agreements signed within 6 months (183 days) after the cut-off date	Not achieved 80.3% (due to complexity of dossiers and procedures – e.g. grants + equity projects; ethics screening for health projects and additional checks for security projects).
Contracts	Number of	No target	Evaluators:2320

	contracts signed		Monitors: 830 Coaches: 771
Payments	Time to pay	100% of payments within legal deadlines	Achieved 100% of payments within legal deadlines
EIC Community meetings	Satisfaction rate	85%	85%
Business acceleration services	Satisfaction rate for EIC Corporate days and EIC Investors Days	85%	85%
Applicants' feedback on services provided by the Agency ¹⁹ (EIC pilot/fast track to innovation)	Satisfaction rate	65%	47.8% ²⁰
Beneficiaries' feedback on services provided by the Agency ²¹ (EIC pilot/ fast track to innovation)	Satisfaction rate	85%	91.7%
External experts' feedback on services provided by the Agency ²² (EIC pilot/fast track to innovation)	Satisfaction rate	86%	96.1%

Planning calls for proposals 2020:					
Call title	Call identifier	Publication date	Cut-off date	Ind. Budget (EUR million)	Latest known result
Horizon 2020 EIC	H2020-EIC 2018-2020	06/06/2019	08/01/2020 20/03/2020	969 ²³ (654 in	100%

¹⁹ Source: 2020 EASME client satisfaction survey Final report

²⁰ The team will analyse these results in detail to understand why the target was not met and identify relevant follow up actions. From a preliminary reading of participants' comments, the lower level of satisfaction seems to be partly linked to the difficulty in finding online information as well as a request for more guidance and access to good practice to understand what is expected. Respondents also called for a more direct helpdesk contact as well as less complex language and procedures.

²¹ idem

²² idem

²³ Additional budget included Covid-19 related and Green Deal calls

Accelerator 2018-2020			19/05/2020 07/10/2020	AWP)	
Horizon 2020/ FTI	H2020-EIC- FTI-2018- 2020	07/11/2017	19/02/2020 09/06/2020 27/10/2020	100	100%
Total:				1069	100%

EIC-pilot in action:

More than 45 events took place in 2020, adapted due to the Covid-19 pandemic to an online format and involving more than 700 EIC funded companies and projects.

Matching events like EIC Corporate and Investor Days offered exclusive business opportunities with partners like [AbinBev](#), [Enel](#), [BBVA& Ferrovial](#), [Roche](#), [Unilever](#), [Evonik](#), BPI France, [Euronext](#), [European Space Agency](#), [PKO Bank](#) Polski, [Thales](#), [CaixaBank](#) and [Amadeus](#). Each participating EIC company had on average three 1-to-1 meetings with business partners and 4 follow-up contacts. For the Corporate Days on average 26% of participating companies had a business follow up within 6 months after the event in a form of a deal or proof-of-concept with the Corporate.

In 2020 EIC beneficiaries benefitted from new services including:

EIC Innovation Hub visits to [Stockholm](#), [Barcelona](#) and [Berlin](#) organised in cooperation with local partners aiming to submerge EIC companies and projects from around Europe in local innovation ecosystems and connect them with local startups, investors and corporates.

EIC buyers activities connected the EIC innovators with buyers looking to exploit deep tech innovations through early market consultation and thematic procurement scouting days. EASME piloted such activities with private buyers associated with German [BME association](#), with [Bpost](#) and 2 pitching events with hospitals and other public actors in the domain of [COVID-19](#)

[EIC Planet.tech](#) offered enhanced cooperation with large corporates, giving innovators an opportunity to jointly devise innovative solutions to a number of pre-determined challenges in the field of sustainability.

The very first European ‘[Greenathon](#)’, which allowed EIC-innovators to co-create and pose solutions to real-life challenges from corporates like [Henkel dx Ventures](#), [Saint-Gobain](#), [Danfoss](#) and [ENGIE](#).

Specific activities for EIC Pathfinder beneficiaries, included [Innovation training workshops](#) and [Corporate Pathfinder-initiative](#): bridging the gap between research and industry and speeding up the development of EIC beneficiaries’ technology.

A specific [EIC Investor Day for Women in Tech](#) connected EIC-supported companies led by women with investors where 12 innovative companies got to pitch in front of investors.

Societal challenge 'Secure, clean and efficient energy'

Specific objectives:			Parent DG: ENER Related to spending programme Horizon 2020
<ul style="list-style-type: none"> Tapping the job and growth potential of the energy sector and further developing energy technologies (Horizon 2020), including ITER and the safe and secure use of nuclear energy To contribute to the research, innovation and competitiveness dimensions of the Energy Union, and climate-change policy 			
Main outputs in 2020:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls opened	1	2 (Call 2020-2 and the Green Deal Call) + Concerted Action on RES
Calls for tender	Number of calls for tender published	4 (support facility for public authorities (Managenergy); BUILD UP portal; assessment of actions funded from Horizon 2020 (at least 2 tenders))	4
Evaluation sessions	Time to inform applicants	100% of applicants informed within 5 months (153 days) after the call deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	0,003%
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0%
New grant agreements	Number of grant agreements signed	Call 2019: 55-60 Call 2020-1: 20-25	Call 2019: 57 Call 2020-1: 21
	Time to grant	100% of grant agreements signed within 8 months (245 days) after the call deadline	100%
New contracts	Number of contracts signed	2 (assessment of finance projects and support facility for public authorities)	1 contract signed (the second call for tenders did not receive any applications)
Payments	Time to pay	100% of payments within legal deadlines	100%
Monitoring of projects	Number of projects monitored	180 plus the new grants to be signed in 2020 (see above)	240
	Number of review meetings	Around 30	28 (delays due to the Covid-19 pandemic)
	Number of project meetings attended	At least 70	131

Concerted Actions	Number of Concerted Actions meetings attended	At least 7	14
Events:			
EUSEW 2020	Number of events/applications reviewed	Events >150 Awards applications >120	250 events 207 applications
	Response time	Technical input within deadlines	100%
	% of EUSEW participants satisfied	At least 85%	89%
Sustainable Energy Investments Forum	Number of public events, roundtables, and other events	At least 6 events across Europe	8 events
Other events (e.g. contractors' meetings)	Number of meetings, workshops, and other events	At least 5	14 (3 contractors meeting, 11 workshops)
Publications	Number of articles and publications on projects	At least 3	36
Dissemination and exploitation of results	Number of projects benefitting from D&E support services (New Exploitation Booster, Innovation Radar)	At least 10	22
Feedback to parent DGs	Number of Programme Committee meetings attended	All meetings attended	100%
	Number of EASME-ENER liaison meetings	At least 7	9
	Number of policy feedback examples	At least 20	122
Applicants' feedback on services provided by the Agency ²⁴	Satisfaction rate	65%	55.6% ²⁵
Beneficiaries' feedback on services	Satisfaction rate	85%	91.4%

²⁴ Source: 2020 EASME client satisfaction survey Final report .

²⁵ The team will analyse these results in detail to understand why the target was not met and identify relevant follow up actions. From a preliminary reading of participants' comments, the lower level of satisfaction seems to be partly linked to the difficulty in finding online information as well as a request for more guidance and access to good practice to understand what is expected. Respondents also called for a more direct helpdesk contact as well as less complex language and procedures.

provided by the Agency ²⁶			
External experts' feedback on services provided by the Agency ²⁷	Satisfaction rate	86%	99.3% ²⁸

Planning calls for proposals 2020:						
Call title	Call identifier	Opening date	Closing date	Topics delegated to EASME	Ind. Budget (EUR million)	Latest known result
Energy Efficiency Call 2020	H2020-LC-SC3-EE-2020-1	16 July 2019	15 January 2020	B4E1, B4E5, B4E6, B4E7, B4E8, B4E9, B4E10, B4E12, EC4	53.50	52.8 (signed)
	H2020-LC-SC3-EE-2020-2	5 March 2020	10 September 2020	B4E2, B4E3, B4E4, B4E11, B4E12, B4E13, B4E14, EC1, EC2, EC5	64	68.7 (to be signed)
Green Deal Call ²⁹	H2020-LC-GD-2020-7	22 September 2020	26 January 2021	GD4.1	60	NA (closing in 2021)
Total:					177.5	

Societal challenge 'Climate action, environment, resource efficiency and raw materials'

Specific objective: <i>To contribute to the research, innovation and competitiveness dimension of the Energy Union and climate-change policy</i>			Parent DG: RTD and DG GROW Related to spending programme Horizon 2020
Main outputs in 2020:			
Output	Indicator	Target	Latest known result
Calls for	Number of calls	3 + 2 "other actions" calls	8+3 "other actions" calls

²⁶ Idem.

²⁷ Idem.

²⁸ External experts' satisfaction survey on the 2020 evaluation (combined responses "excellent", "very good", "good")

²⁹ Additional call requested by DG ENER

proposals	published		
Calls for tender	Number of calls published	0	0
Evaluation sessions	Time to inform applicants	100% of applicants informed within 5 months (153 days) after the call deadline	100% of applicants informed within 5 months (153 days) after the call deadline.
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	Less than 3% of evaluated proposals.
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	Around 62	64
	Time to grant	100% of grant agreements signed within 8 months (245 days) after the call deadline	100% signed within 8 months.
Payments	Time to pay	100% of payments within legal deadlines	100% on time
Events:			
• Infoday(s)	Satisfaction rate participants	83% of the respondents rated the event as at least 7 on a scale from 1 to 10.	Given that the Green Deal call info day was embedded into the R&I Days, DG R&I did not have a specific satisfaction survey on it.
• Other public events	Number of events	Around 31	22 EASME as main co-organiser. 54 Stakeholders' events with EASME participation. 76 events in total.
Dissemination and exploitation of results	Number of projects benefitting from D&E support services (New Exploitation Booster, Innovation Radar, ...)	New Exploitation booster: 5 project applications to be launched in December 2019 for 4 years Intellectual Property booster: 5 Innovation Radar: 5	(renamed Horizon Results Booster): 21 project applications IP booster data unavailable at time of publication. Innovation Radar implemented on 11 projects – 6 projects (out of the 11) have not been analysed using IR before.
Applicants' feedback on services	Satisfaction rate	65%	41.5% ³¹

provided by the Agency ³⁰			
Beneficiaries' feedback on services provided by the Agency ³²	Satisfaction rate	85%	89.7%
External experts' feedback on services provided by the Agency ³³	Satisfaction rate	86%	96.8%

Planning calls for proposals 2020:						
Call title	Call identifier	Publication date	Closing date	Topics delegated to EASME	Ind. Budget (EUR million)	Latest known result
Building a low-carbon, climate resilient future: climate action in support of the Paris Agreement	H2020-LC-CLA-2018-2019-2020	02 July 2019	13 February 2020	LC-CLA-21-2020 LC-CLA-22-2020 LC-CLA-23-2020	7.5	Information letters sent on 24/06/2020 GAPs signed
Building a low-carbon, climate resilient future: climate action in support of the Paris Agreement	H2020-LC-CLA-2018-2019-2020	02 July 2019	13 February 2020 (First Stage) 3 September 2020 (Second Stage)	LC-CLA-10-2020 LC-CLA-11-2020 LC-CLA-12-2020 LC-CLA-13-2020 LC-CLA-14-2020	182	Information letters sent on 26/05/2020 Information letters sent on 14/12/2020

³¹ The team will analyse these results in detail to understand why the target was not met and identify relevant follow up actions. From a preliminary reading of participants' comments, the lower level of satisfaction seems to be partly linked to the difficulty in finding online information as well as a request for more guidance and access to good practice to understand what is expected. Respondents also called for a more direct helpdesk contact as well as less complex language and procedures.

³⁰ Source: 2020 EASME client satisfaction survey Final report

³² Idem.

³³ Idem.

				LC-CLA-15-2020 LC-CLA-16-2020 LC-CLA-17-2020 LC-CLA-18-2020 LC-CLA-19-2020 LC-CLA-20-2020		GAPs under preparation
Greening the economy in line with the Sustainable Development Goals (SDGs)	H2020-SC5-2018-2019-2020	02 July 2019	13 February 2020	CE-SC5-29-2020 SC5-26-2020 SC5-33-2020 SC5-34-2020 SC5-35-2020 SC5-36-2020	22	Information letters sent on 24/06/2020 GAPs signed
Greening the economy in line with the Sustainable Development Goals (SDGs)	H2020-SC5-2018-2019-2020	02 July 2019	13 February 2020 (First Stage) 3 September 2020 (Second Stage)	CE-SC5-24-2020 CE-SC5-25-2020 CE-SC5-28-2020 CE-SC5-30-2020 SC5-10-2019-2020 SC5-27-2020 SC5-32-2020	118.26	Information letters sent on 26/05/2020 Information letters sent on 14/12/2020 GAPs signed
Competitive, low carbon and circular industries	H2020-LCCI-2020-EASME-1	02 July 2019	05 February 2020	CE-NMBP-41-2020 CE-NMBP-42-2020 CE-SPIRE-01-2020 CE-SPIRE-07-2020 CE-SPIRE-09-2020	121.5	Information letters sent on 24/06/2020 GAPs signed

				CE-SC5-08-2020		
Competitive, low carbon and circular industries	H2020-LCCI-2020-EASME-2	02 July 2019	13 February 2020 (First Stage) 3 September 2020 (Second Stage)	CE-SC5-07-2018-2019-2020 CE-SC5-31-2020	80	Information letters sent on 26/05/2020 Information letters sent on 14/12/2020 GAPs under preparation
Delivery of knowledge for climate adaptation and mitigation through the GEOSS infrastructure (Global Earth Observation System of Systems)	H2020-IBA-CROSS-GEOSS-2021	17 September 2020	25 March 2021	H2020-IBA-CROSS-GEOSS-2021	2.5	Letter expected to be sent July 2021
International Resource Panel (IRP) Secretariat	H2020-IBA-SC5-IRP-2020	n/a	09 July 2020	H2020-IBA-SC5-IRP-2020	2	Information letter sent on 08-12-2020 GAP under preparation
Presidency event (conference) : 'Climate Science from Space: Synergies for a greener innovation economy' – Portugal, 2021	H2020-IBA-SC5-Portugal-2020	n/a	27 October 2020	H2020-IBA-SC5-Portugal-2020	0.1	Information letter sent on 06-01-2021 GAP under preparation
Building a low-carbon, climate resilient future: Research and innovation in support of the	H2020-LC-GD-2020-3_EASME-REA	17 September 2020	26 January 2021	LC-GD-1-1-2020 LC-GD-3-2-2020 LC-GD-7-1-2020 LC-GD-8-1-2020 LC-GD-8-2-2020	300	Letters expected to be sent May 2021

European Green Deal				LC-GD-10-3-2020		
Building a low-carbon, climate resilient future: Research and innovation in support of the European Green Deal	H2020-LC-GD-2020-2_EASME-INEA	17 September 2020	26 January 2021	LC-GD-1-2-2020 LC-GD-1-3-2020 LC-GD-9-2-2020	123	Letters expected to be sent May 2021
Total:					958,86	

Programme for the Environment and Climate Action (LIFE)

Specific objectives: <ul style="list-style-type: none"> Ensuring further development and ensuring a well-functioning EU carbon market, via the EU ETS, towards further reduction of GHG emissions by energy power and heat generation installations, by energy-intensive industries and by domestic aviation; A fair and operational framework for MS towards a further reduction of GHG emissions in the non-ETS sectors in the EU; Further decarbonisation of the transport sector in the EU through development and implementation of harmonised policies; Increased resilience of EU society against the effects of climate change via effective support to MS respecting the subsidiarity principle (adaptation); Optimisation and sound and efficient management of financial incentives to support the innovation-based shift towards a low carbon and climate-resilient EU economy; The EU economy is resource-efficient, green and competitive; The Union's natural capital is protected, conserved and enhanced; The Union's citizens are safeguarded from environment-related pressures and risks to health and well-being; There is an enabling framework for environmental policy, based on smart implementation, a strong knowledge and evidence base, investment, and improved environmental integration and policy coherence; The Union's cities are more sustainable; The Union is more effective in addressing international environmental challenges 			Parent DGs: ENV, CLIMA Related to spending programme LIFE	
Main outputs in 2020:				
Output	Indicator	Target	Latest known result	
Calls for proposals	Number of calls published	4	8 calls published: LIFE-ENV (two stage): 14 July 2020 : 860 concept notes	

			<p>submitted</p> <p>LIFE Nat (two stage): 16 July 2020. 419 concept notes submitted</p> <p>LIFE GIE (two stage): 16 July 2020. 244 concept notes submitted</p> <p>LIFE- CLIMA (one stage): 6 October 2020 : 258 proposals submitted</p> <p>Integrated projects for ENV & CLIMA (two stage): 6 October 2020 : IPE: 21 concept notes received – IPC: 22 concept notes received</p> <p>Technical Assistance for ENV & CLIMA: 16 July 2020:15 full proposals received (2 ENV; 3 NAT; 10 CLIMA)</p> <p>LIFE Operating grants call SGA (23 July 2020):38 NGOs submitted</p> <p>LIFE 2020 Call for Proposals from NGOs on the European Green Deal (NGO4GD): published 10 December 2020 (deadline: 31 March 2021)</p>
Evaluation sessions	Time to inform applicants	100% of applicants informed within 6 months (183 days) after the call deadline	Achieved. Informed between 109 and 168 days
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	Achieved. 28 complaints received for the call 2020 ENV and NAT out of 1566 concept notes

			submitted (1,8%)
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	2 proposals re-evaluated out of 28 complaints received (0.56%)
Grant agreements	Number of grant agreements signed	~180 action grants 38 operation grants (38 FPA and 38 SGA)	161 action grants (lower number due to awarding larger grants) 75 operation grants (38 SGA 2019 and 37 SGA 2020) No FPAs in 2020 (published every 2 years).
	Time to grant	100% of grant agreements signed within 9 months (274 days) after the call deadline	88% of grant agreements signed within 9 months (Some Covid-related delays for beneficiaries collecting / signing / sending documentation)
Contracts	Number of contracts signed	1 specific contract for monitoring activities 3 specific contracts for evaluation activities	Achieved. 1 specific contract for monitoring activities 3 specific contracts for evaluation activities
Payments	Time to pay	100% of payments within legal deadlines	98.3% of payments within legal deadlines (540 payments done)
Events:			
<ul style="list-style-type: none"> EU Info day(s) + ~24 National Info-Days with EASME.B.3 participation 	Satisfaction rate participants	At least 80% satisfactory feedback	30 April 2020: virtual Infoday with 5000 connections. 96% satisfaction rate from participants.
<ul style="list-style-type: none"> NCP Training 	Number of training sessions	1 (March 2020)	Virtual NCP training: Spring session with 150 participants + virtual webinar with NCPs on 11 June to inform them about the impact of COVID-19 measures on call for proposals 2020
<ul style="list-style-type: none"> Kick-off meetings: call 2019 	Number of meetings	4 (climate actions, nature &	4 Virtual "LIFE Welcome meetings". Horizontal session for

projects		biodiversity, Environment, resource efficiency, environment governance & information)	all strands: 7-8 October 2020 Thematic sessions: NAT: 17 November ENV: 19 November CLIMA: 22 September
• Thematic Platform meetings	Number of meetings	~5	1 Platform meeting with the participation of EASME (target revised from 5 to 1 for cost and efficiency reasons)
Applicants' feedback on services provided by the Agency ³⁴	Satisfaction rate	65%	63.4% ³⁵
Beneficiaries' feedback on services provided by the Agency ³⁶	Satisfaction rate	85%	88.9%

Planning calls for proposals and tenders 2020:					
Call title	Call identifier	Publication date	Closing date	Ind. Budget (EUR million)	Latest known result
Action grants for traditional projects environment	LIFE-TP-EASME-2020-Two stage	2 April 2020	ENV: 14 July 2020 (first stage) NAT 16 July 2020 (first stage) GIE 16 July 2020 (first stage) 17 February 2021 (second stage)	235.8	ENV: 844 concept notes (CN) submitted and 123 invited to submit a full proposal (FP) NAT: 416 concept notes (CN) submitted and 138 invited to submit a full proposal (FP) GIE: 244 concept notes (CN) submitted and 26 invited to submit a full proposal (FP)
Action grants	LIFE-TP-	2 April 2020	6 October 2020	75.2	GIC: 44 proposals

³⁴ Source: 2020 EASME client satisfaction survey Final report

³⁵ The team will analyse these results in detail to understand why the target was not met and identify relevant follow up actions. From a preliminary reading of participants' comments, the lower level of satisfaction seems to be partly linked to the difficulty in finding online information as well as a request for more guidance and access to good practice to understand what is expected. Respondents also called for a more direct helpdesk contact as well as less complex language and procedures.

³⁶ Idem.

for traditional projects CLIMA	EASME-2020- One Stage				submitted CCA: 110 proposals submitted CCM: 104 proposals submitted The panel meetings are still ongoing.
Integrated projects for clima and environment	LIFE-IP-EASME-2020 (two stage)	2 April 2020	6 October 2020 (first stage) March 2021 (second stage)	141.9	IPE: 21 CN submitted and 16 invited to submit a FP IPC: 22 CN submitted and 15 invited to submit a FP
NGO annual operating grants	LIFE Operating Grants call SGA 2	June 2020	23 July 2020	12.2	37 Specific Grant Agreements out of 38 signed before 31/12/2020
Technical assistance projects for Environment and CLIMA	LIFE-TA-EASME-2020	2 April 2020	16 July 2020	1.4	15 proposals submitted and 7 proposed for funding (5 CLIMA and 2 NAT)
Total:				466.5³⁷	

European Maritime and Fisheries Fund (EMFF)

Specific objectives: <ul style="list-style-type: none"> <i>Sustainable and competitive fisheries and aquaculture by 2020</i> <i>A sustainable blue economy, generating growth, jobs and prosperity by 2020</i> 			Parent DG: MARE Related to spending programme EMFF
Main outputs in 2020:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	6	4 published <i>(2 calls cancelled by parent DG)</i>
Calls for tender	Number of calls published	24	23 published <i>1 Cft was not launched as initially expected (FWC for scientific advice in MED + BS)</i>
Evaluation sessions	Time to inform applicants	100% of applicants informed within 6	Achieved. Average TTI was 74 days.

³⁷ In addition, an amount of EUR 12.4 million is delegated to EASME for procurement

		months (183 days) after the call deadline	
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	2.9%
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	27	15 <i>The discrepancy due to:</i> - 9 fewer GAs signed under BEW-2019 as expected - 2 actions cancelled by DG MARE (1 IBA and 1 GA not signed as expected) - 1 less GA signed than planned for OM-2019
	Time to grant	100% of grant agreements signed within 9 months (274 days) after the call deadline	Achieved. Average TTG was 182 days.
Contracts	Number of contracts signed	26	26 (9 service contracts and 17 specific contracts)
Payments	Time to pay	100% of payments within legal deadlines	100%
Events:			
• Info day(s)	Satisfaction rate participants	80-85%	88%
Applicants' feedback on services provided by the Agency ³⁸	Satisfaction rate	65%	66.6%
Beneficiaries' feedback on services provided by the Agency ³⁹	Satisfaction rate	85%	92.3%
Contractors' feedback on service provided by the Agency ⁴⁰	Satisfaction rate	67%	80%
External experts' feedback on services provided by the Agency ⁴¹	Satisfaction rate	86%	94.1%

³⁸ Source: 2020 EASME client satisfaction survey Final report

³⁹ source: 2020 EASME client satisfaction survey Final report

⁴⁰ Idem.

⁴¹ Idem.

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Planning calls for proposals and tenders 2020:					
Call title	Call identifier	Publication date	Closing date	Ind. Budget (EUR million)	Latest known result
Grants:					
Environmental monitoring of ocean energy deployment	2019/1.2.1.1	Q4 2019	Q1 2020	2.3	1 GA signed on 7 August 2020
Knowledge management for the blue economy in the Black Sea	2019/1.2.1.4	Q4 2019	Q1 2020	0.10	1 GA signed on 1 July 2020
Maritime Spatial Planning (MSP) projects	2019/1.2.1.8	Q1 2019	Q3 2019	3.0	1 GA signed on 6 March 2020 *Evaluation finalised in 2019
Blue Economy Window 2019	2019/1.2.1.9	Q4 2019	Q1 2020	22.85	11 GAs signed
European Coast Guard Functions Forum (ECGFF)	2020/2.1.1	Q1 2020	Q2 2020	0.08	1 GA signed on 7 September 2020
Mediterranean Coast Guard Functions Forum (MCGFF)	2020/2.1.2	Q1 2020	Q2 2020	0.08	Action cancelled by DG MARE
Maritime Spatial Planning Projects	2020/2.1.4	Q1 2020	Q2 2020	4	Evaluation ongoing
Cross-sectoral development of innovative port clusters in the Atlantic	2020/2.1.7	Q1 2020	Q2 2020	0.9	GA in preparation
Blue Economy Window 2020	2020/2.1.8	Q3 2020	Q4 2020	20	Call for proposals launched in November 2020
Standards for fishing gears	2020/2.1.9	Q2 2020	Q3 2020	0.9	Action cancelled by DG MARE
Total Grants:				54.21	
Tenders:					
European Marine observation	2019/1.3.1.9	Q1 2020	Q2 2020	5.34	3 service contracts signed (lot 1, 6 and 7)

and Data Network (EMODnet 2019)					
Study supporting the evaluation of EU Regulation (EU) 2016/2336 establishing specific conditions for fishing for deep-sea stocks	2019/1.3.1.13			0.3	1 specific contract signed on 10 February 2020
Scientific support to the High Seas Fisheries in the Central Arctic Ocean	2019/1.3.2.1	Q1 2020	Q3 2020	0.89	1 specific contract signed in 2020
Scientific advice for Fisheries beyond EU waters	2019/1.3.2.2	Q1 2020	Q3 2020	0.83	3 specific contracts signed in 2020
Studies providing scientific advice in support of the CFP in EU waters excluding Mediterranean and Black Sea	2019/1.3.2.4	Q1 2020	Q3 2020	2.3	5 specific contracts signed
Studies providing scientific advice for the Mediterranean and the Black Sea	2019/1.3.2.6	Q1 2020	Q2 2020	0.5	2 service contracts signed in 2020
Feasibility study on establishing and EU-Africa Task Force for policy cooperation and dialogue on international	2020/3.1.1	Q1 2020	Q2 2020	0.1	1 specific contract signed on 9 July 2020

ocean governance					
Black Sea Assistance Mechanism	2020/3.1.2	Q1 2020	Q2 2020	0.9	1 service contract signed on 14 September 2020
Study on Underwater Munition	2020/3.1.5	Q3 2020	Q4 2020	0.2	1 specific contract signed on 10 December 2020
WestMED and Atlantic assistance Mechanism	2020/3.1.6	Q1 2020	Q2 2020	2.23	WestMED - contract automatically renewed on 26 September 2020 (considered as 1 service contract in the statistics) Atlantic – 1 service contract signed on 19 August 2020
Assistance Mechanism for the Implementation of MSP	2020/3.1.7	Q4 2020	Q1 2021	0.88	Contract to automatically renew in March 2021
European Marine observation and Data Network (EMODnet 2020)	2020/3.1.11	Q3 2020	Q4 2020	6.59	1 service contract for lot 4 signed on 14 December 2020, the three remaining service contracts (lot 2, lot 3 and 5) under preparation
Synergies and clustering between maritime projects	2020/3.1.12	Q2 2020	Q3 2020	0.3	Evaluation ongoing
Toolbox and Supporting Actions for an Algae Initiative	2020/3.1.13	Q2 2020	Q3 2020	0.65	Planned
Assessing the costs of non-implementation of ocean governance	2020/3.1.14	Q2 2020	Q3 2020	0.66	Request for service launched
Cross-sectoral small support	2020/3.1.17	Q1 2020	Q4 2020	0.75	Uptake of new technology for

studies					<p>ocean observation – 1 specific contract signed on 31 August 2020</p> <p>Green deal studies (lot 1 and lot 2) – under evaluation</p> <p>Algae impact assessment – request for service launched</p> <p>Algae and climate study – CfT to be launched in the beginning of February 2021</p> <p>MSP study – planned</p>
Study for the evaluation of Council Regulation (EC) No 734/2008 on the protection of vulnerable marine ecosystems (VMEs) (action added via amendment to the WP)	2020/3.1.17			0.2	Action cancelled by DG MARE
Scientific support to the High Seas Fisheries in the Central Arctic Ocean	2020/3.2.1	Q1 2020	Q4 2020	1	Planned
Scientific advice for Fisheries beyond EU waters	2020/3.2.3	Q1 2020	Q4 2020	1.1	Planned
FWC for scientific advice in the Mediterranean	2020/3.2.4	Q2 2020	Q3 2020	-	CfT under preparation

and the Black Sea					
Studies providing scientific advice for the Mediterranean and the Black Sea	2020/3.2.5	Q1 2020	Q4 2020	1	Planned
Studies providing scientific advice in support of the CFP in EU waters excluding Mediterranean and Black Sea	2020/3.2.6	Q1 2020	Q4 2020	2.3	4 specific contracts signed in December 2020 and 2 specific contracts under preparation, other studies under planning
Total Tenders:				29.02	
Total:				83.23	

ANNEX 3: Draft annual accounts and financial reports

AAR 2020 Version 1

Annex 3 Financial Reports - IEEA - Financial Year 2020

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

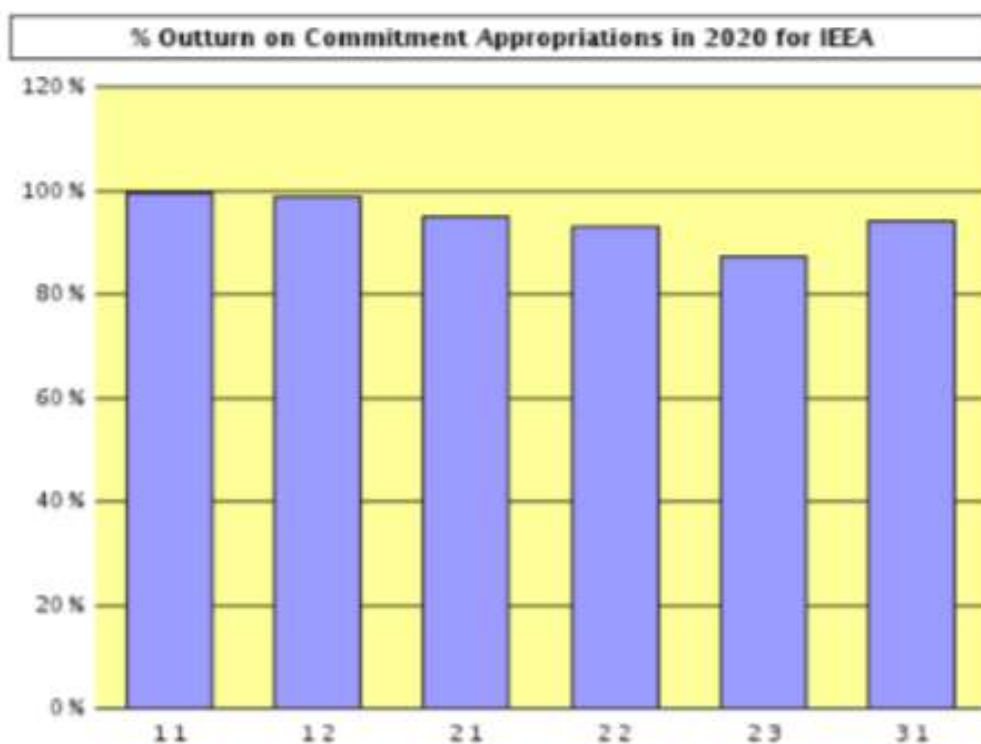
Table 10 : Waivers of Recovery Orders

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

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for IEEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	1 1	Remunerations, allowances and charges	37.38	37.09	99.28 %
	1 2	Professional development & social expenditure	2.37	2.34	98.71 %
Total Title 1			39.73	39.43	99.25 %
Title 2 Infrastructure and operating expenditure					
2	2 1	Building expenditure	5.45	5.18	94.77 %
	2 2	ICT expenditure	2.14	1.99	92.95 %
	2 3	Movable property and Current Operating expenditure	0.21	0.18	87.11 %
Total Title 2			7.79	7.33	94.07 %
Title 3 Programme support expenditure					
3	3 1	Programme management expenditure	1.72	1.62	94.05 %
Total Title 3			1.72	1.62	94.05 %
Total IEEA			49.24	48.38	98.25 %

* 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).

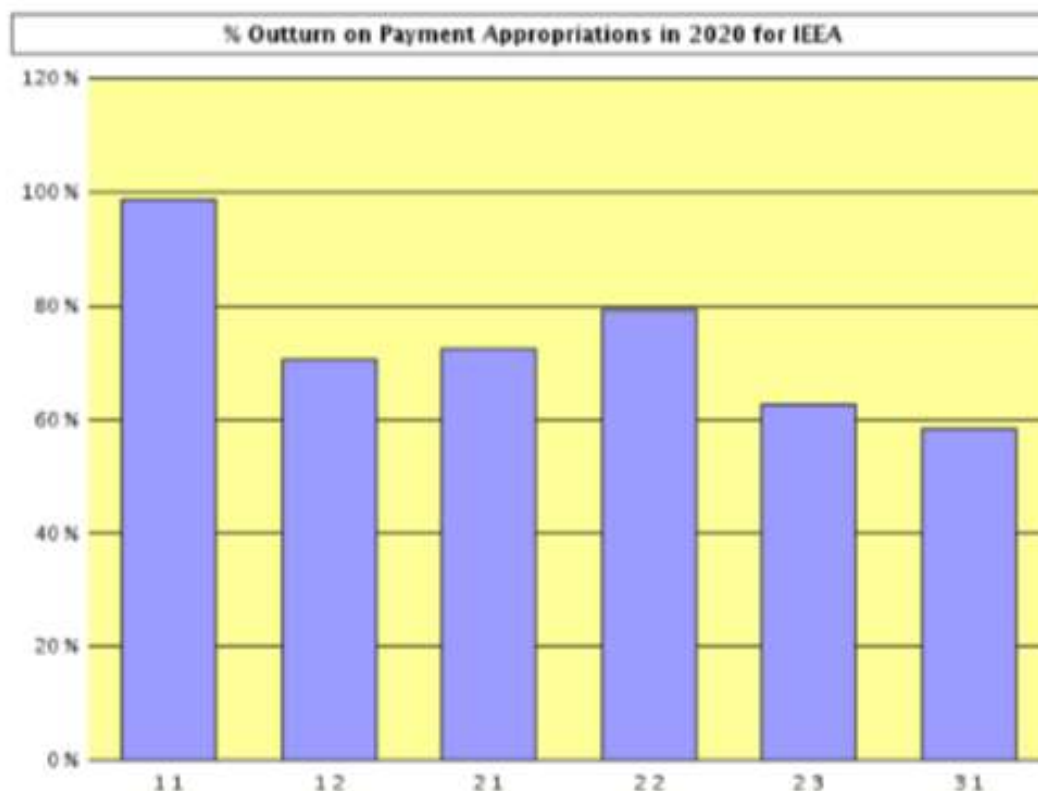
Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors



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

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2020 (in Mio €) for IEEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	1 1	Remunerations, allowances and charges	37.51	37.03	98.71 %
	1 2	Professional development & social expenditure	2.95	2.08	70.42 %
Total Title 1			40.46	39.10	96.65%
Title 2 Infrastructure and operating expenditure					
2	2 1	Building expenditure	6.71	4.85	72.35 %
	2 2	ICT expenditure	2.75	2.18	79.40 %
	2 3	Movable property and Current Operating expenditure	0.39	0.24	62.83 %
Total Title 2			9.85	7.28	73.93%
Title 3 Programme support expenditure					
3	3 1	Programme management expenditure	3.41	1.99	58.24 %
Total Title 3			3.41	1.99	58.24%
Total IEEA			53.72	48.37	90.05 %

* 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).



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

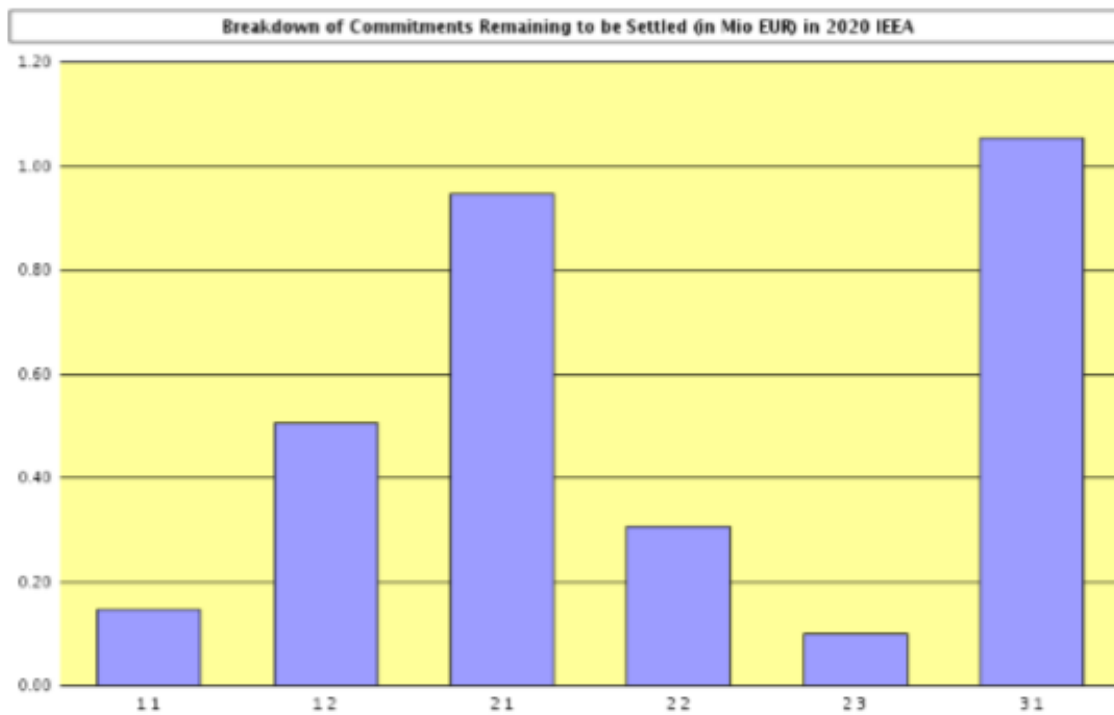
TABLE 5 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (In Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	KAL	% to be settled			
			1	2	3=1-2	4=1-2/3	5	6=3+5	7
1	1.1	Remunerations, allowances and charges	37.09	36.94	0.15	0.40%	0.00	0.15	0.15
	1.2	Professional development & social expenditure	2.34	1.83	0.51	21.60%	0.00	0.51	0.58
Total Title 1			39.43	38.77	0.66	1.68%	0.00	0.66	0.73

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	KAL	% to be settled			
			1	2	3=1-2	4=1-2/3	5	6=3+5	7
2.	2.1	Building expenditure	5.16	4.22	0.95	18.31%	0.00	0.95	1.26
	2.2	ICT expenditure	1.99	1.68	0.31	15.48%	0.00	0.31	0.61
	2.3	Movable property and Current Operating expenditure	0.18	0.08	0.10	55.64%	0.00	0.10	0.18
Total Title 2			7.33	5.98	1.36	18.45%	0.00	1.36	2.06

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	KAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3.1	Programme management expenditure	1.82	0.57	1.05	65.05%	0.00	1.05	1.69
Total Title 3			1.82	0.57	1.05	65.05%	0.00	1.05	1.69

Total :			48.53	45.33	3.06	8.12 %	0.00	3.06	4.43
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors



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

TABLE 4 : BALANCE SHEET for IEEA

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	1,273,604	1,484,708
A.I.1. Intangible Assets	76	536
A.I.2. Property, Plant and Equipment	1,273,528	1,484,172
A.II. CURRENT ASSETS	6,695,690	5,187,789
A.II.2. Current Pre-Financing	0	0
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	1,375,076	83,212
A.II.6. Cash and Cash Equivalents	5,320,614	5,104,577
ASSETS	7,969,294	6,672,497
P.I. NON CURRENT LIABILITIES	-33,455	-49,535
P.I.3. Non-Current Financial Liabilities	-33,455	-49,535
P.II. CURRENT LIABILITIES	-6,842,041	-3,526,060
P.II.2. Current Provisions	-56,425	-26,125
P.II.3. Current Financial Liabilities	-16,513	-16,403
P.II.4. Current Payables	-3,645,443	-709,420
P.II.5. Current Accrued Charges & Defrd Income	-3,123,660	-2,774,112
LIABILITIES	-6,875,496	-3,575,596
NET ASSETS (ASSETS less LIABILITIES)	1,093,798	3,096,901
P.III.2. Accumulated Surplus/Deficit	-3,096,901	-2,394,881
Non-allocated central (surplus)/deficit*	2,003,103	-702,020
TOTAL	0	0

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

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for IEEA

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-46,946,506	-47,945,214
II.1.2. EXCHANGE REVENUES	-46,946,506	-47,945,214
II.1.2.2. OTHER EXCHANGE REVENUE	-46,946,506	-47,945,214
II.2. EXPENSES	48,949,609	47,243,194
II.2. EXPENSES	48,949,609	47,243,194
II.2.10. OTHER EXPENSES	12,398,093	13,552,210
II.2.6. STAFF AND PENSION COSTS	36,550,266	33,689,862
II.2.8. FINANCE COSTS	1,250	1,123
STATEMENT OF FINANCIAL PERFORMANCE	2,003,103	-702,020

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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.

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

TABLE 5bis : OFF BALANCE SHEET for IEEA

OFF BALANCE	2020	2019
OB.1. Contingent Assets	39,705	74,704
GR for performance	0	0
GR for pre-financing	39,705	74,704
OB.3. Other Significant Disclosures	-8,201,682	-7,817,614
OB.3.2. Comm against app. not yet consumed	-772,200	-1,274,392
OB.3.5. Operating lease commitments	-5,429,483	-6,543,223
OB.4. Balancing Accounts	6,161,978	7,742,910
OB.4. Balancing Accounts	6,161,978	7,742,910
OFF BALANCE	0	0

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

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

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2020 for IEEA

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)	Late Payments Amount	Percentage
30	636	634	99.69 %	11.59	2	0.31 %	33.5	29,250	0.49 %
45	21	18	85.71 %	14.22	3	14.29 %	98	13,000	0.31 %
60	10	10	100.00 %	13					

Total Number of Payments	667	662	99.26 %		5	0.76 %		42,263.97	0.56 %
Average Net Payment Time	12.15			11.65			72.2		
Average Gross Payment Time	12.16			12.70			72.4		

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
0	23	30	4.50 %	667	640,646	5.26 %	12,181,457

DG	GL Account	Description	Amount (Eur)

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

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2020 for IEEA								
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	
2 0	Subsidy	49,240,804	0	49,240,804	49,240,804	0	49,240,804	0
9 0	Other income	17,012	2,231	19,243	17,012	2,231	19,243	0
Total IEEA		49,257,816	2,231	49,260,047	49,257,816	2,231	49,260,047	0

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

TABLE 8 : RECOVERY OF PAYMENTS in 2020 for IEEA
(Number of Recovery Contexts and corresponding Transaction Amount)

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
No Link			1	7,074		
Sub-Total			1	7,074		

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES	6	325			6	325	22	119,564	60.00%	0.27%
Sub-Total	6	325			6	325	22	119,564	60.00%	0.27%
GRAND TOTAL	6	325			6	325	23	126,638	54.55%	0.26%

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

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2020 for IEEA

	Number at 1/1/2020 1	Number at 12/31/2020	Evolution	Open Amount (Eur) at 1/1/2020 1	Open Amount (Eur) at 12/31/2020	Evolution
2019	1		-100.00 %	2,231		-100.00 %
	1		-100.00 %	2,231		-100.00 %

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

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for IEEA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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There are 0 waivers below 60 000 € for a total amount of 0.00

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

Annex 3 Financial Reports - DG IEEA - Financial Year 2020

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

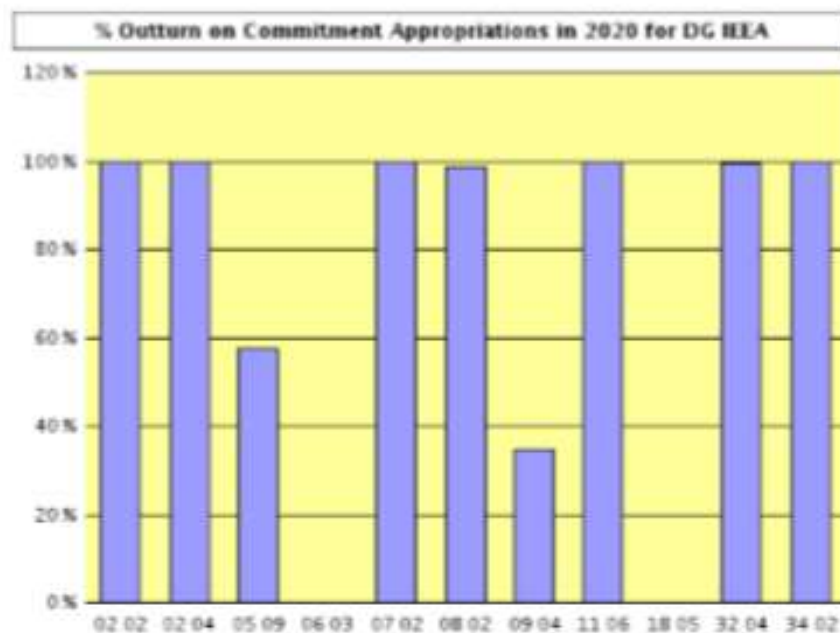
Table 15 : FPA duration exceeds 4 years

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

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG IEEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	126.04	126.74	99.92 %
	02 04	Horizon 2020 - Research relating to enterprises	189.01	188.54	99.75 %
Total Title 02			315.05	315.28	99.82 %
Title 05 Agriculture and rural development					
05	05 09	Horizon 2020 - Research and innovation related to agriculture	0.22	0.12	57.45 %
Total Title 05			0.22	0.12	57.45 %
Title 06 Mobility and transport					
06	06 03	Horizon 2020 - Research and innovation related to transport	0.05	0.00	0.00 %
Total Title 06			0.05	0.00	0.00 %
Title 07 Environment					
07	07 02	Environmental policy at Union and international level	362.28	362.28	100.00 %
Total Title 07			362.28	362.28	100.00 %
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	828.95	817.00	98.56 %
Total Title 08			828.95	817.00	98.56 %
Title 09 Communications networks, content and technology					
09	09 04	Horizon 2020	0.33	0.12	34.87 %
Total Title 09			0.33	0.12	34.87 %
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	45.96	45.96	100.00 %
Total Title 11			45.96	45.96	100.00 %
Title 18 Migration and home affairs					
18	18 05	Horizon 2020 - Research related to security	0.00	0.00	0.00 %
Total Title 18			0.00	0.00	0.00 %
Title 32 Energy					
32	32 04	Horizon 2020 - Research and innovation related to energy	203.03	201.77	99.38 %
Total Title 32			203.03	201.77	99.38 %
Title 34 Climate action					
34	34 02	Climate action at Union and international level	115.87	115.86	99.99 %
Total Title 34			115.87	115.86	99.99 %
Total DG IEEA			1,872.54	1,858.39	99.24 %

* 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).

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

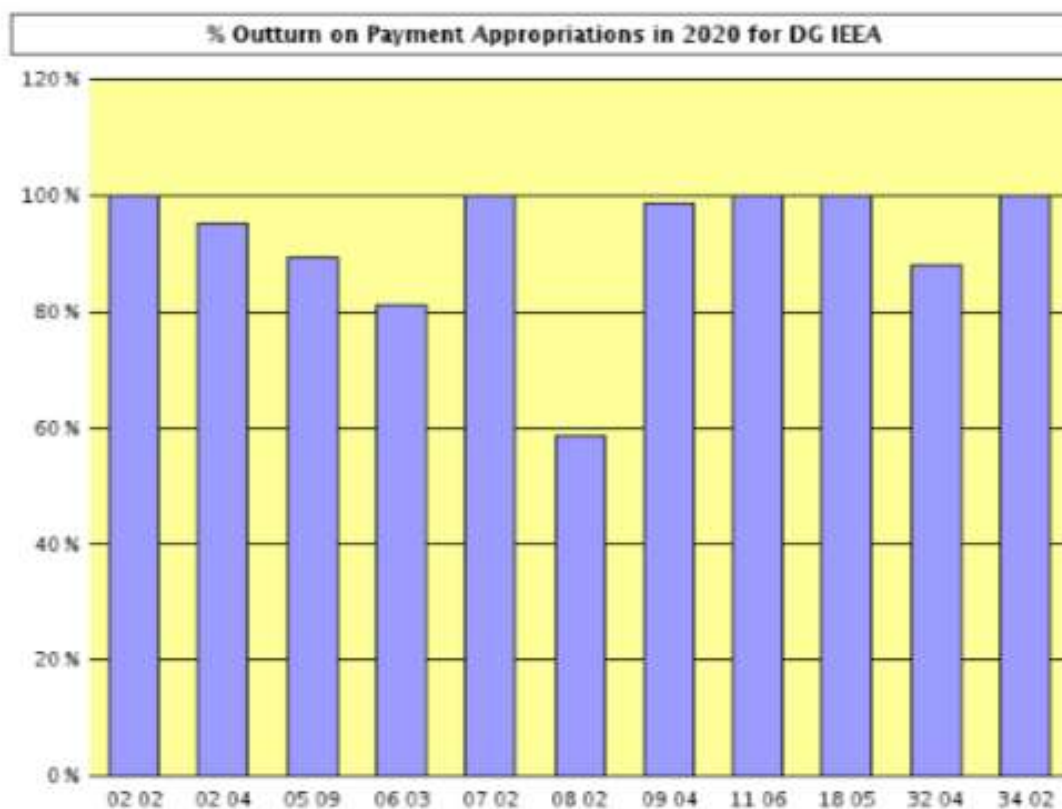


Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG IEEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	133.10	132.91	99.86 %
	02 04	Horizon 2020 - Research relating to enterprises	130.82	124.78	95.38 %
Total Title 02			263.92	257.69	97.64%
Title 05 Agriculture and rural development					
05	05 09	Horizon 2020 - Research and innovation related to agriculture	0.85	0.76	89.24 %
Total Title 05			0.85	0.76	89.24%
Title 06 Mobility and transport					
06	06 03	Horizon 2020 - Research and innovation related to transport	0.26	0.21	81.31 %
Total Title 06			0.26	0.21	81.31%
Title 07 Environment					
07	07 02	Environmental policy at Union and international level	247.53	247.53	100.00 %
Total Title 07			247.53	247.53	100.00%
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	981.00	575.04	58.62 %
Total Title 08			981.00	575.04	58.62%
Title 09 Communications networks, content and technology					
09	09 04	Horizon 2020	8.43	8.31	98.61 %
Total Title 09			8.43	8.31	98.61%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	33.75	33.75	100.00 %
Total Title 11			33.75	33.75	100.00%
Title 18 Migration and home affairs					
18	18 05	Horizon 2020 - Research related to security	1.23	1.23	100.00 %
Total Title 18			1.23	1.23	100.00%
Title 32 Energy					
32	32 04	Horizon 2020 - Research and innovation related to energy	162.04	142.76	88.10 %
Total Title 32			162.04	142.76	88.10%
Title 34 Climate action					
34	34 02	Climate action at Union and international level	70.00	69.99	99.99 %
Total Title 34			70.00	69.99	99.99%
Total DG IEEA			1,769.00	1,337.27	75.59 %

* 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).

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



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

TABLE 2 : BREAKDOWN OF COMMITMENTS TO SC SETTLED AT 31/12/2018 (in M€) for SG ICA								
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled as end of financial year 2020	Total of commitments to be settled as end of financial year 2019
		Commitments	Payments	R/L	% to be settled			
		1	2	3=4	4=5/1	5	6=7	7
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COOME)	126.74	38.43	30.35	63.55%	119.44	206.70
	02 04	Horizon 2020 - Research relating to enterprises	160.54	16.81	169.00	99.13%	121.30	234.79
Total title 02		315.38	55.24	257.19	81.56%	240.74	427.93	441.49

TABLE 2 : BREAKDOWN OF COMMITMENTS TO SC SETTLED AT 31/12/2018 (in M€) for SG ICA								
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled as end of financial year 2020	Total of commitments to be settled as end of financial year 2019
		Commitments	Payments	R/L	% to be settled			
		1	2	3=4	4=5/1	5	6=7	7
03	03 08	Horizon 2020 - Research and innovation related to agriculture	8.12	8.12	8.00	9.86%	1.31	1.31
Total title 03		8.12	8.12	8.00	9.86%	1.31	1.31	1.31

TABLE 2 : BREAKDOWN OF COMMITMENTS TO SC SETTLED AT 31/12/2018 (in M€) for SG ICA								
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled as end of financial year 2020	Total of commitments to be settled as end of financial year 2019
		Commitments	Payments	R/L	% to be settled			
		1	2	3=4	4=5/1	5	6=7	7
08	08 03	Horizon 2020 - Research and innovation related to transport	8.93	8.93	8.00	9.00%	1.60	1.60
Total title 08		8.93	8.93	8.00	9.00%	1.60	1.60	1.60

TABLE 2 : BREAKDOWN OF COMMITMENTS TO SC SETTLED AT 31/12/2018 (in M€) for SG ICA								
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled as end of financial year 2020	Total of commitments to be settled as end of financial year 2019
		Commitments	Payments	R/L	% to be settled			
		1	2	3=4	4=5/1	5	6=7	7
07	07 02	Environmental policy of Union and international level	382.28	7.10	389.19	99.14%	925.27	1,193.44
Total title 07		382.28	7.10	389.19	99.84%	925.27	1,193.44	1,193.44

TABLE 2 : BREAKDOWN OF COMMITMENTS TO SC SETTLED AT 31/12/2018 (in M€) for SG ICA								
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled as end of financial year 2020	Total of commitments to be settled as end of financial year 2019
		Commitments	Payments	R/L	% to be settled			
		1	2	3=4	4=5/1	5	6=7	7
04	04 02	Horizon 2020 - Research	617.30	66.70	749.30	91.26%	639.10	1,179.67
Total title 04		617.30	66.70	749.30	91.26%	639.10	1,179.67	1,179.67

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

TABLE 2 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in M€) for DG IEA									
Chapter			Commitments to be settled				Commitments to be settled from financial year previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	R/L	% to be settled			
			1	2	3=4	4=5/3	5	6=7+5	7
09	09 04	Horizon 2020	0.12	0.00	0.12	100.00%	10.89	10.96	10.16
Total title 09			0.12	0.00	0.12	100.00%	10.89	10.96	10.16

TABLE 2 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in M€) for DG IEA									
Chapter			Commitments to be settled				Commitments to be settled from financial year previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	R/L	% to be settled			
			1	2	3=4	4=5/3	5	6=7+5	7
11	11 00	European Maritime and Fisheries Fund (EMFF)	45.88	0.54	45.42	98.97%	74.00	119.43	107.22
Total title 11			45.88	0.54	45.42	98.97%	74.00	119.43	107.22

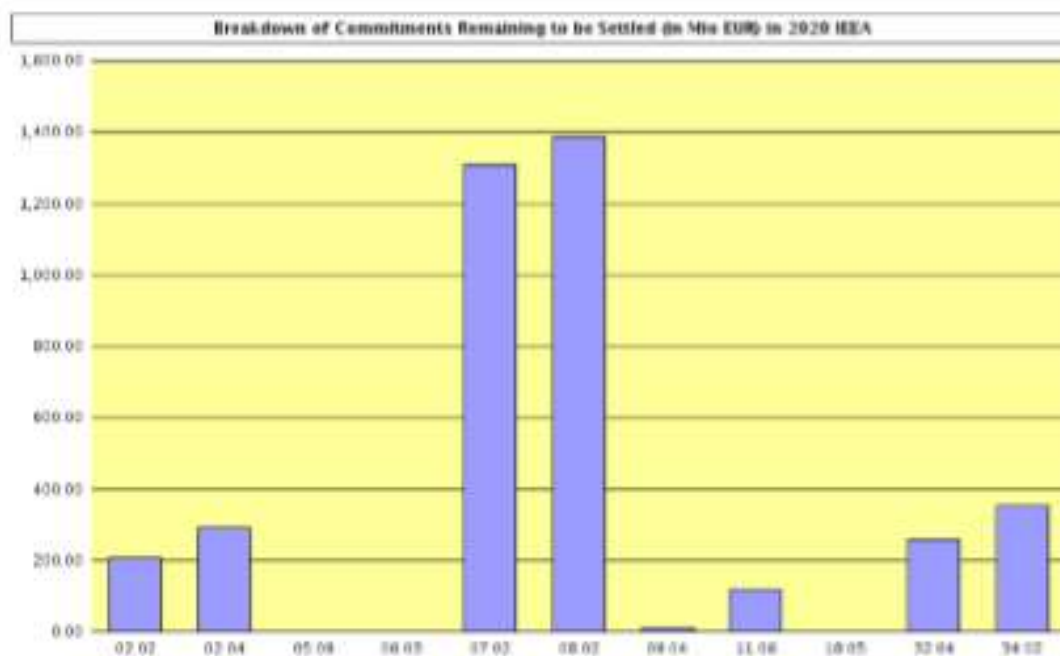
TABLE 2 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in M€) for DG IEA									
Chapter			Commitments to be settled				Commitments to be settled from financial year previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	R/L	% to be settled			
			1	2	3=4	4=5/3	5	6=7+5	7
18	18 05	Horizon 2020 - Research related to security	0.00	0.00	0.00	0.00%	1.59	1.59	2.81
Total title 18			0.00	0.00	0.00	0.00%	1.59	1.59	2.81

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in M€) for DG IEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	R/L	% to be settled			
			1	2	3=4	4=5/3	5	6=7+5	7
32	32 04	Horizon 2020 - Research and Innovation related to energy	201.77	38.11	163.66	81.11%	94.61	296.27	203.26
Total title 32			201.77	38.11	163.66	81.11%	94.61	296.27	203.26

TABLE 2 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in M€) for DG IEA									
Chapter			Commitments to be settled				Commitments to be settled from financial year previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	R/L	% to be settled			
			1	2	3=4	4=5/3	5	6=7+5	7
34	34 02	Climate action at Union and international level	110.88	4.45	111.46	98.80%	243.87	355.32	307.59
Total title 34			110.88	4.45	111.46	98.80%	243.87	355.32	307.59

Total for DG IEA			5,858.38	177.07	1,439.38	95.47 %	2,363.19	3,444.51	3,452.42
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors



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

TABLE 4 : BALANCE SHEET for DG IEEA

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	267,937,169	157,530,494
A.I.1. Non-Current Pre-Financing	267,937,169	157,530,494
A.II. CURRENT ASSETS	665,169,646	718,938,773
A.II.2. Current Pre-Financing	645,116,999	708,896,717
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	20,052,647	10,242,056
ASSETS	933,106,815	876,469,266
P.II. CURRENT LIABILITIES	-268,353,867	-262,624,286
P.II.4. Current Payables	-46,878,630	-52,693,638
P.II.5. Current Accrued Charges & Debt Income	-221,475,238	-209,940,648
LIABILITIES	-268,353,867	-262,624,286
NET ASSET \$ (ASSET \$ less LIABILITY \$)	664,752,948	613,844,980
P.III.2. Accumulated Surplus/Deficit	5,041,976,591	3,667,318,935
Non-allocated central (surplus)/deficit*	-5,706,729,539	-4,281,163,915
TOTAL DG IEEA	0	0

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

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG IEEA

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-4,288,935	-2,904,655
II.1.1. NON-EXCHANGE REVENUES	-5,104,645	-3,478,976
II.1.1.5. RECOVERY OF EXPENSES	-5,104,645	-3,478,976
II.1.2. EXCHANGE REVENUES	815,709	574,321
II.1.2.1. FINANCIAL INCOME	-1,200	
II.1.2.2. OTHER EXCHANGE REVENUE	816,909	574,321
II.2. EXPENSES	1,283,784,403	1,377,562,311
II.2. EXPENSES	1,283,784,403	1,377,562,311
II.2.10. OTHER EXPENSES	2,152,077	1,765,374
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	1,281,624,053	1,375,792,457
II.2.8. FINANCE COSTS	8,273	4,480
STATEMENT OF FINANCIAL PERFORMANCE	1,279,495,468	1,374,657,656

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

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

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

TABLE 5bis : OFF BALANCE SHEET for DG IEEA

OFF BALANCE	2020	2019
OB.1. Contingent Assets	12,465,235	10,014,832
GR for performance		0
GR for pre-financing	12,465,235	10,014,832
OB.3. Other Significant Disclosures	-3,200,158,901	-3,200,158,901
OB.3.2. Comm against app. not yet consumed	-3,200,158,901	-3,200,158,901
OB.4. Balancing Accounts	3,187,693,666	3,190,144,069
OB.4. Balancing Accounts	3,187,693,666	3,190,144,069
OFF BALANCE	0	0



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

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

TABLE 6: AVERAGE PAYMENT TIMES in 2020 for IEEA

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)	Late Payments Amount	Percentage
30	3,165	3,146	99.40 %	11.76	19	0.60 %	44.21	2,387,351	0.35 %
45	3	3	100.00 %	35					
60	396	396	100.00 %	40.00					
90	1,838	1,838	100.00 %	55.21					

Total Number of Payments	5,192	5,173	99.65 %		19	0.35 %		2,387,351	0.12 %
Average Net Payment Time	28.72			28.97			44.21		
Average Gross Payment Time	27.18			27.16			44.27		

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
0	37	1,223	22.68 %	5,392	425,950,663	32.76 %	1,300,126,344

Late interest paid in 2020			
DG	GL Account	Description	Amount (Eur)
EACI	65010100	Interest on late payment of charges New FR	8,273
			8,273

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

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 for DG IEEA								
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	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	1,200	0	1,200	1,200	0	1,200	0
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	8,692	0	8,692	2,184	0	2,184	6,509
66	OTHER CONTRIBUTIONS AND REFUNDS	24,629,855	10,020,818	34,650,674	12,866,641	2,039,646	14,906,286	19,744,387
Total DG IEEA		24,639,747	10,020,818	34,660,566	12,870,024	2,039,646	14,909,670	19,750,896

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

TABLE 8 : RECOVERY OF PAYMENTS in 2020 for DG IEEA
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2020 Year of Origin (commitment)	Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context (incl. non- qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2010	2	43,540			2	43,540	2	43,540	100.00%	100.00%
2013	2	15,699			2	15,699	4	21,730	50.00%	72.25%
2014	6	208,288			6	208,288	7	296,765	85.71%	70.19%
2015	25	408,946	2	2,341	27	411,287	49	2,501,098	55.10%	16.44%
2016	12	629,980	2	51,154	14	681,114	56	7,448,017	25.00%	9.14%
2017	2	258,746			2	258,746	50	8,701,152	4.00%	2.97%
2018							29	3,476,298		
2019	1	918			1	918	56	2,113,661	1.79%	0.04%
No Link							1	14,307		
Sub-Total	50	1,566,096	4	53,495	54	1,619,591	254	24,616,566	21.26%	6.58%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non- qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES	14	92,190			14	92,190	15	100,304	93.33%	91.91%
NON ELIGIBLE IN COST CLAIMS	372	30,470,177			372	30,470,177	649	75,066,138	57.85%	40.60%
CREDIT NOTES	4	309,481			4	309,481	24	1,127,891	16.67%	27.44%
Sub-Total	390	30,871,849			390	30,871,849	688	76,284,334	57.18%	40.47%

GRAND TOTAL	440	32,437,945	4	53,495	444	32,491,440	942	100,900,899	47.44%	32.20%
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2020 for DG IEEA

	Number at 1/1/2020 1	Number at 12/31/2020	Evolution	Open Amount (Eur) at 1/1/2020 1	Open Amount (Eur) at 12/31/2020	Evolution
2012	1	1	0.00 %	8,799	8,799	0.00 %
2013	2	2	0.00 %	73,239	73,239	0.00 %
2014	3	3	0.00 %	112,866	112,866	0.00 %
2015	6	6	0.00 %	1,261,831	1,261,831	0.00 %
2016	1	1	0.00 %	45,714	45,714	0.00 %
2017	6	5	-16.67 %	2,498,973	2,483,355	-0.62 %
2018	15	11	-26.67 %	1,826,058	1,737,196	-4.87 %
2019	21	8	-81.90 %	4,237,378	2,302,212	-45.67 %
2020		58			11,851,697	
	55	93	69.09 %	10,064,858	19,876,909	97.49 %

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

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for DG IEEA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG IEEA	
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Number of RO waivers	
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There are 2 waivers below 60 000 € for a total amount of -8,030.94

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

TABLE 11 : Negotiated Procedures in 2020 for DG IEEA

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

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

TABLE 12 : Summary of Procedures in 2020 for DG IEEA

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	2	61,000
Total	2	61,000

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Competitive procedure with negotiation (Annex 1 - 12.1)	1	3,001,266
Negotiated procedure middle value contract (Annex 1 - 14.2)	1	88,400
Open procedure (FR 164 (1)(a))	16	20,269,333
Total	18	23,356,999

Additional Comments:

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

TABLE 13 : BUILDING CONTRACTS in 2020 for DG IEEA

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2020 for DG RE&A

Legal Date	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

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

TABLE 15 : FPA duration exceeds 4 years - DG

None of your FPA (if any) exceeds 4 years

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

TABLE 16 : Commitments co-delegation type 3 in 2020 for DG IEEA

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

ANNEX 4 : Financial Scorecard

Executive Agency EASME

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2020, 6 standard financial indicators are presented below, each with its objective, category, definition, and result for the Commission service and for the EC as a whole (for benchmarking purposes)⁴²:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments


For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:


- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red


The Commission services are invited to provide commentary behind each indicator's result in the dedicated boxes below as this can help the reader to understand the Commission's service context. In cases when the indicator's value achieves 80% or less of the target, the comment becomes mandatory.

⁴² If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	<u>CA Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of commitment appropriations
Result	<p>Executive Agency EASME achieved 100% compared to the EC result of 99%</p> <p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 100%</p>
Comment	
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Credit Accepted Com Amount (Eur) <p>Scope: Commitments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> - Internal assigned revenue in first year (C4) - Internal assigned revenue from lettings and sale of buildings and lands (CL) - Repaid advances (structural funds) (C6) - External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TF5, TFC)

Indicator	<u>PA Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of payment appropriations
Result	<p>Executive Agency EASME achieved 100% compared to the EC result of 99%</p>  <p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 100%</p>
Comment	
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Credit Accepted Pay Amount (Eur) <p>Scope:</p> <p>Payments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> - Internal assigned revenue in first year (C4) - Internal assigned revenue from lettings and sale of buildings and lands (CL) - Repaid advances (structural funds) (C6) - External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TF5, TFC) - Payments stemming from C1, C5, E0 outstanding commitments on the non-staff budget positions that will be carried-forward as C8 to the next financial year

Indicator	<u>CA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year
Result	<p>Executive Agency EASME achieved 64% compared to the EC result of 98%</p>  <p>64%</p> <p>EC (98%)</p>
Comment	The result of 64% for EASME comes from an excess of commitment execution compared to the forecast. Following the European Green Deal initiative, EASME has received an additional budget in commitment credits which results in a final overconsumption of 136% compared to the Commitment forecast for the year 2020.
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Commitment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B - Value A) / Value B)</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Commitments on all relevant Fund Sources - Commitment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Indicator	<u>PA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year
Result	<p>Executive Agency EASME achieved 99% compared to the EC result of 99%</p> 
Comment	
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Payment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 – (ABS(Value B – Value A) / Value B)</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Payments on all relevant Fund Sources - Payment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Indicator	<u>Global Commitment Absorption</u>
Category	Efficiency Controls / Absorption
Objective	Ensure efficient use of already earmarked commitment appropriations (at L1 level)
Result	<p>Executive Agency EASME achieved 99% compared to the EC result of 98%</p> <p>The chart displays two horizontal bars representing commitment absorption rates. The x-axis is marked from 0% to 100% in 20% increments. A green bar represents the EC result at 98%, and a red bar represents the EASME result at 99%. The EASME bar is slightly longer than the EC bar, indicating a higher absorption rate.</p>
Comment	
Definition	<p>Formula:</p> <ul style="list-style-type: none"> - Value A: Com L1 Consumption amount (Eur) - Value B: Com L1 Initial amount (Eur) + Com L1 Complementary Amount (Eur) + (Com L1 Decommittment Amount (Eur) on all Fund Sources except for C8 and C9) <p>Scope:</p> <ul style="list-style-type: none"> - Com L1 with FDC ILC date from 01/01 to 31/12 of the current year - No movements to the Com L1 Consumption amount (Eur) after the FDC ILC date is taken into account (Generally decommitments of L2 which decrease the Com L1 consumption) <p>Remark: Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.</p>

Indicator	<u>Timely Payments</u>
Category	Efficiency Controls / Timeliness
Objective	Ensure efficient processing of payments within the legal deadlines
Result	<p>Executive Agency EASME achieved 100% compared to the EC result of 99%</p> 
Comment	In 2020, EASME processed some 5.393 payments on the operational budget where 99,8% of the total payment accepted amount was done within the legal deadlines (only 19 payments were not paid within the legal deadlines, representing a total amount of 2.387.351eur)
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) in time <ul style="list-style-type: none"> o In Time: Payment Bank Value Date < = Payment legal deadline - Value B: Payment Accepted Amount (Eur) <p>Scope:</p> <ul style="list-style-type: none"> - Payments made in the current year - Payments valid for payment statistics (DWH Flag "Payment Time Status OK?" = "Y")

ANNEX 5: Materiality criteria

EASME expenditure is composed of (in order of importance), directly managed grants (around 95%), procurement and experts. The error rate affecting the payments is estimated yearly, per programme, following a relevant methodology that takes into account the risk associated to the type of expenditure (in terms of probability and final financial impact).

The assessment of the effectiveness of the different programmes' control systems is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate. Please see below detailed explanations.

- **COSME, LIFE and EMFF programmes:**

For COSME, LIFE and EMFF programmes, the Agency's **quantitative materiality threshold** is set at a residual error rate of 2%, in application of the Commission's standard practice. In qualitative terms, the following factors are considered: nature and scope of any significant weaknesses, duration, compensatory measures such as mitigating controls, existence of corrective actions to correct any significant weaknesses.

The ex-post controls (audits) carried out by EASME are made on costs accepted after ex-ante controls on interim and final financial statements submitted to the Agency. They consist of verifying the legality and regularity of the underlying transactions. The residual error risk is estimated per programme by the residual error rate: it is obtained from an examination of value-based audits⁴³ and calculated on a cumulative multi-annual basis, including all audit reports closed by the end of the reporting year. The detected error rate is extrapolated to the non-audited part of the payment population. For the audited population, EASME deducts any corrections made by implementing the audit results from the total amount of errors detected.

The residual error rate of each programme audited by EASME is the the residual error rate applied to the audited part and the error rate presumed to be affecting the non-audited part⁴⁴. In view of the **multi-annual nature of its programmes**, EASME has built a multiannual ex-post audit strategy based on a multi-annual control strategy, whereby the detected and residual error rates are also multi-annual. The objectives of the EASME ex-post audit strategy are to provide assurance to management on sound financial management and on the legality and regularity of operational expenditure as well as to contribute to the improvement of the financial control systems for operational expenditure.

⁴³ While this sampling is not deemed to be fully statistically representative, value-based audits are considered – in line with the guidelines of DG BUDG – to be a non-biased 'proxy', i.e. they are a random enough sample from which one is able to draw conclusions. Note that a sampling based on a purely random approach would bring a risk of insufficient coverage, thus affecting significantly the proper disclosure of the residual error rate for the un-audited population and the corrective capacity.

⁴⁴ We consider that the part of payments remaining un-audited and un-corrected is affected by errors of the same magnitude of the representative detected error rate.

EASME's Ex-Post Control strategy is based on the following principles, intended to find an optimal balance between being (i) maximum-corrective, (ii) reasonably cost-effective and (iii) sufficiently close to random to allow drawing an assurance conclusion:

1. EASME's Ex Post Control Strategy covers the following programmes: 3 delegated programmes LIFE, COSME and EMFF – covering the programming period 2014-2020⁴⁵. For each programme, a sample (covering a range from 5% to 20%⁴⁶ of the programme's cumulative funding) is audited, the audit results are implemented (corrections made) and a cumulative residual error rate is calculated.

2. Taking into account the limited ex-post control resources, the ex-post control strategy aims to detect and correct the most significant errors (*amount in absolute terms*). In that respect, EASME focuses on value-based audits (aiming at cleaning the largest amounts and thus maximising assurance). This type of approach is considered more control-effective, resulting in higher returns on investment and having a dissuasive effect, as well as being cost-effective. For EASME's programmes' populations, based on our experience from managing the legacy programmes and to the best of our knowledge, there are no indications (at ex-post level⁴⁷) for inherently higher error rates (*error in %*) in the larger participations, thus the value-based audits are considered to be a non-biased 'proxy' – i.e. random enough to be able to draw conclusions from them.

3. Auditing a statistically representative or even a random sample would not be cost-effective, given that then rather small participations will also be sampled. With an expected detected error rate and thus potential correction of, say, 5% and a typical audit cost of, say, 11,500 EUR, participations audited should be in principle and if possible larger than 230,000 EUR. Furthermore, a 'stratified' approach would not be appropriate given that there appear to be no solid grounds for a clear segmentation of the programmes populations, based on distinct grant modalities, features, etc., and leading to 'distinctly' lower/higher risk profile segments (e.g. less than 2% and/or above 10%).

4. Although the Agency recognises that the above approach is not fully statistically representative, in line with DG BUDG guidance it is considered as the second-best alternative; as a 'proxy' to a fully representative or a random sample.

5. In addition to the value-based audits, the Agency performs to a limited extent risk-based audits of beneficiaries. This selection addresses specific concerns, risks or issues, detected and highlighted either by the financial or operational teams. Due to their specific nature, error rates of these "risk-based " audits are not included in the average random-proxy error rate calculation.

⁴⁵ Ex-post audits for H2020 are performed by the Common Support Centre (lead DG is RTD), through a Common Representative audit Sample (CRS). Please see section below.

⁴⁶ Depending on the expected detected error rate and on the need for budget 'cleaning' to meet the RER control objective

⁴⁷ i.e. after having applied differentiated ex-ante controls for the largest participations. For example, according to the grant vademecum, the certificate on the financial statements and underlying accounts is recommended a) grants for an action for which the amount awarded in the form referred to in Article 121(1)(a) of the Financial Regulation is EUR 750 000 or more, when the cumulative amounts of payment requests under that form is at least EUR 325 000. b) operating grants for which the amount awarded in the form referred to in Article 121(1)(a) of the Financial Regulation is EUR 100 000 or more.

6. Due to its multi-annual nature, the effectiveness of the ex-post control strategy can only be measured and assessed at the final stages in the lifecycle of each programme and once the ex-post audit strategy has been fully implemented. Notwithstanding the multiannual span of the control strategy, the Director of EASME is required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

7. The criteria for making a decision on whether there is material error in the expenditure of the Agency, and so on whether to make a reservation in the AAR, will be principally, though not necessarily exclusively, based on the level of error identified in ex-post audits of cost claims on a multi-annual basis.

8. The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

EASME's Ex-Post Audit Strategy for the delegated programmes of the Agency was issued on 22/02/2016. Building on the experience gathered until now on the implementation of the Ex-Post Audit Strategy, EASME revised it in 2020, in terms of audit coverage and closing targets (i.e. number of audit reports) and adapted the annual targets accordingly. The Ex-Post Audit Strategy is implemented in line with the advancement of the lifecycle of the projects.

- **Revision of the calculation method following ECA and IAS recommendations for COSME, LIFE and EMFF programmes**

The European Court of Auditors in its 2018 Annual Report and its review of the Commission's ex-post audits observed that the Commission's methodology for calculating the error rate leads to an understatement of the error rate, the extent of which cannot be quantified. The European Court of Auditors' finding also affects the methodology used by EASME to calculate error rates.

In response to these findings, EASME has adopted a new methodology in this report - in line with the Court's observations - to calculate the error rate on the current programmes.

In the previous approach, the detected error rate was calculated dividing the total errors by the costs accepted by EASME.

Following the European Court of Auditors' recommendation and instructions from Central Services, as from the 2019 AAR EASME has calculated, the detected error rates by dividing the total errors by the total costs tested during audit.

EASME recalculated the error rates from the beginning of the programmes for COSME, LIFE and EMFF, for all audit reports closed by the reporting date.

The impact of the transition to the new error rate calculation methodology is explained in annex 7.

- **Horizon 2020**

For H2020, ex-post controls are under the responsibility of the Common Audit Service (CAS). The CAS undertakes all Horizon 2020 audits, for all Horizon 2020 stakeholders, including EASME, ensuring a harmonised approach and also in ensuring that the audit burden on beneficiaries is minimised. The Common Audit Strategy was adopted on 22.02.2016.

The control system established for Horizon 2020 aims for a detected error rate ranging from 2% to 5% (as close as possible to 2%, after corrections). Consequently, this range has been considered in legislation as the control objective set for the framework programme.

1. Assessment of the effectiveness of controls

The assessment of the effectiveness of the control system is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated on a representative sample.

The starting point to determine the effectiveness of the controls in place is the cumulative level of error expressed as the percentage of errors in favour of the EC, detected by ex-post audits, measured with respect to the amounts accepted after ex-ante controls.

However, to take into account the impact of the ex-post controls, this error level is to be adjusted by subtracting:

- Errors detected corrected as a result of the implementation of audit conclusions.
- Errors corrected as a result of the extension of audit results to non-audited contracts with the same beneficiary.

This results in a residual error rate, which is calculated in accordance with the following formula:

$$\text{Re sER}\% = \frac{(\text{Re pER}\% * (P - A)) - (\text{Re pER}_{\text{sys}}\% * E)}{P}$$

where:

ResER% residual error rate, expressed as a percentage.

RepER% representative error rate, or error rate detected in the common representative sample, expressed as a percentage. The RepER% is composed of complementary portions reflecting the proportion of negative systematic and non-systematic errors detected. This rate is the same for all implementing entities, without prejudice to possibly individual detected error rates.

RepERsys% portion of the RepER% representing negative systematic errors, (expressed as a percentage). The RepERsys% is the same for all entities and it is calculated from the same set of results as the RepER%

- P** total requested EC contribution (€) in the auditable population (i.e. all paid financial statements).
- A** total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
- E** total non-audited requested EC contribution (€) of all audited beneficiaries.

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each framework programme (FP) as a whole. Nevertheless, the Director of EASME must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

If the CRS results are not used as the basis for calculating the residual error rate this must be clearly disclosed in the AAR, along with details of why and how the final judgement was made.

In case a calculation of the residual error rate based on a representative sample is not possible for a FP for reasons not involving control deficiencies,⁴⁸ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

2. Multi-annual approach

The Commission's central services' guidance relating to the quantitative materiality threshold refers to a percentage of the authorised payments of the reporting year of the ABB expenditure. However, the Guidance on AARs also allows a multi-annual approach, especially for budget areas (e.g. programmes) for which a multi-annual control system is more effective. In such cases, the calculation of errors, corrections and materiality of the residual amount at risk should be done on a "cumulative basis" on the basis of the totals over the entire programme lifecycle.

Because of its multiannual nature, the effectiveness of the Research and Innovation family services' control strategy can only be fully measured and assessed at the final stages in the life of the framework programme, once the ex-post audit strategy has been fully implemented and systematic errors have been detected and corrected.

In addition, basing materiality solely on ABB expenditure for one year may not provide the most appropriate basis for judgements, as ABB expenditure often includes significant levels of pre-financing expenditure (e.g. during the initial years of a new generation of programmes), as well as reimbursements (interim and final payments) based on cost

⁴⁸ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

claims that 'clear' those pre-financings. Pre-financing expenditure is very low risk, being paid automatically after the signing of the contract with the beneficiary.

Notwithstanding the multiannual span of their control strategy, Directors-General of the Research DGs (and the Directors of ERCEA, REA, and, for Horizon 2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

In view of the crucial role of ex-post audits defined in the respective common audit strategies, this assessment needs to check in particular whether the scope and results of the ex-post audits carried out until the end of the reporting period are sufficient and adequate to meet the multiannual control strategy goals.

The criteria for making a decision on whether there is material error in the expenditure of the DG or service, and so on whether to make a reservation in the AAR, will therefore be principally, though not necessarily exclusively, based on the level of error identified in ex-post audits of cost claims on a multi-annual basis.

3. Adequacy of the audit scope

The quantity of the (cumulative) audit effort carried out until the end of each year is measured by the actual volume of audits completed. The data is to be shown per year and cumulated, in line with the current AAR presentation of error rates. The multiannual planning and results should be reported in sufficient detail to allow the reader to form an opinion on whether the strategy is on course as foreseen.

The Director of EASME should form a qualitative opinion to determine whether deviations from the multiannual plan are of such significance that they seriously endanger the achievement of the internal control objective. In such case, she or he would be expected to qualify his annual statement of assurance with a reservation.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

4. 2020 revised methodology for the calculation of the error rate for Horizon 2020

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated because *“the ex-post audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In case the errors found are of a systemic nature, the error is extrapolated which partially compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated. The understatement of the error rate cannot be quantified. It is, then, impossible to determine whether the impact of this understatement is significant”*.

In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. In order to quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 01 January 2020. The main change in the methodology is that, the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

The additional 0,41 % (calculated on 790 H2020 audit participations by difference with the previous methodology) has been used to top up the detected error rate for 2020 calculated according to the methodology used in the past.

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in year 2020. The preliminary findings of this limited review confirmed that there is no weakness in the calculation of the detected error rate and that the impact of these findings on the accuracy of the calculation of the residual error rate is minor. The final recommendations of this limited review will be implemented in the AAR 2021.

5. Horizon 2020 – Specific issues

The Commission's proposal for the Regulation establishing H2020 framework programme⁴⁹ states that:

It remains the ultimate objective of the Commission to achieve a residual error rate of less than 2% of total expenditure over the lifetime of the programme, and to that end, it has introduced a number of simplification measures. However, other objectives such as the attractiveness and the success of the EU research policy, international competitiveness, scientific excellence and in particular, the costs of controls need to be considered.

Taking these elements in balance, it is proposed that the Directorates General charged with the implementation of the research and innovation budget will establish a cost-effective internal control system that will give reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2 % at the closure of the multi-annual programmes, once the financial impact of all audits, correction and recovery measures have been taken into account.

Further, it explains also that

Horizon 2020 introduces a significant number of important simplification measures that will lower the error rate in all the categories of error. However, [...] the continuation of a funding model based on the reimbursement of actual costs is the favoured option. A systematic resort to output based funding, flat rates or lump sums appears premature at this stage [...]. Retaining a system based on the reimbursement of actual costs does however mean that errors will continue to occur.

An analysis of errors identified during audits of the Seventh Framework Programme (FP7) suggests that around 25-35 % of them would be avoided by the simplification measures

⁴⁹ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

proposed. The error rate can then be expected to fall by 1.5 %, i.e. from close to 5 % to around 3.5 %, a figure that is referred to in the Commission Communication striking the right balance between the administrative costs of control and the risk of error.

The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5 % is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account is to achieve a level as close as possible to 2 %.

In summary, the control system established for Horizon 2020 is designed to achieve a control result in a range of 2-5% detected error rate, which should be as close as possible to 2%, after corrections. Consequently, this range has been considered in the legislation as the control objective set for the framework programme.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

- ***De minimis threshold for financial reservation***

Since 2019, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of the Agency's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

Stage 1: Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals

Main internal control objectives: Ensuring that the Agency selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The Calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.	<ul style="list-style-type: none"> The Call for Proposals is based on the annual Work Programme adopted by the Commission and elaborated in cooperation with the parent DGs Hierarchical validation within the authorising department Inter-service consultation, including all relevant DGs <p>Explicit allocation of responsibilities, approval of the call text by the AOD</p>	<p>Coverage/Frequency: 100%</p> <ul style="list-style-type: none"> Depth: All Work Programmes are thoroughly reviewed at all levels, including for operational and legal aspects and adopted by the EC 	<p>Effectiveness:</p> <ul style="list-style-type: none"> % of number of Calls successfully concluded/number of Calls planned in the Annual Work Programme % of budget value implemented/budget allocated (commitments from Calls) <p>Economy:</p> <p>Estimation of cost of staff involved in the preparation and the validation of the Annual Work Programme and the calls.</p> <p>Costs are measured for stage 1 globally (phase A + B). Globally 15% of staff costs are dedicated to stage 1 programming, evaluation and selection.</p>

Stage 1: Programming, evaluation and selection of proposals

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

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected (effectiveness);

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent Calls for proposals. • Risk of poor quality of selected proposals reducing the effectiveness of the programmes because: <ul style="list-style-type: none"> ◦ the procedure for awarding grants is quite complex with regard to compliance with the legal requirements ◦ only projects of good quality ensuring a high impact of the EU programmes should be funded while avoiding double financing of the same subsidised action. • The applicant might not have stable and sufficient sources of funding to maintain his activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding 	<ul style="list-style-type: none"> • The evaluation of proposals is supported by external experts: each proposal is evaluated by at least two experts who work independently from each other • All persons involved in an evaluation sign a declaration of absence of conflict of interest prior to the start of the evaluation work • Hierarchical validation by the AOD of ranked list of proposals • During the selection procedure: the eligibility, exclusion, selection and award criteria are checked; • Consultation with other DGs and colleagues in the Agency on special cases concerning potential overlaps with ongoing projects, technical opinion, etc. • A consultation (ISC) on the ranking list of the selected proposals is launched by the AOSD to prevent double funding of the same project • Redress procedure - allowing an applicant, who considers that a procedural act by an authorising officer adversely affects its rights, to challenge the act 	<ul style="list-style-type: none"> • 100% of proposals are evaluated • 100% vetting of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) • 100% of ranked list of proposals. Supervision of work of the evaluators • 100% of ranked list of proposals validated by the AOD • 100% of ranked list of proposals sent for ISC with parent DGs • 100% of contested decisions are analysed by a redress committee 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Success rate: number of selected (funded) proposals/number of eligible proposals • % of review requests leading to a re-evaluation/total number of evaluated proposals <p>Efficiency:</p> <p>For all programmes the average time-to-inform results demonstrate a faster response to the applicants than the scheduled target.</p> <p>Economy:</p> <p>Estimation of cost of staff involved in evaluation, ranking and selection of proposals.</p> <p>Costs are measured for stage 1 globally (phase A + B). Globally 15% of staff costs are dedicated to stage 1 programming, evaluation and selection.</p> <p>For H2020 stage 1B is handled by REA.</p>

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

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; optimal allocation of actions and funds allocation (best value for public money; effectiveness, economy, efficiency); compliance (legality & regularity); prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives Budget foreseen overestimates the costs necessary to carry out the action Risk of poor technical implementation of the project including the communication of the projects' results, reducing the programmes' impact The beneficiary lacks operational and/or financial capacity to carry out the actions A beneficiary is awarded several grants from the budget for a single action Projects are overfunded (e.g. breach of co-financing, non-profit, non-cumulative or non-retroactivity principles) Procedures do not comply with regulatory framework. 	<ul style="list-style-type: none"> Adjustment phase, prior to the contract signature, during which the project officers and the financial officers check the technical and financial annexes of the future grant agreement, taking into account the comments made during the evaluation Check of the EDES database Use of model grant agreements recommended by the Commission adapted to the programmes. The model Grant agreements are approved by the relevant parent DGs Validation of the beneficiaries operational and financial viability checks Request of a financial guarantee following a risk-based approach Signature of the grant agreement by the AOSD Implementation of the evaluators' recommendations Hierarchical validation of the proposed adjustments. 	<ul style="list-style-type: none"> 100% of the selected proposals and beneficiaries are scrutinised The perpetual use of the standard model grant agreement 100% of coordinators financial status evaluated Request of a financial guarantee based on the results of a risk assessment <p>Depth may be differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs), the modalities (e.g. substantial subcontracting) or the total value of the grant.</p> <p>Remark: for H2020 programmes given the constraints on the time to grant set out in the H2020 legislation, "negotiation" of projects is kept to a minimum. As far as possible the positively evaluated projects are accepted without modification.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> % reduction of the EC contribution to the grant agreement as a result of the adjustment process when applicable. <p>Efficiency:</p> <p>Average time to grant. The targets set in the 2020 AWP are: 3 months for SME instrument phase I; 6 months for SME instrument phase II; 8 months for H2020 calls and 9 months for non-H2020 calls. With the only exception of SME Instrument Phase I, all programmes are below the maximum TTG set as respective target.</p> <p>Economy:</p> <p>Estimation of staff costs involved in the contracting process. Globally 15% of staff costs are estimated to be spent to stage 2 contracting.</p>

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

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • The actions foreseen are not totally or partially carried out in accordance with the technical description and requirements foreseen in the grant agreement • The amounts paid exceed the amounts due or are not in accordance with the applicable contractual and regulatory provision • Risk of overpayment of project costs negatively affecting the efficiency and economy of the granted fund • The beneficiary unduly obtains financial profit as a result from systemic or recurrent errors, irregularities, fraud or breach of obligations attributable to the beneficiary and having a material impact on a number of grants awarded to that beneficiary under similar conditions • The agreed action or work programme is not carried out 	<ul style="list-style-type: none"> • The guidelines and the templates for applicants and beneficiaries to help prepare the budgets of the proposals and the cost-statements for the financial reports • Kick-off meetings and contractors' meetings involving the project coordinators in order to avoid project management and reporting errors • Anti-fraud awareness trainings for newcomers • Operational and financial ex-ante desk checks by the Agency's staff in accordance with the financial circuits, Manual of Procedures and internal guidelines; detailed checking of the final reports against the grant agreement • For riskier operations enhanced ex-ante controls according to the Internal Control Strategy of the Agency. • Monitoring on-the-spot visits to check technical progress and deliverables; checking of progress and interim reports to detect deviations timely and redirect the project on track • When needed, 	<ul style="list-style-type: none"> • 100% of the projects are controlled • Riskier operations subject to in-depth and/or on-site controls • High risk operations identified by risk criteria and the red flags such as delayed interim deliverables, suspicion of plagiarism, unstable consortium, EDES, negative audit results, etc. 	<p>Effectiveness:</p> <p>Value of detected errors (rejected costs)</p> <p>% of detected errors vs total value cost claims submitted</p> <p>Efficiency:</p> <p>Time to pay: % of payments within the legal deadlines</p> <p>Economy:</p> <p>Estimation of staff costs involved in the actual management of running projects</p> <p>Globally 70% of staff costs are estimated to be spent to stage 3 monitoring the execution. Mission costs for on the spot visits</p> <p>External costs: monitoring expert costs.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> properly, in full or on time Operational performance of beneficiaries is inappropriate 	<ul style="list-style-type: none"> application of suspension/interruption /deduction of payments, penalties or liquidated damages. Submitting cases to OLAF in case of suspicion of irregularities/fraud; flagging in EWS 		

Stage 4: Ex-post controls

A - Execution of ex post controls

Main internal control objectives: Measuring the level of error in the population after ex ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex ante controls (legality & regularity; anti-fraud strategy); identifying possible systemic weaknesses in the ex ante controls, based on the analysis of the audit findings (sound financial management) or weaknesses in the eligibility rules

COSME, LIFE and EMF

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The ex ante controls fail to prevent, detect and correct erroneous payments or attempted fraud; errors (ineligible costs reimbursed due to the complexity of the rules) remain undetected and uncorrected before the end of the control cycle; "irregularities" (intentional over-claims, fictitious subcontracting/outputs) are not detected and corrected beyond a tolerable rate of error.	<ul style="list-style-type: none"> Ex-post control strategy: the ex-post audits are carried out on a multi-annual basis (programme's lifecycle) The ex-post control strategy involves value targeted sampling, aiming at cleaning the largest amount and thus maximising assurance and the cost-effectiveness of controls based on selection criteria such as high amounts granted, high number of projects, geographical balance, etc. In 	<p>Coverage:</p> <ul style="list-style-type: none"> Value targeted sampling, for maximising the value of the audited transactions and the cost-effectiveness of controls based on selection criteria such as high amounts granted In addition, a number of risk-based audits for addressing specific risks and/or cases of irregularities or potential fraud. <p>Depth:</p> <p>detailed review and testing of supporting</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> Multi-annual indicators (2014 until reporting year) Number of audits finalised Detected error amount = EC share ineligible costs = Costs accepted ex-post minus costs tested during audit Detected error rate = EC share ineligible costs/EC share costs tested during audit % budget value part audited= audit coverage Residual error rate versus threshold of

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>addition a number of risk-based audits (targeted audits) to address specific risks</p> <ul style="list-style-type: none"> • The on-the-spot audits are carried out independently by an external contractor (i.e. absence of conflict of interest) and in conformity with detailed procedures and guidelines. The Agency's ex-post control function is responsible for the coordination of the on-the-spot controls, the review and the follow up of the ex-post audit reports and is independent from the ex-ante control organisation. • If needed: referring the beneficiary or grant to OLAF • Lessons learned from the audit results are used to reinforce the control systems for example improvement of guidelines for beneficiaries 	documents and transactions related to the cost claims submitted by the audited beneficiary	<p>2%</p> <p>Due to their specific nature, error rates of targeted audits are not included in the detected error rate calculation.</p> <p>Efficiency:</p> <p>recovery status</p> <p>The benefits and costs of the ex-post controls and the implementation are related to ex-post controls carried out in the reporting year. The figures can therefore not be compared with the figures under 4a) and 4b) which reflect the multi-annual and cumulative indicators. Furthermore to measure the benefits of the ex-post controls in the reporting year, the results of the risk-targeted audits are included as well as they contribute to the detection and correction of errors in addition to the value-targeted audits.</p> <p>Economy:</p> <p>External costs: cost of the audit firm for the outsourced ex-post controls</p> <p>Estimation of internal staff costs involved in the coordination and execution of the audit strategy Internal costs are measured for stage 4 considering two levels of FTEs for staff working directly on ex-post team and staff of operational</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			units dedicated to review of audit reports (this is calculated over the number of audit reports closed during the reporting year)

Horizon 2020

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<ul style="list-style-type: none"> Common ex-post control strategy for the entire Research and Innovation family (Horizon 2020), implemented by a central service (Common Support Centre, DG R&I): -At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed - Additional sample to address specific risks - Audits on request by the operational units (targeted audits) -When relevant, joint audits with the Court of Auditors Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned In case of systemic error detected, extrapolation to the projects run by the audited beneficiary <p>If needed: referring the</p>	<p>Coverage:</p> <ul style="list-style-type: none"> Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. RTD risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error <p>Depth:</p> <p>Detailed review and testing of supporting documents and transactions related to the cost claims submitted by the audited beneficiary</p>	<p>Being the Common Audit Support responsible for the audit of H2020 project, the 3 E's are assessed according to the results disclosed by DG RTD</p> <p>Effectiveness:</p> <p>Representative error rate</p> <p>Residual error rate in comparison to the materiality threshold.</p> <p>Amount of errors and corrections concerned.</p> <p>Number of audits finalised (+ % of beneficiaries & value coverage) cost of control ex post audits/ value of grants audited</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	beneficiary or grant to OLAF.		

Stage 4: Ex-post controls

B - Implementation of expost control results

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

COSME, LIFE and EMF

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner	<ul style="list-style-type: none"> Monitoring the implementation of the audit findings The operational units have to confirm the implementation of the corrective actions (recovery, payment) by completing the audit-follow up sheets The operational and financial units are taking into account the results of the prior ex post audits revealing systemic errors when assessing new grant payment requests of the same beneficiary Financial operational validation of recoveries is carried out in accordance with the financial circuits Authorisation by the AOSD In case AOSD decides not to implement audit finding an approval of the AOD is needed. 	<p>Coverage: 100% of final audit results with a financial impact</p> <p>Depth: all audit results which lead to a recovery are examined in-depth. Systemic errors are taken into account when assessing new grant payments of the same beneficiary.</p>	<p>Effectiveness:</p> <p>Multi-annual indicators (2014 until reporting year)</p> <ul style="list-style-type: none"> Errors corrected Errors not corrected Uncorrected error rate <p>Efficiency:</p> <p>Recovery status (%): recoveries/detected error amount Multi-annual cumulative basis (2014 until reporting year)</p> <p>Economy:</p> <p>Estimation of internal staff costs involved in the coordination and execution of the audit strategy</p> <p>Internal costs are measured for stage 4 considering two levels of FTEs for staff working directly on ex-post team and staff of operational units dedicated to review of audit reports (this is calculated over the number of audit reports closed during the reporting</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			year)

Horizon 2020

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner	<p>Systematic registration of audit / control results to be implemented and actual implementation. Validation of recovery in accordance with financial circuits. Authorisation by AO</p> <p>Notification to OLAF and regular follow up of detected fraud.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: All audit results are examined in-depth in making the final recoveries. Systemic errors are extrapolated to all the non-audited projects of the same beneficiary</p>	<p>Being the Common Audit Support responsible for the audit of H2020 project, the 3 E's (mainly effectiveness and efficiency) are assessed according to the results disclosed by DG R&I</p> <ul style="list-style-type: none"> • Amounts being recovered and offset • Number/value/% of audit results pending implementation • Number/value/% of audit results implemented <p>Economy:</p> <p>estimation of cost of staff involved in the implementation of the audit results.</p>

ANNEX 7: Specific annexes related to "Financial Management"

Section 2.1.1 – Control results. Additional information.

Reporting requirements relating to the 2018 Financial Regulation

- EASME had no cases of '**confirmation of instructions**'⁵⁰ in 2020.
- There are no cases of financing not linked to costs (2018 FR art 125.3)
- There have not been any cases of **flat rates >7% for indirect costs in 2020**⁵¹
According to Horizon 2020 Rules for Participation, indirect eligible costs of Horizon 2020 grants are determined by applying a flat rate of 25% of the total direct eligible costs. It is the basic act that derogates from the Financial Regulation. This applies to all Horizon 2020 grants, although in some cases the 25 % could be directly embedded within a unit cost (e.g. unit cost for clinical studies). In certain cases, the indirect costs are included within a larger unit cost or lump sum (e.g., SME instrument Phase 1). In such cases, the percentage of indirect costs cannot be determined separately.
- One grant agreement (EMFF) signed in 2020 **derogated from the principle of non-retroactivity** pursuant to Article 193 of the Financial Regulation. Derogation was exceptionally agreed due to an urgent operational need to support EU Member States' implementation of maritime plans.
- There are no **Financial Framework Partnerships with a duration of more than 4 years**⁵² which entered into force during the reporting year 2020.

1. Effectiveness = the control results and benefits

- **Legality and regularity of the transactions**

The programmes managed by EASME are implemented under the direct management scheme, which entails direct financial contributions through cofinanced contracts signed with external parties. To have reasonable assurance that the payments authorised are accurate and compliant with the applicable contractual provisions, EASME carries out ex-ante and ex-post controls. The ex post control strategy contribute to the legality and regularity of expenditure on a multi-annual basis by systematically detecting and correcting errors made by beneficiaries in the reporting phase. These elements complement the ex ante controls embedded in EASME's programme management processes.

- **LIFE, EMFF and COSME (2014-2020)**

⁵⁰ new FR art 92.3

⁵¹ new FR art 181.6

⁵² new FR art 130.4

EASME's multi-annual Ex-Post Strategy covers the period 2016-2024. It was revised in 2020 to assess if the results after three years were in line with the assumptions made when defining the strategy. The review focused on the update of the audit coverage and closing targets of the ongoing programmes COSME, LIFE and EMFF. Due to its multi-annual nature, the effectiveness of the strategy can only be measured and assessed fully in the final stages of the programmes managed by EASME, once the ex-post control strategy has been fully implemented and errors have been detected and corrected.

It should be noted that fieldwork of the audits issued in 2020 took place in 2019, before the Covid-19 pandemic related travel restrictions. As a result, the conduct of these audits were not hindered by the Covid-19 pandemic and could take place at beneficiaries' premises, with access to the supporting documents and internal control systems.

Multi-annual key indicators (ex-post controls 2014-2020)	COSME	LIFE	EMFF
Number of ex-post controls including value based and risk based audits	77	20	10
Ineligible costs = detected error amount in value based audits	945.414 €	32.174 €	20.951 €
Cost accepted and paid ex-ante subject in value based audit			
ECA-Cost accepted and tested in value based audit	29.511.566 €	8.539.020 €	2.783.636 €
Detected error rate	3,20%	0,38%	0,75%
Errors corrected (recovery orders recorded in ABAC before 31.12.2020) in value based audits	753.780 €	41.657 €	20.951 €
Errors not corrected in value based audits	191.635 €	- €	0 €
Uncorrected error rate	0,65%	0,00%	0,00%
% audited including value and risk based audits	9,41%	1,53%	4,98%
% not audited	90,59%	98,47%	95,02%
Residual error rate = (% audited * uncorrected error rate)+ (% non audited * detected error rate)	2,96%	0,37%	0,72%

Table 1: Multi-annual Residual Error rates per programme audited by EASME (COSME, EMFF and LIFE)

COSME

The COSME programme is composed of Enterprise Europe Network actions (EEN) and COSME actions, the latter representing one third of the COSME programme budget. The sampling applied by EASME on a multi-annual basis reflects this distribution.

Audits of the COSME programme started in 2017. In 2018, following the results of the first audit campaign on 12 audits on COSME Action grants, the residual error rate was estimated at 5,45%. Although these results gave only a preliminary indication, at the early stages of the programme, of the error rate of the COSME programme as a whole, a reservation was issued, as the materiality threshold of 2% was exceeded.

In 2019, the audit sample was broadened by including COSME Network grants and reflected more accurately the programme overall⁵³. The multiannual residual error rate at programme level decreased down to 1,59% at the end of 2019. Consequently, the reservation was lifted, as the multi-annual residual error rate was below the materiality threshold of 2%.

In 2020, the results of the third audit campaign, reflecting the distribution at programme level and including both COSME Actions and COSME Network became available⁵⁴. By the end of 2020, on a cumulative basis, EASME issued 77 final audit reports at programme level. At this stage, the multi annual residual error rate has risen to 2,96%.

Following guidance from Central Services, as of the AAR 2019, EASME has calculated the COSME detected error rate against the sampled costs as a denominator rather than the full value of audited financial statements (as in AARs prior to 2019). The main impact of the change to the error rate calculation methodology leads to an increase in detected and residual error rates. Had the previous calculation methodology been applied, the residual error would have been lower, but still above the 2% materiality threshold (at 2,27%).

Most of the ex post findings relate to incorrect calculation of personnel costs and lack of supporting documents to substantiate the costs incurred.

This residual error rate above the materiality threshold is mainly due to inherent characteristics of the programme including:

- the set of eligibility rules (based on the reimbursement of actual eligible costs declared by the beneficiaries) as laid down in the basic act is not always fit for all types of beneficiaries; the profile of some beneficiaries of the programme such as "one-time beneficiaries" which are not used to EU funding rules, beneficiaries located in third countries with limited knowledge of EU rules, and small entities which do not have a robust financial management system in place;
- changes introduced by the current MFF (hourly rates were calculated based on 2 years period in the past while now they are to be calculated on financial years) were not updated in the cost reporting of beneficiaries with a lot of experience in EU funds
- ex-ante controls within the COSME programme, similarly to Horizon 2020 ones, have been designed to strike a balance between a trust-based approach and a full-scale set of controls. This type of design of ex-ante controls did not allow the erroneous payments to be sufficiently prevented, detected and corrected.

Given the results of these audits related to the COSME programme, the cumulative residual error rate at the year-end is estimated to be above the materiality threshold of 2%

⁵³ The auditable population was distributed as follows in financial terms, on a cumulative basis, at the end of 2019: 72% COSME Network and 28% COSME Actions. The audited amounts are in line and are distributed as follows: 67% of the audited amount related to EEN actions and 33% COSME grants.

⁵⁴ The auditable population was distributed as follows in financial terms, on a cumulative basis, at the end of 2020: 75% COSME Network and 25% COSME actions. The audited amounts are in line, reflecting this distribution as follows: 71% of COSME Network and 29% COSME Actions.

expected for the multi-annual period⁵⁵. However, this error rate must be treated with caution, the nature of expenditure audited in the first years of the programme may not be totally representative of the expenditure across the whole period of expenditure.

Since COSME is a multi-annual programme, the error rates, and especially the residual error rate, should be considered within a time perspective. Specifically, the cleaning effect of audits will tend to increase the difference between the cumulative detected error rate and the cumulative residual error rate, with the latter finishing at a lower value.

In light of the above results, an assessment of the need to report a reservation in AAR was made. The relevant payments of COSME grants in 2020 represents 7,96% of the total operational expenditure. Since this programme does not meet the cumulative criteria to fall below the 'de minimis rule'⁵⁶, the Agency issues a reservation for the COSME programme.

Details of the corrective action plan are shown in Section 2.1.5 Declaration of Assurance and reservations.

LIFE

Audits of LIFE started in 2017. By the end of 2020, there are 20 final audits reports issued, related to both Action and Operating grants. Following guidance from the Central Services and as of AAR 2019, EASME has calculated the LIFE detected error rate against the sampled costs as a denominator rather than the full value of audited financial statements, as in AARs prior to 2019.

The main impact of the change to the error rate calculation methodology leads to an increase in detected and residual error rates.

This leads to an estimated multiannual residual error rate of 0,37 % at the end of 2020. However, the residual error rate calculation appears to be well contained within the materiality threshold of 2%. In 2020, the results of the first audits of LIFE Action grants, became available; they are consistent with the results reported for LIFE Operating grants in previous years. These results confirm the effectiveness of the current ex-ante control system of LIFE programme as such.

In addition, 17 new audits on LIFE programme were launched in March 2020 and one joint audit, with the Common Audit Service with in house resources, was launched for a beneficiary receiving both H2020 and LIFE funds. These audits are expected to be finalised in 2021.

EMFF

⁵⁵ For Horizon 2020, the threshold is set within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2 % at the closure of the multi-annual programmes

⁵⁶ According to DG BUDG guidelines, since 2019, quantified reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of the Agency's total payments and with a financial impact below EUR 5 million. In such cases, reservations in AAR are no longer needed.

Audits of EMFF started in January 2019. By the end of 2020, ten audit reports have been issued. Following guidance from the Central Services and as of AAR 2019, EASME has calculated the EMFF detected error rate against the sampled costs as a denominator.

This leads to an estimated multiannual residual error rate of 0,72% at the end of 2020, well below the materiality threshold.

EMFF residual error rate remains well below the materiality threshold of 2%.

The residual error rate for EMFF at the end of 2020 is in line with that calculated at the end of 2019. This error rate remains low however as the EMFF auditable population is rather small, one audit with significant error could have a sizeable impact on the detected and residual error rates of the programme.

Horizon 2020

The ex-post control for grant management is largely centralised in the Common Implementation Centre, in particular in the Common Audit Service (CAS) for the whole Research and Innovation Family.

For Horizon 2020 the Common Audit Service undertakes all audits (representative and complementary), including those concerning the Executive Agencies and the Joint Undertakings. This is a major step forward in ensuring a harmonised approach and minimising the audit burden on beneficiaries. The Common Audit Service applied this process to the Seventh Framework Programme, in the framework of which, it carried out audits for the DGs funding research grants. When relevant, the Common Audit Service executed audits jointly with the European Court of Auditors.

The main indicators on legality and regularity⁵⁷ of EU Framework Programmes for Research and Innovation are:

- Representative detected error rate, based on errors detected by ex-post audits on a Common Representative Sample of cost claims across the Research and Innovation Family of DGs.⁵⁸
- Cumulative residual error rate, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multi-annual basis.

Due to its multi-annual nature, the effectiveness of the control strategy of the Research and Innovation Family of DGs can be measured and assessed fully only in the final stages of the EU Framework Programme for Research and Innovation, once the ex-post control strategy has been fully implemented and systematic errors have been detected and corrected.

⁵⁷ These indicators are described in annex 5.

⁵⁸ DG AGRI, DEFIS, DG CNECT, DG EAC, EASME, DG MOVE-ENER, ERC, DG GROW, DG HOME, INEA, JRC, REA and DG R&I.

The general objective of this control system are to obtain a cumulative residual error rate within a range of 2-5 % aiming to be as close as possible to 2%, without necessarily expecting it to be lower than 2%.

Progress against these objectives is assessed annually based on the results of the implementation of the ex-post audit strategy and taking into account the frequency and importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.

In 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rates in line with the European Court of Auditors' observations in its 2018 and 2019 Annual Reports. The methodology applied is described in annex 5 Materiality criteria.

As of January 2020, the application of the revised methodology on 790 samples resulted in an error rate higher, on average, by 0,41 % in comparison to the error rate calculated by applying the methodology used in the past on the same 790 samples. Consequently, the detected error rate for 2020 calculated according to the methodology used in the past has been corrected by adding 0.41%. This results in the following error rates for Horizon 2020 on 31 December 2020⁵⁹:

- Representative detected error rate: 2,95%⁶⁰
- Cumulative residual error rate for the Research and Innovation Family DGs: 2,16% (2,71% for EASME).

The error rates presented above should be treated with caution. Since not all results of the three Common Representative Samples are available yet, the error rate is not fully representative of the expenditure being controlled. Moreover, the nature of expenditure in the first years of the programme may not be totally representative of the expenditure across the whole period.

Since Horizon 2020 is a multi-annual programme, the error rates, and especially the residual error rate, should be considered within a time perspective. Specifically, the cleansing effect of audits will tend to increase the difference between the representative detected error rate and the cumulative residual error rate, with the latter finishing at a lower value.

As was the case last year, there is evidence that the simplifications introduced in Horizon 2020, along with the ever-increasing experience acquired by the major beneficiaries, affect positively the number and level of errors. However, beneficiaries still make errors,

⁵⁹ The Horizon 2020 audit campaign started in 2016. At this stage, three Common Representative Samples with a total of 467 expected results have been selected. By the end of 2020, cost claims amounting to EUR 24.3 billion have been submitted by the beneficiaries to the services. The audit coverage for Horizon 2020 is presented in annex 7. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The total of all samples represents 4 047 participations. The audits of 2 906 participations were finalised by 31/12/2020 (out of which 790 in 2020). This sampling accommodates special needs of certain stakeholders with regard to audit coverage and selection method. In addition, top-ups, which are participations of selected beneficiaries and which are added to the selected participations, are included in the total participations selected.

⁶⁰ Based on the 334 representative results out of the 467 expected in the three Common Representative Samples.

sometimes because they lack a thorough understanding of the rules, sometimes because they do not respect them.

Given the results of the audit campaign up until 2020, and the observations made by the European Court of Auditors in its 2018 and 2019 Annual Reports, the CIC, in close cooperation with DG BUDG, SecGen and the IAS, are defining actions aiming at reducing further the multiannual error rate of Horizon 2020, and paving the way for a simpler and, to the furthest extent possible, an error free Horizon Europe. Actions include further simplification, increased use of simplified forms of funding (including lump sums), focused communication campaigns to more “error-prone” types of beneficiaries with higher than average error rates, such as SMEs and newcomers, and enhanced training to internal project officers and External Audit Firms performing audits on behalf of the Commission. By focusing on the most common errors, these events will be short and simple, reaching more participants and achieving higher impact.

In the context of further reducing the error rates, the CIC will examine the existing tools for ex-ante controls. The CIC will carry out a consultation with the stakeholders in order to collect their views on what improvements should be developed in the grant management risk module or via additional business activity monitoring reports.

It should be noted that although the start of the implementation of these actions will be immediate, their positive effect in the form of reduction in the multiannual error rate may take time to materialise.

In conclusion, DG Research and Innovation considers that the 2020 cumulative residual error rate for Horizon 2020 will fall within the target range established in the Financial Statement, and therefore a reservation is not necessary for the Horizon 2020 expenditure.

Control benefits

Stage 1

Control effectiveness ratios - proposals	COSME	H2020 INNO-SUP	H2020 EIC PILOT and FTI	EMFF	H2020 ENERGY	H2020 ENV & RESOURCES	LIFE	TOTAL
Submitted proposals	176	368	13596	115	425	611	1657	16948
Inadmissible proposals	7	8	48	4	13	1	1	82
Ineligible proposals	16	18	181	2	2	21	7	247
Withdrawn/duplicate proposals	1	0	6	0	2	3	19	31
Eligible proposals	153	342	13361	109	408	586	1629	16588
Proposals selected for funding - "main" list	27	89	260	13	57	72	213	731
Proposals selected for funding - "reserve" list	6	47	0	2	7	1	29	92
Total selected proposals for funding	33	136	260	15	64	73	242	823
% success rate : number of selected (funded) vs eligible proposals	21,6%	39,8%	1,9%	13,8%	15,7%	12,5%	14,9%	5,0%

Table 2: Control effectiveness ratios – proposals

Control effectiveness ratios - evaluation review requests	COSME	H2020 INNO-SUP	H2020 EIC PILOT and FTI	EMFF	H2020 ENERGY	H2020 ENV & RESOURCES	LIFE	Total
Proposals evaluated	153	342	13361	109	408	586	1629	16588
Evaluation review requests received	4	4	5	3	2	8	46	72
Evaluation review requests leading to a re-evaluation (<i>target <=1</i>)	0	2	0	0	0	0	1	3
% of evaluation review requests vs proposals evaluated (<i>target < 3%</i>)	2,61%	1,17%	0,04%	2,75%	0,49%	1,37%	2,82%	0,4%
% of review requests leading to re-evaluation vs proposals evaluated	0,00%	0,58%	0,00%	0,00%	0,00%	0,00%	0,06%	0,02%

Table 3: Control effectiveness ratios – evaluation review requests

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

In qualitative terms, the benefit of the evaluation and selection stage is the identification of proposals that best address the objectives and priorities of the work programmes which, thanks to their high maturity, have the best chances for successful completion within the eligibility period, and which provide the highest EU added value for the completion of the respective policy targets.

Stage 2

The financial impact of the adjustment process is defined as the reduction, expressed as a percentage, of the EC contribution to the grant agreements as a result of the adjustment process itself. Detailed figures are shown below:

Financial impact of the adjustment process	COSME	H2020 INNO-SUP	H2020 EIC Pilot and FTI	EMFF	H2020 ENERGY	H2020 ENVIRONMENT & RESOURCES	LIFE	TOTAL
Number of GA signed	148	61	298	15	78	64	212	876
EC funding requested in proposals	153300000,00	34700000,00	606832898,67	27773648,61	165578646,00	508815768,91	460544846,00	€1.957.545.808,19
EC funding provided in signed GA	153300000,00	34700000,00	593819517,46	27741954,47	165370205,00	506394663,12	438318247,39	€1.919.644.587,44
Difference EC funding	0,00	0,00	13013381,21	31694,14	208441,00	2421105,79	22226598,61	€37.901.220,75
Reduction rate	0,00%	0,00%	2,14%	0,11%	0,13%	0,48%	4,83%	1,94%

Table 4: Control benefit – Stage 2

The adjustment rate varies from 2% to 5%. In the case of H2020 programmes, given that no adjustment phase is foreseen, the difference between the recommended funding and the final awarded grant is rather limited. Contrary to other programmes LIFE still has in place a revision process to follow-up experts evaluation. Within this process applicants are requested, when applicable, to justify and provide more information on some cost items.

As a consequence of the grant preparation phase, a total of EUR 37,9 million was reduced from the awarded funding. This can be considered as a quantifiable benefit of the contracting phase in 2020.

Stage 3

Detected errors ex-ante controls	COSME	H2020 INNO-SUP	H2020 EIC Pilot and FTI	EMFF	H2020 ENERGY	H2020 ENV & RESOURCES	LIFE	TOTAL
value of cost claims controlled ex-ante	71.622.780,77	29.917.122,99	527.782.448,93	14.123.019,08	72.976.003,25	277.674.476,62	121.156.001,61	€1.115.251.853
value rejected costs	1.478.077,11	253.509,19	44.106.379,72	1.881.112,19	4.955.512,39	11.464.941,38	8.104.285,42	€72.243.817
% detected errors ex-ante controls	2,06%	0,85%	8,36%	13,32%	6,79%	4,13%	6,69%	6,48%

Table 5: Control benefit – Stage 3

The ex-ante controls aim to identify and prevent irregularities, allowing for immediate correction and avoid time-consuming recovery actions. As can be concluded from the table, the ex-ante controls result in a considerable amount of detected errors and rejected costs in the cost claims submitted by the beneficiaries for a total value of more than EUR 72 million. This can be considered as a quantifiable benefit of the monitoring phase in 2020.

The benefits of ex-ante control stages 2 and 3 are quantified by the reduction of funds

awarded during the contracting procedure, equal to EUR 110 millions.

Control benefits (Stage 4)

The benefits of Stage 4 – ex-post controls correspond to the detected errors, which amount to EUR 1,11 million for the programmes audited by EASME (COSME, LIFE, EMFF).

In addition, there are a number of qualitative benefits resulting from ex post controls:

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

As regards Horizon 2020, the audits are performed by the Common Audit Service. Please refer to DG R&I AAR for more details.

Part C:

Efficiency

Control efficiency Stage 1 –average time to inform

Control efficiency - Average time to inform (TTI)	COSME	H2020 INNO -SUP	H2020 EIC Pilot phase I	H2020 EIC Pilot phase II	FTI	EMFF	H2020 ENERGY	H2020 ENV & RESOURCES	LIFE
Target TTI (days)	183	153	61	122	92	183	153	153	183
Result TTI (days)	107	127	61	125	117	74	120	119	109

Table 6: Control efficiency Stage 1 –average time to inform

Control efficiency Stage 2 –average time to grant

Control efficiency - Average time to grant (TTG)	COSME	H2020 INNO -SUP	H2020 SME phase I	H2020 SME phase II	FTI	EMFF	H2020 ENERGY	H2020 ENV & RESOURCES	LIFE
Target TTG (days)	274	245	92	183	183	274	245	245	274
Result TTG (days)	221	223	95	183	172	182	230	228	231

Table 7: Control efficiency Stage 1 –average time to grant

Control efficiency Stage 3 –average time to pay

Control efficiency - Average time to pay	COSME	H2020 INNO-SUP	H2020 EIC Pilot and FTI	EMFF	H2020 ENERGY	H2020 ENV & RESOURCES	LIFE
Number of payments on time (in percentage)	100,00%	100,00%	99,69%	100,00%	100,00%	100,00%	98,33%
Payment accepted amount in time (in percentage)	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	99,25%

Table 8: Control efficiency Stage 3 –average time to pay

Control efficiency Stage 4

Control Efficiency – ex post controls

- Ex-post audits carried out**

Programme	Audit reports contracted earlier, still open at 01/01/2020	Audit reports launched in 2020	Final audit reports issued by 31/12/2020	Status of the on-going audits as of 31/12/2020			
				Fieldwork planned	Prepare the draft report	Draft report under review	Report under contradictory
Current programmes (2014-2020)							
COSME	43	6	40	1	5	0	1
EMFF	4	12	4	1	9	2	0
LIFE	10	18	10	2	15	1	0
TOTAL	57	36	54	4	29	3	1

Table 9: Audit overview per programme audited by EASME

At the beginning of 2020, EASME had 57 on-going reports launched in 2018 and 2019 related to audit assignments outsourced to external audit firms.

By end of 2020, EASME has issued 54 final audits reports, one report is under contradictory procedure and two audit assignments were cancelled.

During the year, 36 new audits were launched related to EMFF, LIFE and COSME programmes. By the end of 2020, three reports are under quality review, 29 reports are to be issued by the external contractor and for three audit assignments, the fieldwork is due to take place in early 2021. In addition, the Agency launched a joint audit with the Common Audit Service on a beneficiary for which fieldwork is currently ongoing.

EASME implemented all the necessary actions in order to reduce the impact of the Covid-19 pandemic and related travel limitations, on the ex post activity and to ensure a proper completion of the audit work under these circumstances, as follows:

- Close monitoring of the work done by the external audit firms, through audit reports quality reviews and regular meetings with the external audit firms;
- Formalising the possibility for external audit firms to perform desk review audits when on-site visits could not take place due to travel and health restrictions, in line with the auditing standards and in duly justified cases.

However, it should be noted that fieldwork of the audits issued in 2020 took place in 2019, before the Covid-19 pandemic related travel restrictions. As a result, the conduct of these

audits were not hindered by the Covid-19 pandemic and could take place at beneficiaries' premises.

For **COSME**, the Agency closed the remaining seven audits related to the second audit campaign. In addition, out of the 36 audits contracted in 2019 relating to the third audit campaign, 33 are now closed, one audit is under contradictory procedure and two audits were cancelled, of which one is due to health and travel restrictions related to the Covid-19 pandemic, preventing the auditors from organising fieldwork at the beneficiary's premises in Japan.

The Agency launched a new batch of audits in July 2020. Out of the six audits contracted, five reports are to be submitted by the contractor. For one assignment the fieldwork/desk review is due to take place in early 2021. The related results are expected in 2021.

As regards **EMFF**, the first audit campaign was launched in 2019. Out of the ten audits contracted, they are all closed by year-end. In March 2020, the Agency launched a batch of 12 audits, representing the second audit campaign. As of 31 December, nine reports are to be submitted by the contractor, two are under quality review and for one assignment the fieldwork/desk review is due to take place in early 2021. The related results are expected in 2021.

On **LIFE**, the Agency closed the remaining audit launched in 2018 and the nine audits launched in 2019. In addition, in March 2020, the Agency launched two new batches, including five audits on LIFE Operating audits and 12 on LIFE Action grants. At year end, 15 reports have still to be submitted by the contractor, one is under quality review and for one assignment the fieldwork/desk review is due to take place in early 2021. The related results are expected in 2021.

In addition, one joint audit, performed with the Common Audit Service of DG RTD, was launched with in house resources and the fieldwork is currently ongoing.

For **Horizon 2020**, since 2007, the Research Family of DGs and Executive Agencies have adopted a common audit strategy intended to ensure the legality and regularity of expenditure on a multi-annual basis, including detection and correction of systematic errors. The overall target in the Common Horizon 2020 Audit Strategy for 2020 is 838 audited participations. By the end of 2020, the audits of 790 participations were closed, achieving a completion rate of 94%.

As a result of the COVID-19 pandemic and related travel limitations, the Common Audit Service (CAS) – in line with the instructions of the Commission – had to postpone on-the-spot missions. To minimise the impact of COVID-19 pandemic on the implementation of the audit campaign, the CAS converted traditional in-house audit assignments into desk audits, in line with international best practice and auditing standards. Regarding outsourced audits, the CAS instructed the audit firms to perform remotely the maximum possible amount of audit tests while complementing those with on-the-spot audit missions once travel restrictions were eased.

Despite travel restrictions, and other objective challenges due to the pandemic, the CAS reached the result of finalising audits on 790 participations corresponding to the 94% of the planned target.

- **Implementation of audit results**

Implementation of audit results excluding targeted audits (ex-post controls 2014-2020)	COSME	LIFE	EMFF	TOTAL
% of value-audits results implemented over detected errors	78,37%	100,00%	100,00%	79,27%
detected error amount	961.769 €	41.657 €	20.951 €	1.003.426 €
errors corrected (before 31.12.2020)	753.780 €	41.657 €	20.951 €	795.437 €

Table 10: Status of implementation of audit results managed by EASME.

There is a time lag between the start of the project, the payments, audits performed and recoveries made. Projects managed by the Agency are multiannual and involve payments at different stages.

For the legacy programmes, LIFE and EMFF, the audits were mainly carried out after the final payments. Corrections are then implemented timely, issuing recovery orders⁶¹. In COSME, there were a number of audits related to interim payments. For these, corrections are implemented by offsetting against another future payment. As payments are usually made at 18-24 month intervals, there will often be a considerable time lag between the identification of an error and the effective correction. Given the pattern of payments, this does not represent a specific risk to the EU financial interests.

By the end of 2020, on a cumulative basis from the beginning of each programme, from detected errors in value-based audits, on average, 79,27% is recovered. The remaining 20,73% is mainly linked to final audit reports which were closed near the year-end, for which the implementation of audit findings is expected to be issued in 2021.

Section 2.1.2 Audit observations and recommendations. Additional information.

Details of IAS and ECA audits are detailed in the tables below.

⁶¹ In case of a bankruptcy, in order to protect as much as possible the financial interests of the EU, the recovery order is issued immediately after the closure of the audit. This is to ensure, to the maximum extent possible, that the debt is registered before the bankruptcy decision is declared by the Court.

RESULTS IAS audits 2020		
IAS audit	Status and results	Responsible Unit
LIFE project management and ex-ante controls IAS final report from 3 October 2019. EASME action plan issued on 23 October 2019	ACTION PLAN with 1 very important and 2 important audit recommendations implemented. Closed by the IAS in March 2021. 1) Very important: To improve the planning and design of control activities and reporting on the cost-effectiveness of controls 2) Important: To monitor the access rights in the Butler IT tool 3) Important: To further develop the LIFE procedure on the monitoring of the external contractor and to improve the monitoring of KPI's. Actions were timely implemented in 2020 (resp. on 15/12, 29/04 and 29/06) and not exceeding a delay of 6 months.	B3 and C.1.7
H2020 project management in EASME IAS final report from 25 January 2018. EASME action plan issued 23 February 2018.	ACTION PLAN with 1 important audit recommendations considered as implemented. Closed by the IAS in March 2021. 1) Important: Pending the roll-out of the planned plagiarism detection tool, to provide clear guidance to the POs on the cost-effective checks to be performed in order to ensure effective plagiarism checks and a consistent and harmonised approach across the different units. Action implemented in October 2019.	H2020 units A1, A2, B1, B2
Management of experts in Horizon 2020 grants (EASME, RTD, CONNECT, REA, INEA)	FINAL audit report issued in December 2020 (Ares(2020)7576617 and Ares(2020)5339855). Action plan issued in February 2021 and aligned with CIC action plan where applicable (Ares(2021)1497845). 1) EASME individual audit report: one minor "issue for consideration", related to two monitor payments. (daily allowance paid to an expert for 2 days instead of 1.5 day, and a rejection of costs for about 50 EUR for which the explanations are not visible in the expert portal) 2) Corporate audit report (mainly addressed to RTD/ CIC and REA) Six important audit findings and 2 very important audit findings, related to (i) the monitoring of participation patterns of independent experts and respect of the rotation rules and (ii) processing of experts personal data. For one "important" audit finding, on the termination of expert contracts and related payments, all H2020 implementing bodies, including EASME are associated together with REA to address the audit recommendation, namely to analyse all cases with an undeclared Col, and to define which actions should be undertaken (e.g. rejection of fees, flagging in EDES);	1) B1/C.1.4 2) For audit finding n°7: all H2020 entities with REA. Other findings: centrally handled by RTD/CIC with support of H2020 implementing bodies
Implementation of anti-fraud actions in the research area (EASME, RTD, CONNECT, REA, INEA, ERCEA)	FINAL audit report issued on 27 January 2021(Ares(2021)672610). Action plan issued in February 2021(Ares(2021)1400187) and aligned with CIC action plan where applicable. 1) EASME individual audit report: two important recommendations: (i) To assess the effectiveness of its procedure for the notification of cases to OLAF in the light of criteria to be defined by the CIC and OLAF, and to include a visible link for the fraud notification system on its public website (ii) To effectively use the reinforced monitoring tool for cases under OLAF's investigation in line with the guidance on H2020 ex ante controls, to reflect additional measures in the risk management module and to timely implement the OLAF's recommendations to initiate the EDES procedure. 2) Corporate audit report (addressed to RTD/ CIC with the support of the implementing bodies): five important recommendations The two important recommendations above are also reflected in the corporate report for all implementing bodies. Three other important recommendations addressed to CIC with the support of the research bodies are: (i) to further develop guidance on anti-fraud controls , adopt a common anti-fraud training with sufficient coverage of the anti-plagiarism tools and monitor the usage of SIMBA; (ii) to identify common indicators to monitor the Research Anti-Fraud Strategy; (iii) to update the research family's risk assessment for fraud risks within the FAIR and to ensure implementing bodies provide information to CAS on ongoing OLAF investigations	1(i) C.02 and EASME Anti-Fraud Committee 1(ii) All EASME H2020 financial and operational sectors 2) Centrally handled by RTD/CIC with support of research implementing bodies (ao through FAIR)

Results EASME DAS 2019 (9 transactions sampled, 5 audit results available in 2019, 4 audit results in 2020)					
Reference (incl. clearing letter n°)	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
H2020 SMEI - BEVSTREAM CL 9869 (Sept 2019)	RTD	0,00%	No audit findings	A2 / C.1.2	N/A
H2020 SC5 - CRESCENDO CL 9870 (July 2019)	RTD	0,00%	No audit findings	B2 / C.1.3	N/A
H2020 SC5 - SUBSOL CL 9868/1 (Sept 2019) and 9868/2 (Jan 2020)	RTD	0,00%	ECA audit accompanied by the CAS. CAS and EASME agreed with ECA findings. 1) first finding on 19.09.19: no quantified error rate, but procurement error : - no assessment of cross-border interest as requested by Danish law (only contact of Danish contractors) ; - no comprehensive set of documentation related to the procurement process; - error could have been detected by the "independent" auditors. (On the other hand, ECA mentions that beneficiary has paid attention to achieving best value for money through several negotiation rounds leading to a lower final price) . 2) second finding on 29.01.20: no quantified error rate; incorrect conversion of costs incurred in a foreign currency (with immaterial impact)	B2 / C.1.3	* No financial action (recovery) to undertake for the <u>ECA audit</u> . * As regards the <u>CAS audit report</u> , B2/C.1.3 follows the usual process implementation of the agreed CAS audit findings after the contradictory process; * B2/C.1.3 to remind beneficiary of correct application of procurement and conversion rules
COSME EEN / ITT (procurement)- CL 9853 (July 2019)	GROW	0,00%	No audit findings	A1 / C.1.5	N/A
H2020 WATER - REGROUND CL 9872 (Dec 2019)	RTD	0,00%	ECA audit accompanied by the CAS. No quantified error rate. Delay of transfer of EU funds from Coordinator.	B2 / C.1.3	As regards the CAS audit report, B2/C.1.3 follows the usual process implementation of the agreed CAS audit findings after the contradictory process.
H2020 - BAMB - WASTE -2014 - CL 10042 (April 2020)	RTD	0,00%	No quantified error rate. The beneficiary used the 2017 annual personnel costs instead of the 2018 (closed) data. No financial impact	B2 / C.1.3	B2/C.1.3 to remind beneficiary of correct application of personnel costs rules
H2020 SMEI - HOT CHIPS CL 10043 (April 2020)	RTD	16,70%	1) Ineligible personnel costs and exchange rate issues - error rate 16,68% : consultancy costs declared as personnel costs instead of subcontracting, for a former employee. No evidence of subcontracting and best value for money. (not detectable by Commission) 2) Incorrect classification of costs - error rate 0,86% (not detectable by Commission) 3) Unsigned financial statement (detectable by Commission) EASME agreed with the first 2 findings, resulting in ineligible costs, and disagreed with the 3th finding related to the "unsigned financial statement" . The ECA agreed to drop the 3th finding. Resulting in total of ineligible costs of about 156 000 EUR for the interim payment.	A2 / C.1.2	Offsetting of ineligible costs at final payment (in April 2022) (C.1.2)
H2020 SMEI - SPARTERS CL 10044 (July 2020)	RTD	0,39%	1) low error rate of 0,39% (about 7 700 EUR) on interim payment, two SME owners charged management fees under "goods and services" instead of under personnel costs (considered by the ECA as a "detectable" error by the Commission); 2) Hourly rate calculation deficiency (pension contributions affecting the hourly rate calculation, and hours not declared by the beneficiary). Overall financial impact is in favour of the beneficiary, therefore no "error rate" identified by the ECA (not detectable by the Commission).	A2 / C.1.2	Offsetting of ineligible costs at final payment (in November 2020) (C.1.2)
COSME -COSME/2018/033 Blueprint CL 11396 (July 2020)	GROW	0,00%	No audit findings	A1 / C.1.5	N/A

I. ECA audit results - operational budget - Statement of Assurance 2020 - follow up

Results EASME DAS 2020 (9 transactions sampled, 2 audit results available in 2021, 7 audits still ongoing)

Reference (incl. clearing letter n°)	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
LIFE MULTIBOSOL	ENV	-	<i>Audit ongoing</i>	B3 / C.1.7	-
H2020 URBANREC	RTD	-	<i>Audit ongoing</i>	B2 / C.1.3	-
H2020 SMEI COLOFAST CL 12237 (Dec 2020)	RTD	0,00%	No audit findings	A2 / C.1.2	N/A
H2020 SMEI FIVE G	RTD	-	<i>Audit ongoing</i>	A2 / C.1.2	-
H2020 EIC ENHANCEPLAYER	RTD	-	<i>Audit ongoing</i>	A2 / C.1.2	-
H2020 EDGE CL 12291 (Jan 2021)	RTD	0,00%	No quantified error rate The ECA did not quantify an error rate as the financial impact is below the materiality threshold. In the second reporting period , the beneficiary added positive adjustments to the staff costs for the first reporting period, by applying the hourly rate based on the 2018 year which was in the meanwhile closed. The impact is minor.	B2 / C.1.3	N/A - final payment done in the past, grant closed.
H2020 DRIMPAC	ENER	-	<i>Audit ongoing</i>	B1/ C.1.4	
H2020 EDICITNET	RTD	-	<i>Audit ongoing</i>	B2 / C.1.3	
H2020 SMEI MODELS	RTD	-	<i>Audit ongoing</i>	A2 / C.1.2	

III. Other ECA audits in 2020		
Accounts and Budget	Results	Responsible Unit
Audit on 2019 accounts & administrative budget Final results and replies June 2020	<p>* A positive opinion with clean accounts</p> <p>* Three observations related to:</p> <p>(i) a recruitment procedure: no official appointment for one replacing panel member and missing declaration of absence of Col</p> <p>(ii) signature of budgetary commitment after the legal commitment on the administrative budget; not reported in the exceptions and non-compliance register</p> <p>(iii) high carry over of commitments to 2020 (4,5 mio EUR), implying overestimation of budgetary needs on the administrative budget</p> <p>Mitigating arguments have been provided to the ECA and an action plan with corrective actions has been defined, including (i) updated HR checklists to ensure all steps of a recruitment procedure are followed, (ii) strengthening awareness on obligation to sign budgetary commitment before legal commitment and on reporting of exceptions and non-compliance events (iii) reinforced budget monitoring and awareness raising to improve the budgetary principle of annuality .</p>	<p>(i) C.2.1.</p> <p>(ii) C.1.1, C2 , C.01 and all involved administrative sectors</p> <p>(iii) C.1.1 and all involved administrative sectors</p>
Audit on reliability of 2019 accounts (operational budget, cut-off) Final results and replies June 2020	<p>Two findings related to</p> <p>(i) the accounting quality review and the accounting risk analysis and</p> <p>(ii) an incorrect contract end date resulting in a slightly overestimated accrual</p> <p>The audit findings have already been addressed by the involved sectors.</p>	<p>(i) D.01</p> <p>(ii) C.1.7</p>
Performance audits	Results	Responsible Unit
Internationalisation of SMEs (GROW, RTD, EASME, EEAS, TRADE, CNECT)	<p>Audit ongoing (started begin 2020)</p>	<p>Unit A1 COSME / A.1.1 Enterprise Europe Network</p>

2. Compulsory Table Y on estimated “cost of control”:

Table Y – Overview of EA’s estimated cost of controls at Commission (EC) level:



NB. The absolute values are presented in million EUR.

Title of the Relevant Control System (RCS)	Ex ante controls			Ex post controls			Total***	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs (in EUR)	related funds managed/concerned* (in EUR)	Ratio (%)** (a)/(b)	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d) (in EUR)	Ratio (%)* (g)/(b)
EASME ex-ante control – Stage 1 – evaluation and selection	5.207.033	No funds managed at this stage of control	N/A	N/A	N/A	N/A	5.207.033	N/A
EASME ex-ante control – Stage 2 – contracting	5.207.033	1.337.271.018	0,39%	N/A	N/A	N/A	5.207.033	0,39%
EASME ex-ante control – Stage 3 – monitoring the execution	38.445.705	1.337.271.018	2,87%	N/A	N/A	N/A	38.445.705	2,87%
EASME ex-post control – Stage 4- ex post controls and recoveries	N/A	N/A	N/A	1.131.523	33.133.573	3,42%	1.131.523	N/A

Title of the Relevant Control System (RCS)	Ex ante controls			Ex post controls			Total***	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs (in EUR)	related funds managed/concerned* (in EUR)	Ratio (%)** (a)/(b)	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d) (in EUR)	Ratio (%)* (g)/(b)
Other: DG-horizontal control tasks not attributable to a single RCS	N/A	N/A	N/A	N/A	N/A	N/A	988.236	N/A
OVERALL total estimated cost of control at EC level	48.859.771 €	1.337.271.018 €	3,65%	1.131.523 €	33.133.573 €	3,42%	50.979.530 €	3,81%

* related funds managed/concerned = payments made, revenues and/or other significant non-spending items such as e.g. assets, liabilities, etc

** ratio possibly “Not Applicable (N/A)”, e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc; or if control costs are not attributable to a single RCS and may relate to a 'mix' of expenditure, revenue, assets/liabilities, etc

*** any 'holistic' control elements (e.g. with 'combined' ex-ante & ex-post characteristics) can be mentioned in the total column (without being in either one of the ex-ante or ex-post columns), provided that a footnote clarifies this (their nature + their cost). *Example: MS system audits in shared management.*

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Internal Control self-assessment

Main outputs in 2020			
Output	Indicator	Target	Result
Timely and qualitative analysis of annual Internal control effectiveness assessment	Review of the status of the control system	Weak and/or inefficient control systems are reviewed and measures for next year are identified	<p>Analysis of the results of the Internal Control survey contributed with qualitative analysis and demonstrated that the controls in place are working in the overall effectively (81% of management and 80% of staff answered positively in the survey).</p> <p>The main challenges (<74%) were identified within the Internal Control components (ICC) 3 and 4.</p> <p>The process owners of each internal control component and ICP were provided with the results defining perceived strengths and weaknesses and with their involvement the Action plan for 2021 was prepared, specifying the measures addressing the identified weaknesses.</p> <p>Based on the other assessment exercises (risk assessment; results of reporting on exceptions and non-compliances, etc) the IC team concluded that the ICF in the Agency works effectively.</p>

Report on issues linked to audit, internal control, antifraud activities are part of the mid-year and annual activity report to parent DGs and Steering Committee	Report is available(Y/N)	Mid-year Report (30/06/2020) Annual Activity Report (31/3/2021)	The reports included all relevant information were submitted on time and are available.
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ANNEX 9: Reporting – Human resources, information management and external communication

Human Resources Management

The following figures represent the staffing situation on 31 December 2020.

Management and Administrative Support		Staff (EU Budget)					
		TAs	Of which Seconded officials	CAs	SNEs	Total	Percentage
Programme - COSME							
COSME	GROW	8,0	2,1	11,7	N/A	19,7	3,89%
Subtotal		8,0	2,1	11,7	N/A	19,7	3,89%
Programme - H2020							
Innovation in SME's	GROW	1,3	0,3	1,7	N/A	3,0	0,60%
SME Instrument	RTD	7,9	2,7	13,7	N/A	21,6	4,27%
Fast track to innovation	AGRI	0,0	0,0	0,0		0,0	
	CNECT	0,1	0,0	0,1		0,1	
	ENER	0,0	0,0	0,0		0,0	
	GROW	0,0	0,0	0,0		0,0	
	HOME	0,0	0,0	0,0		0,0	
	MOVE	0,0	0,0	0,0		0,0	
	RTD	0,1	0,0	0,2		0,4	
	Sub-total	0,2	0,1	0,4	N/A	0,7	0,13%
Energy – Secure, clean and efficient energy	ENER	5,8	0,5	7,1	N/A	12,9	2,55%
Energy – CIP Legacy	ENER	0,0	0,0	0,0	N/A	0,0	0,00%
LEIT (SILC II)	GROW	0,0	0,0	0,0	N/A	0,0	0,00%
Eco new	RTD	3,7	1,3	5,2	N/A	8,9	1,75%
Climate Action	GROW	0,8	0,3	1,2		2,0	
	RTD	2,5	0,9	3,5		6,0	
	Sub-total	3,4	1,1	4,7	N/A	8,1	1,59%
	Raw Materials	GROW	0,3	0,1	0,4		0,7
RTD		0,8	0,3	1,2		2,0	
Sub-total		1,1	0,4	1,6	N/A	2,7	0,53%
CIP Eco-I Legacy	ENV	0,0	0,0	0,0	N/A	0,0	0,00%
Subtotal		23,4	6,4	34,4	N/A	57,8	11,42%
Programme – LIFE							
LIFE	CLIMA	0,7	0,2	1,0		1,6	
	ENV	2,0	0,6	3,0		5,1	
Subtotal		2,7	0,7	4,0	N/A	6,7	1,32%
Programme – EMFF							
EMFF	MARE	2,8	0,7	4,1	N/A	6,8	1,34%
Subtotal		2,8	0,7	4,1	N/A	6,8	1,34%
Subtotal HORIZONTAL		36,9	10,0	54,1	N/A	91,0	17,98%
TOTAL STAFF		126,0	33,0	380,0	N/A	506,0	100,00%

- Not including 5 contract agent posts financed from appropriations accruing from contributions from external revenues to cover the frontload supported by the Agency since 2014. The Agency received associated country contributions (RO-credits) from H2020 Programme but these activities were carried out without any additional human resources until 2018.

- In agreement with DG ENER and in line with the guidelines for the establishment and operation of executive agencies financed from the Union budget - one seconded official post has been filled by engaging an AT2f temporary member of staff.

Management and Administrative Support - Summary		TAs	Of which Seconded officials	CAs	SNEs	Total	Percentage
COSME		8,0	2,1	11,7	N/A	19,7	4,12%
H2020		23,4	6,4	34,4	N/A	57,8	12,09%
LIFE		2,7	0,7	4,0	N/A	6,7	1,40%
EMFF		2,8	0,7	4,1	N/A	6,8	1,42%
Sub-total		36,9	10,0	54,1	N/A	91,0	19,04%

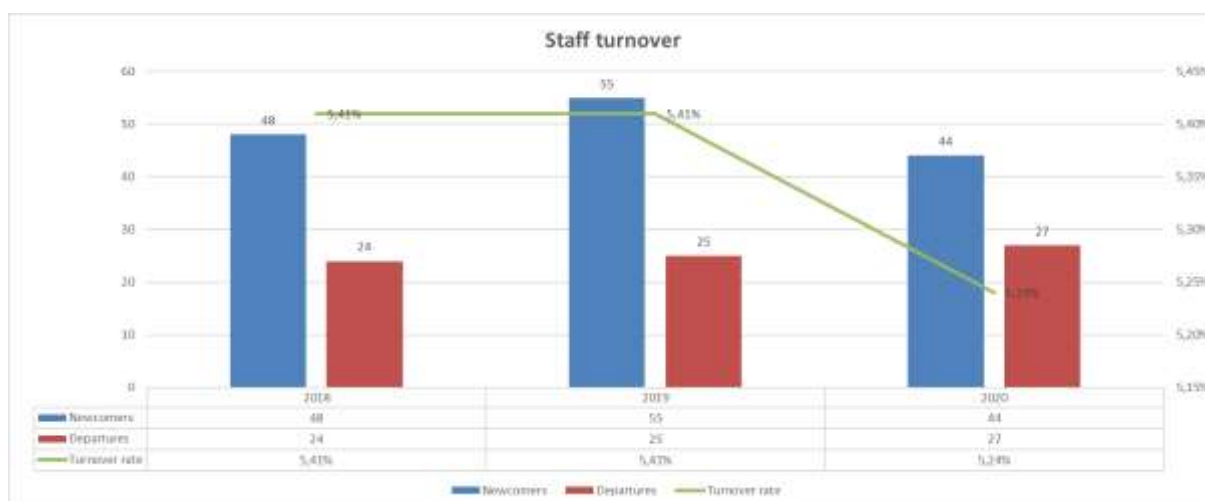
Seconded Officials – "Frozen" posts in the Commission Establishment Plan⁶²

Parent DG	Number of posts frozen in 2020	Number of posts filled by 31/12/2020
DG CNECT	2	2
DG ENER	5	2 ⁶³
DG GROW	11	9
DG ENV	3	3
DG MARE	4	4
DG RTD	9	7
Total	34	27*

* Given that the mandate of EASME will end on 31 March 2021, the remaining posts are not expected to be filled.

⁶² Source: Specific financial statement accompanying the mandate extension, which received a positive opinion of the CEA on 22 November 2013; Amending decision C(2014)6944 extending the mandate by the Fast Track Innovation pilot scheme.

⁶³ With the agreement of the parent DG, one post was not filled by an official seconded in the interest of the service and was covered by engaging a temporary agent.



Graph : Turnover rates in 2018, 2019, and 2020.

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

Indicator 1: Percentage of female representation in middle management⁶⁴
Source of data: DG HR

Baseline (2019) 27.3%	Target (2020) 40% ⁶⁵	33%
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Indicator 2: Percentage of staff who feel that the Agency cares about their well-being
Source of data: Commission staff survey / DG HR Pulse Check 15⁶⁶

Baseline (2018) 72%	Target (2020) ⁶⁷ 72%	Result: 51.32% Note that pulse check and staff survey questions were not the same. Exceptional conditions of Covid-19 pandemic impacted wellbeing across the population.
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Indicator 3: Staff engagement index

Source of data: Commission staff survey / DG HR Pulse Checks 13 and 14

⁶⁴ Middle managers are appointed by EASME’s parent DGs.

⁶⁵ Target set for the European Commission as a whole

⁶⁶ The Commission staff survey result of 2018 is the baseline figure.

⁶⁷ 2020 targets were set at 2019 levels in anticipation of the 2020 transition to a new mandate for the agency and the fact that uncertainty regarding changes to job, management, etc. could negatively impact staff engagement..

Baseline (2018) 71%	Target (2020) ⁶⁸ 71%	Result: 70% (stable)
Indicator 4: Percentage of posts filled by the end of 2020 Source of data: EASME/C2		
Baseline (2019) 96%	Target (2020) 98%	Result 95% ⁶⁹
Indicator 5: Professional growth: Percentage of staff who has the opportunity to participate in learning & development activities needed for efficiency in the own job Source data: Commission staff survey		
Baseline (2018) 77%	Target (2020): 80%	Result: no data - staff survey did not take place in 2020
Indicator 6: Percentage of positive replies to the question “Listening to staff is important in my Agency” Source of data: Commission staff Survey		
Baseline (2018) 79%	Target (2020) ⁷⁰ 79%	Result: no data - staff survey did not take place in 2020

HR Outputs 2020

Main outputs human resources management in 2020:			
Output	Indicator	Target	Result
Organise EASME Career Day to increase internal mobility and a “chambre d’écoute”	EASME Career Day together with other Executive Agencies EASME “chambre d’écoute” took place	Career day organised in Q2 “chambre d’écoute” in Q3	EASME promoted the Career day of DG HR and contributed to some workshops. Given the Covid-19 pandemic and the changes brought by the new MFF, the internal career day was replaced by a chambre d’écoute exercise followed by a targeted series of workshops and individual counselling to support

⁶⁸ Idem.

⁶⁹ The percentage of posts filled was impacted by the Covid 19 pandemic (e.g. closure of some EPSO testing centres) and by the freeze of some recruitments due to the upcoming MFF and change of agency mandate.

⁷⁰ Idem.

			the transition.
Implementation of the new recruitment strategy	<ul style="list-style-type: none"> • New recruitment strategy is deployed, information is available to internal and external stakeholders • Joint Selection Procedures with other EAs 	<p>New recruitment strategy published and staff informed in Q1</p> <p>At least 2 new procedures run in 2020</p>	<p>The recruitment strategy was published on 10 January and communicated to internal and external stakeholders. Four joint procedures with other Executive Agencies ran in 2020, for three of them EASME was the leading Agency providing coordination, expertise and guidance.</p>
Development of new employer branding strategy	<ul style="list-style-type: none"> • New employer branding strategy is developed • HR presence at corporate events is planned • Updated EASME career website 	<p>New employer branding strategy was adopted and communicated in Q2</p> <p>HR participated in 3 (corporate and HR) events in 2020</p> <p>HR launched branding campaign on EASME website in 2020</p>	<p>All actions had to be postponed due to Covid-19 pandemic and the need to deploy resources in recruitment and on-boarding activities.</p>
EASME has a modern and attractive office space for all its staff	<ul style="list-style-type: none"> • modern and attractive office space • well equipped, meetings rooms • social corners • special room for interviews and candidates 	<p>By Q4 all staff in EASME has modern and attractive office space, all special rooms are created and equipped</p>	<p>All staff has a modern and attractive ergonomic office space. There are social corners on every floor and a dedicated interview and waiting room on the 12th floor.</p> <p>The Covid 19 pandemic delayed the refurbishment and equipment of meeting rooms, but EASME launched a first study, using the corporate SCIC framework contract, before the end of the year.</p> <p>EASME put on hold the hub project on the twelfth floor because of the Covid 19 pandemic and the upcoming reorganisation of the Executive Agencies. EASME reallocated budget to the purchase of furniture for hybrid collaborative</p>

			spaces, which was delivered at the end of 2020. Amid the Covid 19 pandemic, EASME also took measures to ensure wellbeing of colleagues working from home (refund of ergonomic equipment, training and psychosocial support), in line with corporate decisions.
Implement the actions for a fair and caring workplace	Trainings delivered to support the actions	Trainings on anti-burnout (4 in the year) 2 training on ethics and integrity (1 managers, 1 staff)	Anti-burnout training with support from Medical service had to be cancelled last minute due to the unavailability of the presenter. External trainers delivered 2 sessions for staff and managers. Training on ethics & integrity had to be cancelled as the trainer and contractor could not deliver the training online. They are now organised on-line following the guidelines/programmes of DG HR. Additional information about ethics has been provided to all staff. Anti-fraud training in collaboration with OLAF was delivered to all newcomers and staff.
Women Empowerment programme	Dedicated actions to create a women empowerment culture are implemented and reported to EASME Management	Q1	The Women Talent Programme was run successfully with 12 participants. The closing event was organised alongside a Ted-style talk event on female leadership.
Programme of continuous feedback to staff	The results of the EASME programme for continuous feedback to staff are available and shared with EASME Management.	Programme approved in Q2 and deployed in Q3	Postponed due to Covid 19 pandemic
Management training programme	Training sessions, lunchtime conferences, discussion tables, thematic groups, management workshops	Throughout the year	Planned training sessions were held online. The HoU club continued to run online. The Managerial Excellence programme 2020 was delivered at 50% as the Covid-19 situation caused delays. A seminar on

			Change management for managers was delivered in collaboration with DG HR.
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Main outputs organisational management in 2020:			
Output	Indicator	Target	Result
Events related to innovation and the Agency's bottom-up culture	Number of events organised		Modified due to pandemic: 1 physical event; 3 online events. The innovation culture was fostered by a new tool: RESET platform
Further develop the Think Innovation Network across the Commission /EAs/ Institutions	Number of DGs/EAs/Institutions involved Number of gatherings	10 At least 3	Due to the COVID-19 pandemic, physical gatherings were not possible. The agency intends to set up a dedicated group on Corporate Culture to exchange best practices digitally using the new Yammer internal network when it is phased-in in 2021.
Import different perspectives, new ideas and innovative technique to promote a modern and attractive working environment	Number of motivational/inspirational speakers invited	5	5 speakers invited covering: -How to work across generations; -Women leadership; -Women entrepreneurs: -Pivoting business at a time of pandemic
Exploring ideas for the future of work in the Agency	Number of visits in other organisations (public and/or private)	5	Due to the Covid-19 pandemic, visits to other organisations were not possible. However, confinement itself accelerated changes to the way the agency worked. The team responded to the situation by introducing new ideas to preserve the Corporate Culture via the Telework Challenge Newsletter and the EASME RESET idea box - a first step in digitalising EASME's Sounding Board initiative (cf. narrative part)
Create best	Summary of all tips &	Guide	The 'Good Practice Guide on

practice guide following bilateral meetings with managers	tricks on how to engage and motivate staff	ready by Q2	Staff Engagement from Managers by Managers' and the 'General Observations made by Managers' was consolidated but publication of the Guide has been postponed due to the Covid-19. The guide will be used and diffused in EASME's successor agencies EISME and HaDEA.
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Information Management

Objective: Information and knowledge in EASME is shared and reusable by other Commission services. Important documents are registered, filed and retrievable

Indicator 1: Percentage of registered documents that are not filed⁷¹ (ratio)

Source of data: *Hermes-Ares-Nomcom (HAN)⁷² statistics*

Baseline 2019	Target 2020	Result
1.3%	0.5%	0.4%

Indicator 2: Percentage of HAN files readable/accessible by all units in the EA

Source of data: *HAN statistics*

Baseline 2019	Target 2020	Result
99%	99.5%	99.6%

Indicator 3: Percentage of HAN files shared with other Commission services

Source of data: *HAN statistics*

Baseline 2019	Target 2020	Result
7.1%	20%	10% ⁷³

⁷¹ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁷² Suite of tools designed to implement the [e-Domec policy rules](#).

⁷³ The Agency is a separate legal entity and has legal constraints - linked to data protection policy - in sharing files with other external entities, including EC services. In the WP 2020, EASME envisaged to open its H2020 project-related ARES documents to all "Research family", including partner DGs and EAs. In light of the above, validation and experts contracts were excluded and this led to a target of 20-25% of EASME documents that could be with other COM Services. Following consultation with the SG, in 2020 EASME had also foreseen to request the approval to the EC legal services to be part of the "ARES group Commission". This would have allowed also EASME to benefit of the ARES feature "share the document with other EC services", further increasing the Agency 20-25% indicator of shared documents. Because of the Covid 19 pandemic, and of the new MFF - implying the redistribution of portfolios among EAs - the actions mentioned above could not be fully implemented and the indicator set for 2020 could not be achieved.

Indicator 4: Percentage of units using collaborative tools		
Baseline	Target (Dec 2020)	Result
96%	100%	100%

Information Management Output tables

Main outputs in 2020:			
Output	Indicator	Target	Result
Improved governance for the websites and IT systems managed by EASME	40 identified websites are checked and compliant with EC Security, Governance, and data protection.	80% of sites covered	40 websites covered (100%). Expert recruited for assessment of possible measures for improving security.
Improved management and governance on IT infrastructure (Cloud hosting)	Train the DEVSECOPS team as needed	All Team of EASME DEVSECOPS consultants (EXT Intramuros) fully trained and certified	The DEVSECOPS team has been fully trained.
Improved delivery and results of horizontal and programme related IT projects managed by EASME	Support to horizontal and programme related Web and IT projects in project management, definition of functional and technical requirements and specifications, relation with contractors, quality assessment of deliverables etc.	80% of all projects effectively supported by a joint Web and IT projects support team / service	100% of projects were effectively supported by the joint Web and IT team
Sustained operational capacity of IT teams	Support horizontal and operational units in recruiting, contracting and renewing contracts of IT consultants	95% of contracts signed in time	100% of contracts signed in time
Outputs of EIC IT projects	Implementation of the IT component foreseen in the EIC Work Programme 2018-2020 and the Business Case submitted and approved by the ITCB (09-2019)	80% of the actions implemented on time, on budget and on scope	Achieved: 90% of actions implemented.

	Execution of the IT activities foreseen by the tender in support of the implementation of the Business Acceleration Services	80% of the activities on time, on budget and on scope	Achieved: 90% of actions implemented.
Outputs of next EEN IT project ⁷⁴	Implementation of the next EEN IT project activities as foreseen in the Business case submitted and approved by the ITCB (09-2019)	70% of the actions implemented on time, on budget and on scope	Achieved: 70% of actions implemented.
Training strategy on document management	Timely development of the strategy	March 2020	Achieved. Launched via internal communication channels (i.e. DMO functional mailbox, HR EASME training bulletin, EASME news article intranet section, etc.)
Statistics per Department/Unit/Sector on document management (creation, registration, filing, closing and archiving)	Frequency of monitoring	Monthly	Monthly monitoring and reporting successfully executed

External Communication

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

Indicator 1: Percentage of EU citizens having a positive image of the EU

Source of data: Standard Eurobarometer (DG COMM budget)

Baseline: June 2019	Target: 2020	Result ⁷⁵
Total "Positive": 45% Neutral: 37 % Total "Negative": 17%	Positive image of the EU ≥ 50%	Positive 40% Neutral 40% Negative 19%

⁷⁴ A flagship IT project for the Enterprise Europe Network, owned and developed by EASME in compliance with the EC's digital strategy principles.

⁷⁵ Standard Eurobarometer 93 (July-August 2020)

Main outputs in 2020:			
Output	Indicator	Target	Result
Promotion of funding opportunities	Website visits <i>Source of data: Web statistics</i>	1.000.000 (baseline: 870.000)	1.239.933
	Page views <i>Source of data: Web statistics</i>	2.000.000 (baseline: 1.940.000)	2.455.151
	Number of newsletter subscribers <i>Source of data: Newsroom statistics</i>	72.000 (baseline: 70.000)	71.904
Engaging with beneficiaries and stakeholders	Number of participants in info days	1.500 (baseline: 1.000)	4572 (online)
	Satisfaction rate at info days <i>Source of data: Feedback form</i>	85%-90% (baseline (average): 89%)	N/A
	Number of followers on Twitter <i>Source of data: Twitter statistics</i>	200.000 (baseline: 148.000)	174.028 (although below target, a higher year-on-year increase compared to 2018-2019 stats).
	Number of followers on LinkedIn <i>Source of data: LinkedIn statistics</i>	20.000 (baseline: 15.700)	25.188
EU Sustainable Energy Week (EUSEW)	Satisfaction rate - Participants - Organisers <i>Source of data: Feedback form and on-site interviews</i>	- 92% (baseline: 91%) - 95% (baseline 94%)	- 89% (note, format changed to online) - 94%
	Number of participants	3200 (baseline: 3195)	4600
	Media outreach: press clippings	170 (baseline 165)	279
	Number of followers on Twitter	17.500 (baseline 17.100)	18 364
	Number of fans on Facebook	15.500 (baseline 15.323)	16 302
	Website visits	190.000 (baseline:	183 851

	Source of data: web statistics	186.675)	
	Page views Source of data: Web statistics	510.000 (baseline: 505.284)	414 208
	Number of applications for EU Sustainable Energy Awards	140 (baseline: 136)	207 (123 applications + 84 nominations)
	Number of Energy Days	400 (baseline: 400)	250 (impact of pandemic)
	Number of votes for the Citizen's Awards	20.000 (baseline 19.612)	4353

Annual communication spending:		
Baseline (2019)	Estimated commitments (2020)	Result
1.750.000	1.750.000	1.822.000

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

Not applicable

ANNEX 11: EAMR of the Union Delegations (if applicable)

Not applicable.

ANNEX 12: Decentralised agencies and/or EU Trust Funds (if applicable)

Not applicable.