



Annual Activity Report 2021

Annexes

EUROPEAN INNOVATION COUNCIL AND SMEs
EXECUTIVE AGENCY (EISMEA)

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ANNEX 1: Statement of the Director of EISMEA and 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 framework ⁽¹⁾, I have reported my advice and recommendations on the overall state of internal control in the DG/Executive Agency to the Director-General/Executive Director.

I hereby certify that the information provided in Section 2 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.”

31 March 2022

/e-signed/

Nathalie Stefanowicz

“I hereby certify that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.”

31 March 2022

/e-signed/

Jean-David Malo

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

EIC Board performance table

Specific objective: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies From 2020-2024 Strategic Plans Parent DG: RTD			
			Related to spending programme Horizon Europe
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Establishment of an efficient EIC Board secretariat	% of plenary documents that are delivered a week in advance	> 80%	80% of documents were sent a week in advance (the plenary meeting on 26/12/2021)
	Time to produce the draft minutes after the plenary meeting	< 5 days	3 days for the 1st plenary meeting 26/11/2021
	Board members compensation payments within 30 days following plenary meetings	> 90%	- Approx 70% of experts' payments processed within 30 days. - Most delays related to delays in submission of costs.

EIC Pathfinder performance table

Specific objectives: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies (DG RTD) Europe's strategic autonomy is ensured in critical technology areas (DG CNECT) From 2020-2024 Strategic plans Parent DGs: RTD, CNECT.			
Related to spending programme Horizon Europe			
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	2
Calls for tender	Number of calls published	0	0
Evaluation sessions	Number of evaluation sessions implemented	100% (by early 2022)	On track for 100% (Pathfinder Challenges evaluation to be completed early 2022)
	Time to inform applicants	100% within 5 months	0 Delay in time-to-inform caused by uncertainties in the Union's relations with Switzerland (see narrative section 1)
	% of evaluated proposals challenged under the evaluation review procedure	Less than 2%	1.2%
	% of evaluated proposals re-evaluated following review requests	0-2 proposals	N/A (results of evaluation review only expected in spring 2022)
Grant agreements	Number of grant agreements signed	54	2 in H2020, 0 in HE 56 HE grants under preparation. Most were delayed due to, uncertainties in the Union's relations with Switzerland / UK, IT-related issues and new business requirements introduced under Horizon Europe.
	Time to grant	96% within 8 months	N/A (signature of grant agreement expected early 2022)
Contracts	Number of contracts signed	0	0
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	50	31. Error in target: (only 38 projects managed by unit) Due to COVID, many projects requested an extension and did not end by 2021.
Payments	Time to pay	100% payments executed within the legal time limit	98.28% (286 out of 291 payments)

Policy feedback	Contribution to EISMEA's policy feedback framework	1 report	N/A (EISMEA's policy feedback framework to be finalised in 2022)

EIC Transition performance table

Specific objectives: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies (DG RTD) Europe's strategic autonomy is ensured in critical technology areas (DG CNECT) From 2020-2024 Strategic plans Parent DGs: RTD, CNECT.			
Related to spending programme Horizon Europe			
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	2: EIC Transition Open and Transition Challenges
Calls for tender	Number of calls published	1	To be published by Q1 2022 (access to expertise)
Evaluation sessions	Number of evaluation sessions implemented	100% (to be finalised early 2022)	100% Applicants informed on 22/12/2021
	Time to inform applicants	100% applicants informed within 17 weeks (~4 months) from submission deadline	100% applicants informed within 17 weeks from deadline
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3%	2% (6 cases in Transition Open: 4 for eligibility and 2 for evaluation)
	% of evaluated proposals re-evaluated following review requests	Less than 2%	2.05%
Grant agreements	Number of grant agreements signed	~40 (to be finished in 2022)	Ongoing for EIC Transition 5 Grants signed for the legacy
	Time to grant	100% grants signed within 6 months from submission deadline	Ongoing. Time to Grant is 22/03/2022 from the EIC Transition 100% for the 5 Grants signed from the legacy
Contracts	Number of contracts signed	1	1
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	9 (this may be impacted by amendments due to COVID)	12 final reports of Grants Agreement assessed. 7 concluded Grants
Payments	Time to pay	100% payments executed within the legal time limit	100%
Event Innovation Workshops Bootcamp Training	Satisfaction rate of participants	at least 85%	96%
Policy feedback	Innovation/Go-to-market barriers	1 or 2 reports	Quality policy feedback was not yet achieved due to the recent creation of the agency

EIC Accelerator performance table

Specific objectives: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies (DG RTD) Europe's strategic autonomy is ensured in critical technology areas (DG CNECT) From 2020-2024 Strategic plans Parent DGs: RTD, CNECT. Related to spending programme Horizon Europe			
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	1 continuous call (short proposal) 1 call with two cut-off dates (full proposal)	1 continuous call (short proposal) 1 call with two cut-offs on 16/06 and 06/10 (full proposal)
Calls for tender	Number of calls published	1	1
Evaluation sessions	Number of evaluation sessions implemented	1 evaluation session for the continuous call (short proposal) 2 evaluation sessions for the with two cut-off dates (full proposal with interview)	1 evaluation session for the continuous call (short proposal) 2 evaluation sessions for the 16/06 and 06/10 cut-offs (full proposal with interview)
	Time to inform applicants	N/A	3 months average
	% of evaluated proposals challenged under the evaluation review procedure	< 3%	< 3%
	% of evaluated proposals re-evaluated following review requests	< 0.5%	< 0.5%
Grant agreements	Number of grant agreements signed	38 GAs for legacy projects, selected in 2020. * If first call of 2021 under Horizon Europe is confirmed for June, approximately another 90 GA to be signed by the end of 2021	54 GA signed for legacy projects selected in 2020 (40 for EIC Accelerator Pilot and 14 for FTI)
	Time to grant	> 95 % within 8 months	100% within 8 months
Contracts	Number of contracts signed	N/A	N/A
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	280 approximately (from legacy projects)	216 final reports (1 for EIC Accelerator Pilot, 194 for SMEI Phase 2 and 21 for FTI). The gap with the target is due to amendments which led to tasks rescheduling. This produced direct impact on the action's duration (extension)
Payments	Time to pay	> 95% within TTP - For EIC Accelerator Pilot projects: 60 days for periodic reporting linked to additional pre-financing requests and 90 days for final periodic reporting;	99% within TTP - For EIC Accelerator Pilot projects: 11 days for first pre-financing, 36 days for second pre-financing and 43 days for final periodic reporting;

		- For SMEI Phase 2 and FTI projects: 90 days for interim and final periodic reporting.	- For SMEI Phase 2 projects: 52 days for interim and final periodic reporting; - For FTI projects: 8 days for pre-financing and 56 days for interim and final periodic reporting;
Event Coordinator's Day	Satisfaction rate of participants	> 80%	85%
Policy feedback	Contribution to EISMEA's policy feedback framework.	1 report	(EISMEA's policy feedback framework to be finalised in 2022)

Call Planning Overview EIC

European Innovation Council					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/21	Status 31/12/21
EIC Accelerator 2021 - Expression of Interest - Open and Challenges	HORIZON-EIC-2021-ACCELERATOR-01	18/03/21	Continuously open	Ongoing	Ongoing
EIC Accelerator Open 2021	HORIZON-EIC-2021-ACCELERATOROPEN-01	18/03/21	16/6/2021 06/10/2021	First closed	Both cut-offs closed. Negotiations ongoing.
EIC Accelerator Challenges 2021	HORIZON-EIC-2021-ACCELERATORCHALLENGES-01	18/03/21	16/6/2021 06/10/2021	First closed	Both cut-offs closed. Negotiations ongoing
EIC Pathfinder Open 2021	HORIZON-EIC-2021-PATHFINDEROPEN-01	18/3/21	25/5/21	Evaluation ongoing for 908 proposals	Evaluation closed, applicants were informed about the results on 8/11. Grant agreement preparations for 56 retained proposals are ongoing

EIC Pathfinder Challenges 2021	HORIZON-EIC-2021-PATHFINDERCHALLENGES-01	15/06/21	27/10/21	Call published	Evaluations ongoing for 433 proposals
EIC Transition Open 2021	HORIZON-EIC-2021-TRANSITIONOPEN-01	15/04/2021	22/09/2021	Call published	Call closed 221 proposals submitted.
					177 evaluated Applicants informed about the outcome. GAP in progress
EIC Transition Challenges 2021	HORIZON-EIC-2021-TRANSITIONCHALLENGES-01	15/04/2021	22/09/2021	Call published	Call closed 71 proposals submitted. 55 evaluated Applicants informed about the outcome. GAP in progress
Co-Creation with Public and Private Buyers of Innovations (CSA)	HORIZON-EIC-2021-PUBLICBUY-01	01/07/2021	28/10/2021	Call published	Call closed, two proposals submitted. Evaluation completed
Support to the EIC Accelerator by the Enterprise Europe Network (CSA)	HORIZON-EIC-2021-EEN-01	01/07/2021	06/01/2022		Call published, deadline for submission January 2022
Enhancing synergies between the EIC and Startup Europe	HORIZON-EIC-2021-STARTUPEU-01	01/06/2021	18/11/2021		Call closed. Evaluation to be organised in Q1 2022.
Planning calls for tender 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/21	Status 31/12/21

Access to expertise, trainings	N/A	Q2 2022	N/A	Tender specifications under preparation	In preparation- Publication expected April 2022
Support through ecosystem partners	N/A	Q4 2021	N/A	Tender specifications under preparation	Contract signed.

EIC Prizes performance table

Specific objective: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies

From 2020-2024 Strategic Plans

Parent DG: RTD

Related to spending programme Horizon Europe

Main outputs in 2021:

Output	Indicator	Target	Latest known result
Calls for applications	Number of calls for applications published	3 ²	3
Evaluation sessions	Number of evaluation sessions implemented	3	3
	Time to inform applicants	100% within 5 months of application deadline	100% within 5 months of application deadline
	% of evaluated proposals challenged under the evaluation review procedure	< 0.5%	0%
	% of evaluated proposals re-evaluated following review requests	< 0.5%	0%
Prize awarded	Number of individual prizes awarded	16	17
Payments	Time to pay	100% payment executed within the legal time limit	100% payment executed within the legal time limit
Outreach and promotion	Number of information and promotion events organised	4	5 (2 info webinars + 3 award ceremonies)
	Average number of participants or views per event	200	459
	Average satisfaction rate of participants (if available)	> 80%	No satisfaction survey conducted yet
Policy feedback	Contribution to EISMEA's policy feedback framework	1 report	(EISMEA's policy feedback framework to be finalised in 2022)

² Women Innovators Prize, European Capital of Innovation Award, European Innovation Procurement Award. Social Innovation Prize managed by DG GROW

Call Planning Overview EIC Prizes

EIC Prizes					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/21	Status 31/12/21
EU Prize for Women Innovators	HORIZON-EIC-2021-WomenInnovatorsPrize	18/03/2021	30/06/2021	Final statistics on applications pending, high number of applications expected. We begin eligibility check, followed by evaluations over summer.	264 applications received. Winners announced at EIC Summit 2021: 3 winners of the main category, 1 winner of the Rising Innovator category, and 2 special mentions.
The European Capital of Innovation Awards (iCapital)	HORIZON-EIC-2021-iCapitalPrize	18/03/2021	15/07/2021	Jury composed of independent experts selected. Eligibility checks and jury evaluation will be performed over summer. Award ceremony expected at the EIC Summit (mid-November 2021).	39 applications received: 25 to the European Capital of Innovation category; 14 to the Rising Innovative city category. Winners announced at EIC Summit 2021:
The European Innovation Procurement Awards	HORIZON-EIC-2021-InnovationProcurementAwardsPrize	14/04/2021	29/07/2021	Jury composed of independent experts selected. Eligibility checks and jury	47 applications received: 33 in the Innovation procurement strategy category, 9

				evaluation will be performed over summer. Award ceremony expected at the EIC Summit (mid-November 2021).	for leadership strategy category and 5 in the Facing societal challenges category. Winners and runners up announced at the EIC Summit 2021.
The European Social innovation competition: challenge prize (co-managed with DG GROW)	HORIZON-EIC-2021-SocialInnovation	8/04/2021	12/05/2021	565 applications received	3 winners announced at an online ceremony held on 8 December 2021.
The European Social innovation competition: impact prize (co-managed with DG GROW)	HORIZON-EIC-2021-SocialInnovation	21/06/2021	06/08/2021	On-going	One winner was selected out of the semi-finalists from last year's Competition-Reimagine Fashion-Changing behaviours for sustainable fashion.

EIC Community and BAS performance table

Specific objective: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies
From 2020-2024 Strategic Plans

Parent DG: RTD
Related to spending programme Horizon Europe

Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published (CSA)	2	2
Calls for tender	Number of calls published	1	1
Grant agreements	Number of grant agreements signed	1	1
	Time to grant		
Contracts	Number of contracts signed	0	0
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	1	1
Coaching cases	Number of coaching cases	2000	1056. The late entry into force of Horizon Europe implied that contracts with coaches could not start at the beginning of 2021. This had a negative impact on the number of coaching cases 1056 with respect to the target 2000
	Satisfaction from coaching service	90%	96%
BAS events	Number of BAS events	40	72 events: 53 BAS events plus 19 GHG events
	Participating beneficiaries EIC	500	1437 beneficiaries
	Satisfaction rate of participants	90%	+90%
	Average Deals for matching events	2	Data on post-event negotiations with EIC beneficiaries will be available by June 2022. By that time the impact of the 2021 events will be measurable.
EIC Community	Number of members	12000	13000
Policy feedback	Feedback on corporate-startup collaboration, Feedback on pathways to partnerships with procurers, corporates and investors	2 reports	The service contract for BAS offer was renewed on June 2021. The reports have not yet been concluded

	Contribution to EISMEA's policy feedback framework	1 report	(EISMEA's policy feedback framework to be finalised in 2022)
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European Innovation Ecosystems performance table

Specific objective: Research and innovation actions and the European Innovation Council in particular support development and scaling-up of SMEs with breakthrough and disruptive technologies

From 2020-2024 Strategic Plans

Parent DG: RTD

Related to spending programme Horizon Europe

Main outputs in 2021:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	Innosup: 0, EIE: 3	Innosup: 0, EIE: 3
Calls for tender	Number of calls published	Innosup: 0, EIE: 1	Innosup: 0, EIE: 0 (call for tenders was replaced by a contract renewal foreseen in the IPR Helpdesk contract running out in December 2021)
Evaluation sessions	Number of evaluation sessions implemented	Innosup: 1, EIE: 6	Innosup: 1, EIE: 6
	Time to inform applicants	Innosup + EIE: 5 months	EIE evaluations are still running as of January 2022 but the target stays 5 months
	% of evaluated proposals challenged under the evaluation review procedure	Innosup + EIE: <10%	Innosup: 0%. EIE: evaluations are still running as of January 2022 but the target stays <10%
	% of evaluated proposals re-evaluated following review requests	Innosup + EIE: <5%	Innosup: 0% EIE: evaluations are still running as of January 2022 but the target stays <5%
Grant agreements	Number of grant agreements signed	Innosup: 6, EIE: 1	Innosup: 6 EIE: 0 (grant agreement preparation still ongoing in January 2022)
	Time to grant	Innosup + EIE: 100% within 8 months	Innosup: < 8 months EIE: evaluations are still running as of January 2022 but the target stays < 8 months.
Contracts	Number of contracts signed	Innosup: 0, EIE: 0 (no contracts to be signed in 2021)	Innosup: 0 EIE: 1. See above, the IPR Helpdesk contract was renewed in December 2021.
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	Innosup: 45, EIE: 0	Innosup: 40 (+8 from 1 Jan-31 Mar) EIE: no final reports due as projects have not started in 2021
Payments	Time to pay	Innosup + EIE: 90 days (grants)	Innosup: < 90 days (no payment delays registered) EIE: no final/interim reports due as projects had not started in 2021
Event	Satisfaction rate of participants	No events scheduled in 2021	Info day 2021. satisfaction survey not yet performed

Policy feedback	Reports on INNOSUP / EIE actions / activities ending in 2021	Innosup: 4, EIE: 1	Innosup:4 (to be published by the EU Publications office) EIE: 0,
	Contribution to EISMEA's policy feedback framework	1 report	(EISMEA's policy feedback framework to be finalised in 2022)

Call Planning Overview EIE

European Innovation Ecosystems					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/2021	Status 31/12/21
Preparatory action for setting up joint programmes among innovation ecosystems actors	HORIZON-EIE-2021-CONNECT-01-01	06/07/2021	26/10/2021	Planned for second half of the year	Call closed. 25 eligible proposals submitted. Evaluations ongoing till end Jan 2022.
Building capabilities in innovation procurement	HORIZON-EIE-2021-CONNECT-01-02	06/07/2021	26/10/2021	Planned for second half of the year	Call closed. 7 eligible proposals submitted. Evaluations ongoing till end Jan 2022.
Expanding Acceleration Ecosystems	HORIZON-EIE-2021-SCALEUP-01-01	13/07/2021	10/11/2021	Planned for second half of the year	Call closed. Evaluations ongoing till end Jan 2022.
Scaling up deep tech ecosystems	HORIZON-EIE-2021-SCALEUP-01-02	13/07/2021	10/11/2021	Planned for second half of the year	Call closed. Evaluations ongoing till end Jan 2022.

Women TechEU	HORIZON-EIE-2021-SCALEUP-01-03	13/07/2021	10/11/2021	Planned for second half of the year	Call closed. Evaluation is ongoing till end Jan 2022.
European Partnership on Innovative SMEs	HORIZON-EIE-2021-INNOVSMES-01-01	22/06/2021	01/09/2021	Planned for second half of the year	One application received and positively evaluated. GAP underway.

SMP Consumer objective performance table

Specific objective:

Improved sustainable consumption by empowering consumers and improved integration of sustainability considerations into companies' and companies' boards behaviour through an upgraded corporate governance framework

Consumers are empowered and better protected

From 2020-2024 Strategic Plans

Parent DG: JUST

Related to spending programme Single Market Programme

Main outputs in 2021

Output	Indicator	Target	Latest known result
Calls for proposals incl. invitations to submit proposals	Number of calls published incl. invitations sent	6-7	7
Calls for tender incl. RfS	Number of calls published incl. RfS	+/- 10	3. The late adoption of SMP Regulation and related Financing Decision caused delays in the call planning for both grants and procurement actions.
Evaluation sessions	Number of evaluation sessions implemented	100%	43% fully implemented The late adoption of SMP Regulation and related Financing Decision caused delays in the call planning for both grants and procurement actions.
	Time to inform applicants	100 % applicants informed within 6 months from submission deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 8%	0%
	% of evaluated proposals re-evaluated following review requests	Less than 8%	0%
Grant agreements	Number of grant agreements signed	50-65	5 The late adoption of SMP Regulation and related Financing Decision caused delays in the call planning for grants, leading to a lower number of signed grant agreements
	Time to grant	100 % grants signed within 9 months from submission deadline	100%
Contracts	Number of contracts signed	+/- 10	2 + 1 extension of service contract. The late adoption of SMP Regulation and related Financing Decision caused delays in the call planning for both grants and procurement actions, also takes into account related

			policy reconsiderations of DG JUST
Payments	Time to pay	100% payments executed within the legal time limit	100%
Event	Satisfaction rate of participants	at least 75%	N/A no event foreseen under procurement actions of 2021 WP, took place by 31.12.2021
Policy feedback	Contribution to policy feedback	Upon request from DG JUST	EISMEA's policy feedback framework to be finalised in 2022)

Call Planning Overview SMP Consumer Pillar

SMP / CONSUMER PILLAR					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication /opening date	Closing date	Status 30/06/21	Status 31/12/21
ECC Designation procedure	n/a	21.05.2021	14.06.2021 for the invitation to submit proposals sent on 22.06.2021 and 30.09.2021 for the invitation to submit proposals to be sent in early October 2021	ongoing	finalised
BEUC operating grant	SMP-CONS-2022-EU-ORG-OG-IBA	22.06.2021	24.08.2021	Opened for submission	Finalised, 1 GA signed
European consumer centres (June 2021 invitation)	SMP-CONS-2022-ECC-IBA	22.06.2021	01.09.2021	Opened for submission	GAP ongoing, 3 GA signed

European consumer centres (October 2021 invitation)	tbc	Early October 2021	tbc	Planned/pending	Evaluation ongoing
Grants to ADRs	SMP-CONS-2021-ADR	22.06.2021	02.09.2021	Published/opened for submission	Submission deadline postponed to 26/10. Evaluation ongoing
CPC grants	SMP-CONS-2021-CPC	22.06.2021	09.09.2021	Published/opened for submission	Submission deadline postponed to 19/10. Evaluation ongoing
Presidency grant I	SMP-CONS-2021-PRESIDENCY-1-IBA	22.06.2021	14.07.2021	Opened for submission	Finalised, 1 GA signed
Presidency grant II	tbc	tbc	tbc	Planned/pending	Not launched, FR presidency confirmed they would not request a grant
Debt Advice support	SMP-CONS-2021-DA	22.06.2021	01.09.2021	Published/opened for submission	Evaluation ongoing
Planning calls for tender 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/21	Status 31/12/21
JOINT ACTIONS (CASP): CASP 2022		tbc	tbc	DG JUST provided no technical input so far.	TORs under preparation
ConsumerPRO - phase II		n/a	n/a	The procedure of the renewal of the ongoing service contract launched. The contract shall be renewed as of 18.07.2021	The contract was renewed as of 18.07.2021

Consumer Survey					TORs under preparation
Consumer Education and awareness		tbc	tbc	The request is launched in PPMT and the draft tender specifications were sent to EISMEA ProCell for assessment.	Open call published on 28.09.2021 submission deadline 10.11.2021. No offers received; RfS under an existing FWC under preparation
New collection of enforcement indicators, feasibility study		tbc	tbc	DG JUST provided no technical input so far.	DG JUST withdrew this delegation
Consumer dialogues		tbc	tbc	Pending technical input from DG JUST	Pending technical input from DG JUST to EISMEA necessary by Q1 2022.
Informal Ministerial meeting				By June 2021 no input was provided yet, as the specific contract under the FWC was launched in end of November.	The contract was signed on 22.12.2021.
Communication on the changes brought by the directive on better enforcement and modernisation of EU consumer protection		tbc	tbc	Pending technical input from DG JUST	The contract was signed on 01.12.2021.
CASP FWC		tbc		DG JUST/DG GROW are working on the draft technical specifications with the support of EISMEA I-03.	Tender specifications ready.

Consumer Issues – FWC		tbc		DG JUST still needs to confirm if this procedure shall be launched or DG JUST would prefer to use any existing FWC of other services instead	Pending technical input from DG JUST
Technical check – Low value tender		Opening date for ex ante publicity: 6/12	Closing date for ex-ante publicity: 31/12		Ongoing

SMP SME pillar performance table

Specific objective: More European SMEs have access to cross-border business by digital means From 2020-2024 Strategic Plans Parent DG: GROW Related to spending programme Single Market Programme			
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	12	9. Three calls of the WP 2021 were not published because of late arrival of call text. They will be published in the first quarter of 2022.
Calls for tender	Number of calls published	10	11. (3 tenders from WP 2021 and 8 from WP 2020).
Evaluation sessions	Number of evaluation sessions implemented	5 evaluations for call for proposals and 4 evaluations for calls for tenders	13 evaluations for call for proposals (8 from WP 2020, 5 from WP 2021) and 10 evaluations for call for tenders (8 from WP 2020 and 2 from WP 2021)
	Time to inform applicants	100% of applicants informed within 6 months (183 days) after the call deadline	100% of applicants informed within 6 months (183 days) after the call deadline (<i>COSME and SMP-SME Calls with deadline date in 2021</i>)

	% of evaluated proposals challenged under the evaluation review procedure	Less than 2.75% of evaluated proposals	2.99% (11 requests for review out of 368 proposals evaluated)
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0.81% proposals re-evaluated (3 re-evaluated out 368 proposals received)
Grant agreements	Number of grant agreements signed	85-90 Enterprise Europe Network Grant Agreements (SMP-COSME) and 45-55 grant agreements from the COSME legacy	16 Enterprise Europe Network Grant Agreements (SMP-COSME) and 49 grant agreements from the COSME legacy. The EEN call was published later than planned due to the late approval of the legal base.
	Time to grant	100% of grant agreements signed within 9 months (274 days) after the call deadline	75.39% of grant agreements signed within 9 months (274 days) after the call deadline. Out of the 16 projects with TTG above 274 days, 5 were projects promoted from the reserve list and 11 projects whose Grant Agreement Preparation spanned for more than three months.
Contracts	Number of contracts signed	11 contracts from the COSME legacy	15 contracts from the COSME legacy.
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	90-100 final reports of grant agreements and 12-14 final reports of service contracts (COSME legacy)	21 final reports of grant agreements and 25 final reports of service contracts (COSME legacy). The final reports of Enterprise Europe Network will be assessed in the first quarter of 2022.
Payments	Time to pay	100% of payments within legal deadlines	100% of payments within legal deadlines
Event (Enterprise Europe Network Annual Conference)	Satisfaction rate of participants	85% of participants being satisfied with the event	92% of participants being satisfied with the event.
Policy feedback	Synthesis reports sent to parent DG to all calls completed before October 2021	Synthesis reports of all calls completed before October 2021	One synthesis report produced for the only call for proposals closed between 1st January and 30 September 2021.
	Contribution to EISMEA's policy feedback framework	1 report	(EISMEA's policy feedback framework to be finalised in 2022)

Call Planning Overview SMP SME Pillar (and COSME legacy)

COSME Legacy					
Planning calls for proposals 2020:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/21	Status 31/12/21
Training for SME-Friendly policies in Central Purchasing Bodies (2 nd SGA)	GRO/SME/20/B/07	29/06/2021	7/09/2021	published	Grant agreement signed. Action under implementation.
Co-financing of public procurement of innovation consortia – 2 nd Stage	GRO/SME/20/B/05	19/05/2021	13/07/2021	published	Grant Agreements signed. Two actions under implementation
European Clusters Excellence Programme with ClusterXchange scheme connecting ecosystems and cities	GRO/SME/20/C/04	03/11/2020	02/02/2021	Grant Agreement Preparation	Grant Agreements signed. 15 actions under implementation
Planning procurements 2020:					
Improving the Availability and the Scope of Services for Companies in Financial Difficulties	GRO/SME/20/C/013	01/02/2021	23/03/2021	Evaluation closed	Contract signed. Under implementation

Achieving Synergies in Implementing EntreComp	GRO/SME/20/D/O 31	04/05/2021	13/07/2021	published	Contract signed. Under implementation
Enhancing Digital and Entrepreneurial Competences in Girls and Women	GRO/SME/20/D/O 32	16/06/2021	09/08/2021	published	Contract signed. Under implementation
European Cluster Collaboration Platform	GRO/SME/20/C/O 15	28/05/2021	27/07/2021	published - Closing date was postponed	Contract signed. Under implementation
European Cluster Conference 2022	GRO/SME/20/C/O 15B	tbc		Planned - no technical inputs from GROW	Contract signed. Under implementation
SME Performance Review 2021/22	GRO/SME/20/C/O 11	10/06/2021	30/06/2021	published	Contract signed. Under implementation

SMP / SME PILLAR					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/2021	Status 31/12/21
Enterprise Europe Network grants	GRO/SME/21/12192	end April/beg May	1st cut-off: 11 Aug 2021 2nd cut-off: 02 Dec 2021 3rd cut-off: 27 April 2022	Published on 11 May. Call open for submissions	1st cut-off: 16 grant agreements signed. 42 proposals in grant agreement preparation 2nd cut-off: Under evaluation
Joint Cluster Initiatives (EUROCLUSTERS) for Europe's recovery	GRO/SME/21/12082	Sept-2/2021	30/11/2021 (tbc)	Planned – new tentative date for publication: 29-09-21	Under evaluation

Social Economy and local green deals supporting SMEs to become more resilient	GRO/SME/21/12085	Sept-1/2021	tbc	Planned – new planned date for publication: 16-09 -21 – closing: Nov 24	Under evaluation
Affordable Housing Initiative	GRO/SME/21/12586	15/07/2021	20/10/2021	In preparation	One proposal in grant agreement preparation
SME friendly training for Central Purchasing Bodies (CPS)	GRO/SME/21/12063	Q4/2021	Q1/2022	Planned – new tentative date for publication: 12-2021	In preparation- Publication expected February 2022
COVID-19 Recovery – Sustainable growth in tourism – support to SMEs	GRO/SME/21/12089	Q4 2021	tbc	Planned – new tentative date for publication: 15-12-21	Published
Promoting trans-European tourism products in third countries	GRO/SME/21/12100	Q1 2022	tbc	* DG GROW is planning to cancel delegation	Cancelled
Erasmus for Young Entrepreneurs	GRO/SME/21/12196	Nov-1/2021	tbc	In preparation – new tentative date for publication: 30-11-21	In preparation- Publication expected February 2022
EU SME Centre in China – phase IV 1	GRO/SME/21/12197	16/09/2021 (tbc)	24/11/2021 (tbc)	In preparation – new tentative date for publication: 16-09 -21	Publication- No proposals received. Re-publication in January 2022
Sustainability Partnerships Platform for SMEs adopting more sustainable practices	GRO/SME/21/12203	July-1/2021	tbc	Planned – new tentative date for publication: 15-12-21	Published
Public procurement of Innovation development	GRO/SME/21/12064	Mid June/2021	tbc	Planned – new tentative date for publication: 17-11-21	In preparation- Publication expected January 2022
Intellectual Property	GRO/SME/21/12087	Sept-2/2021	tbc	* DG GROW is planning to	Published

Licensing Intermediaries				cancel delegation	
Planning calls for tender 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/2021	Status 31/12/21
Support to the implementation of the Circular Economy Action Plan 2.0 in construction	GRO/SME/21/12123	Q4 2021	tbc	* DG GROW has cancelled delegation	Cancelled
Support of the digitalisation of the built environment, public procurement and SMEs in construction	GRO/SME/21/12115	Oct-1/2021	tbc	Planned - no technical inputs from GROW	In preparation. Publication expected Q1 2022
Monitoring the performance of EU industry and industrial ecosystems	GRO/SME/21/12081	July-2/2021	tbc	planned - no technical inputs from GROW	Published
SME Policy - Late Payment	GRO/SME/21/12257	Dec-1/2021	tbc	planned - no technical inputs from GROW	planned - no technical inputs from GROW
Enterprise Europe Network animation tasks	GRO/SME/21/12193	April-1/2021	tbc	Under implementation	Under implementation
Crisis management and governance in tourism	GRO/SME/21/12737	Q2-Q4 2021	tbc	planned - no technical inputs from GROW	planned - no technical inputs from GROW
Pact for Skills 2021-2022	GRO/SME/21/12083	July-2/2021	tbc	Planned - new plan date for launch: 09/2021	In preparation. Publication expected Q1 2022
Cybertheft of trade secrets: awareness toolkit for SMEs and the research community	GRO/SME/21/12088	April-2/2021	tbc	In preparation - new plan date for launch: Q3	In preparation. Publication expected Q1 2022
Events & Technical assistance - cluster actions	GRO/SME/21/12321	no info provided	tbc	Planned - no technical inputs from GROW	Cancelled
Tourism events & Technical assistance	GRO/SME/21/12515		tbc	Planned - no technical inputs from GROW	Cancelled
Remunerated experts - COSME CALL	GRO/SME/21/12386		tbc		Under implementation
European entrepreneurial E-learning platform helping	GRO/PPA/21/12799	Q3/2021	tbc	In preparation	Under evaluation

SMEs to adapt to the current context				Newly delegated pilot project	
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SMP Internal Market and support to standardisation performance table

Specific objective: More business opportunities are generated in the Single Market (DG GROW) From 2020-2024 Strategic Plans Parent DG: GROW Related to spending programme Single Market Programme			
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	4	5
Calls for tender	Number of calls published	6	2 Due to changes in political priorities of DG GROW during 2021) only 2 calls were published by EISMEA
Evaluation sessions	Number of evaluation sessions implemented	100%	40% fully implemented. - 5 calls out of 6 were published - the evaluation session for the non-published call was not organised
	Time to inform applicants	100% informed within 6 months from submission deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 10%	0%
	% of evaluated proposals re-evaluated following review requests	Less than 10%	0%
Grant agreements	Number of grant agreements signed	50-60	0. Belated adoption of the SMP WP 2021 (6/5/21); delays in approving templates for calls for proposals; amendment to the SMP WP 2021 (29/9/21) enabling to launch the calls for proposals without prior conclusion of FPAs in the standardization area
	Time to grant	100% signed within 9 months from submission	No grant agreement was signed in 2021
Contracts	Number of contracts signed	5	1 Changes in political priorities of DG GROW (as for calls for tender)
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	...	NA

Payments	Time to pay	100% executed within the legal deadline	100%
Event joint action	Satisfaction rate of participants	At least 80%	NA
Policy feedback	Contribution to EISMEA's policy feedback framework	1 report	(EISMEA's policy feedback framework to be finalised in 2022)

Call Planning Overview SMP Internal Market and Support to Standardisation

SMP /INTERNAL MARKET STANDARDISATION					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/2021	Status 31/12/21
1. Joint Actions Market Surveillance	SMP-IMA-2021-JA-2731-12302	01/09/2021	15/11/2021	The call documents are in the internal approval WF	Evaluation is finalised; award letters are sent out; GAP ongoing
2. MS campaigns	SMP-IMA-2021-MS-CAA-2711-12367	01/09/2021	31/10/2021	Receipt of the call documentation delayed	Evaluation of the call still ongoing
3. Establishing and functioning of Union testing facilities		June 2021	End August	The call documentation received, however, political discussions still ongoing	The action not implemented due to change in priorities of DG GROW
4a) Framework partnership agreements - SMEs interests in standardisation	EISMEA-SMP-STA-FPA-SME	Q3 2021		Preparation of the FPA for Action Grants / Operating Grants started based on documents received but risk that political negotiations jeopardize agreed planning of the call	Evaluation process finalised in 2021 and the FPA signed on 19/01/2022
4b) Specific agreements - Support to organizations representing	EISMEA-SMP-STA-SME-AG-2021	Q4 2021		Preparation of the Specific Agreements will start after the priorities will be	Internal workflow for the launch of the GA invitations

SMEs interests European standardisation				clarified – linked with the FPA above	initiated in 1/2021
5a) Framework Partnership Agreement - CEN, CENELEC and ETSI		Q3 2021		Legal construction (FPA/SGA) upon discussion; Signature of the FPA Operating Grants expected; official feedback from the LS on the proposed FPA and MGA also expected	According to the amended WP 2021 conclusion of the FPA was considered 'if necessary' – not implemented
5b) Support to Standardisation activities performed by CEN, CENELEC and ETSI	EISMEA/STA-ESOS/2021/3111/12525-AG	15/10/2021	29/11/ 2021	Validity and completeness of the evaluation carried by DG GROW to be assessed and still is upon discussion – linked with the FPA above	Evaluation of applications started in 2021 and finalised for 4 topics. Evaluation of 1 topic still ongoing in 01/2022
6. Operating Grants for Annex III Organisation – representation of stakeholders in Standardisation activities	EISMEA/STA/ANEC/ECOS/ETUC/OG/2021	01/12/2021	31/12/2021		Evaluation started in 2021 and still ongoing in 01/2022

Planning calls for tender 2021:

Call title	Call identifier	Publication date	Closing date	Status 30/06/2021	Status 31/12/21
1. Study on measuring non-compliance for the sectors Regulation 2019/2021	EISMEA/2021/OP/0008	21/7/2021	14/09/2021	The call documentation in finalisation stage with Procell	Service contract signed with the contractor
2. Study on assessing challenges and opportunities for market surveillance		May 2021	August	The call documentation in the internal approval workflow	Call cancelled in 2021 as no proposals received – successfully relaunched by DG GROW afterwards

3. Framework contract to support the organization of joint actions		Q3 2021		Receipt of the call documentation delayed	Action not implemented as DG GROW change the priorities
4. Awareness raising campaigns	SMP-IMA-2021/2723/12309	July 2021	September	Tender specifications not received by DG GROW yet	Not implemented – change in priorities from DG GROW In 2022 the action will be moved to the joint FWC of DG GROW and DG JUST to support the organization of joint actions

Interregional Innovation Investments performance table

Specific objective: Innovative and smart economic transformation across the EU From 2020-2024 Strategic Plans Parent DG: REGIO			
			Related to spending programme ERDF
Main outputs in 2021:			
Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	2
	Number of proposals received for evaluation step 1 and 2 per strand	Strand 1: 75-90 Strand 2a: 50-60	Numbers will be known at call deadline: 01/02/2022
Evaluation sessions	Number of evaluation sessions implemented per strand (1&2)	2 (2-step evaluation for the two calls only)	0. Evaluations will start in February 2022.
	Time to inform applicants	100 % applicants informed within 6 months from submission deadline	Not known yet as evaluations ongoing.
	% of evaluated proposals challenged under the evaluation review procedure	0	Not known yet as evaluations ongoing.
	% of evaluated proposals re-evaluated following review requests	0	Not known yet as evaluations ongoing.
	% of successful proposals passing step 1 evaluation over all submitted proposals per strand	33% for strand 1 50% for strand 2a	Not known yet as evaluations ongoing.
Grant agreements	Number of grant agreements signed	0 for both strands	Not known yet as evaluations ongoing.
	Time to grant	100% within 8 months	Not known yet as evaluations ongoing.
	% of grant agreements signed per proposals evaluated in step 2	Strand 1: 33% Strand 2a: 50%	Not known yet as evaluations ongoing.
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	0	0. No project end in 2022.
Payments	Time to pay	100% payments executed within the legal time limit	Not known yet as evaluations ongoing.
Event: Final Conference	Satisfaction rate of participants	75%	97% for the registration procedure 98% for the web platform used 4,15/5=83%
Policy feedback	Target to be set for 2022 (following first call cycle)	N/A	N/A

	Contribution to EISMEA's policy framework	EISMEA's feedback	1 report	No report (EISMEA policy feedback strategy to be finalised in 2022)
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Call Planning Overview I3

Interregional Innovation Investments (I3)					
Planning calls for proposals 2021:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/21	Status 31/12/21
ERDF-I3-2021 – INV 1 Strand 1	ERDF-I3-2021 – INV1	23/11/2021	1st Cut-off: 22/02/2022 2nd Cut-off: 18/10/2022	Planned	Open
ERDF-I3-2021- (Strand-2a)	ERDF-I3-2021-INV2	23/11/2021	1st Cut-off: 22/02/2022 2nd Cut-off: 18/10/2022	Planned	Open

ANNEX 3: Draft annual accounts and financial reports

AAR 2021 Version 2

Annex 3 Financial Reports - IEEA - Financial Year 2021 – Operating Budget

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

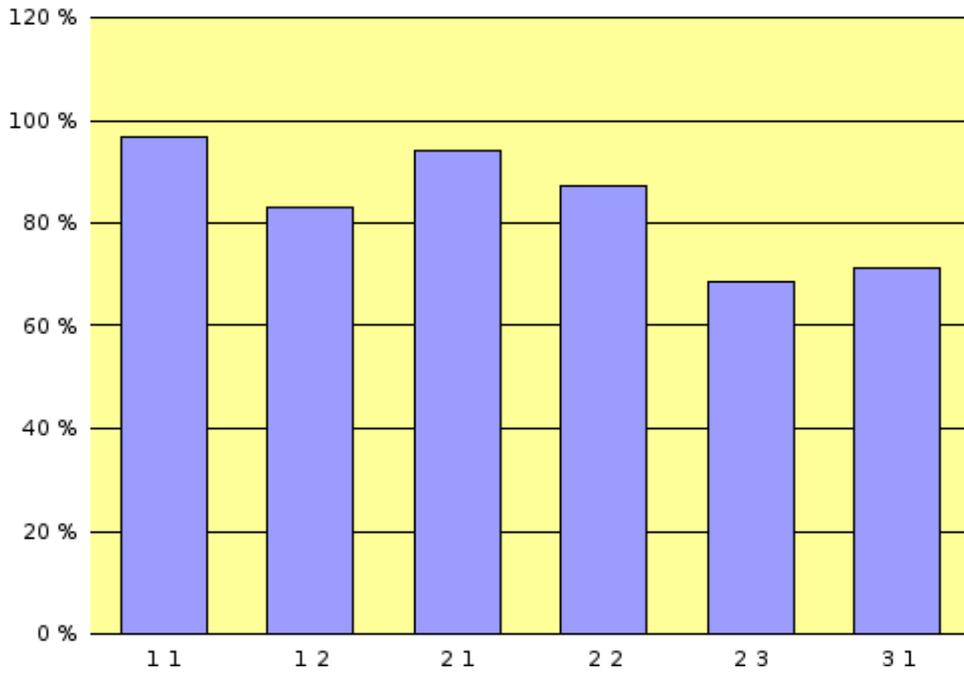
Table 10 : Waivers of Recovery Orders

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (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	33.29	32.19	96.71 %
	1 2	Professional development & social expenditure	2.02	1.68	82.89 %
Total Title 1			35.31	33.87	95.92 %
Title 2 Infrastructure and operating expenditure					
2	2 1	Building expenditure	5.16	4.86	94.23 %
	2 2	ICT expenditure	2.76	2.41	87.37 %
	2 3	Movable property and Current Operating expenditure	0.44	0.30	68.50 %
Total Title 2			8.36	7.58	90.60 %
Title 3 Programme support expenditure					
3	3 1	Programme management expenditure	1.52	1.08	71.07 %
Total Title 3			1.52	1.08	71.07 %
Total IEEA			45.19	42.53	94.10 %

* 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

% Outturn on Commitment Appropriations in 2021 for IEEA

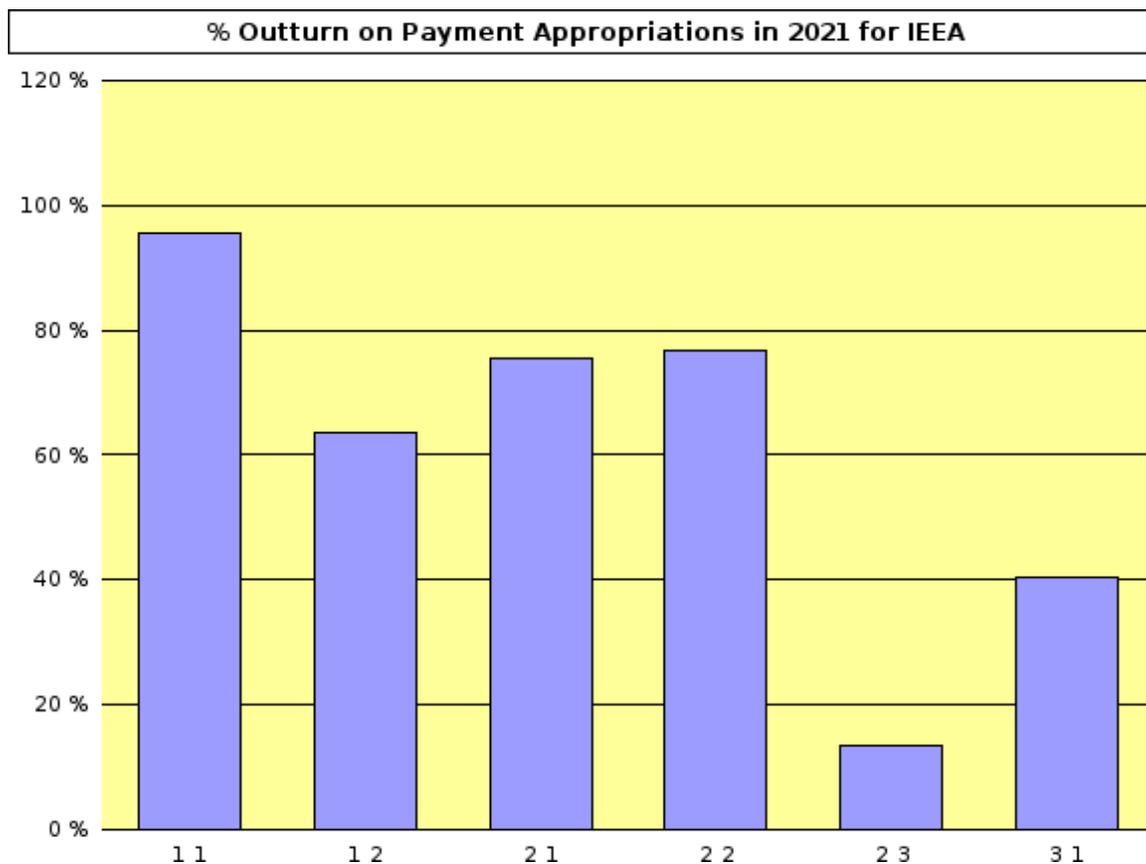


Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2021 (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	33.44	31.97	95.61 %
	1 2	Professional development & social expenditure	2.53	1.61	63.65 %
Total Title 1			35.97	33.58	93.36%
Title 2 Infrastructure and operating expenditure					
2	2 1	Building expenditure	6.10	4.61	75.57 %
	2 2	ICT expenditure	3.07	2.35	76.67 %
	2 3	Movable property and Current Operating expenditure	0.54	0.07	13.35 %
Total Title 2			9.71	7.04	72.43%
Title 3 Programme support expenditure					
3	3 1	Programme management expenditure	2.57	1.04	40.33 %
Total Title 3			2.57	1.04	40.33%
Total IEEA			48.25	41.65	86.32 %

* 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

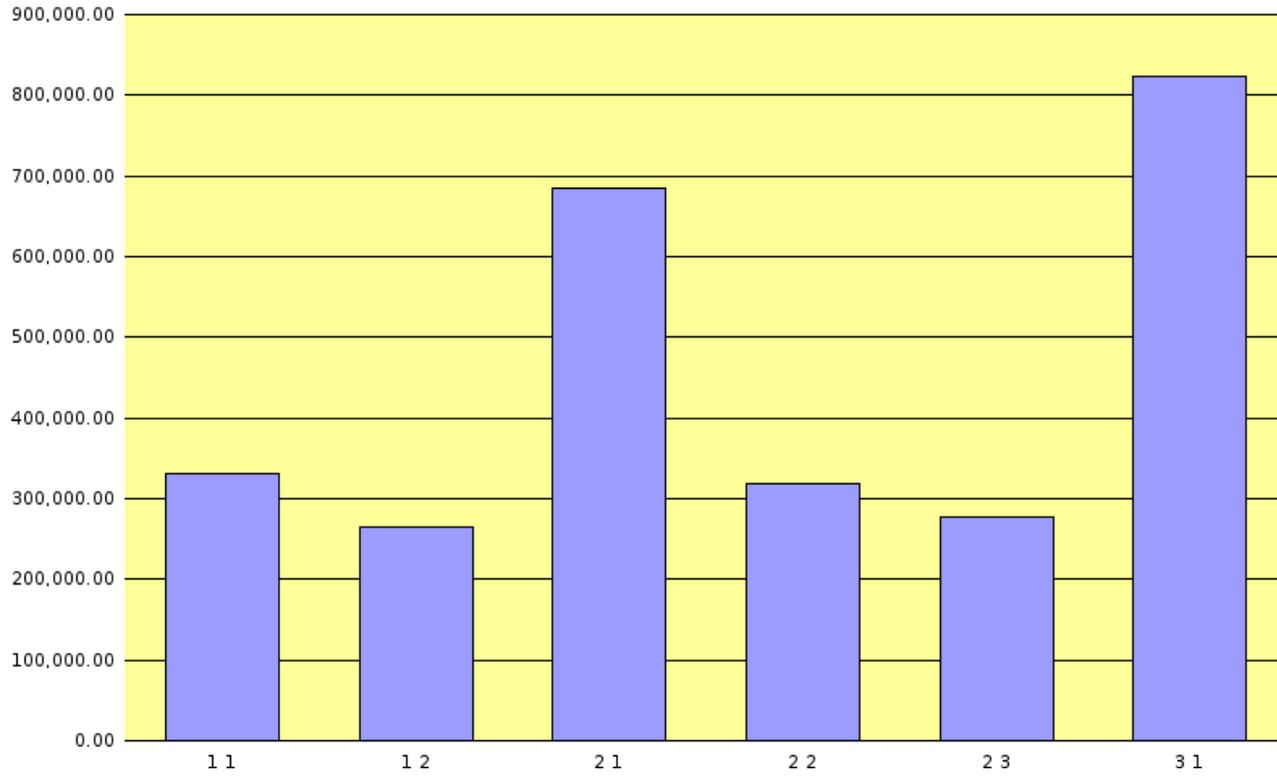
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	1 1	Remunerations, allowances and charges	32.19	31.86	0.33	1.03%	0.00	0.33	0.15
	1 2	Professional development & social expenditure	1.68	1.41	0.26	15.75%	0.00	0.26	0.51
Total Title 1			33.87	33.28	0.60	1.76%	0.00	0.60	0.65

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 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	2 1	Building expenditure	4.86	4.18	0.68	14.08%	0.00	0.68	0.95
	2 2	ICT expenditure	2.41	2.09	0.32	13.21%	0.00	0.32	0.31
	2 3	Movable property and Current Operating expenditure	0.30	0.03	0.28	90.90%	0.00	0.28	0.10
Total Title 2			7.58	6.30	1.28	16.89%	0.00	1.28	1.35

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 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3 1	Programme management expenditure	1.08	0.25	0.82	76.56%	0.00	0.82	1.05
Total Title 3			1.08	0.25	0.82	76.56%	0.00	0.82	1.05
Total :			42.53	39.83	2.70	6.35 %	0.00	2.70	3.06

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

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2021 IEEA



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	2021	2020
A.I. NON CURRENT ASSETS	955,942	1,273,604
A.I.1. Intangible Assets	0	76
A.I.2. Property, Plant and Equipment	955,942	1,273,528
A.II. CURRENT ASSETS	4,572,549	6,695,690
A.II.2. Current Pre-Financing	0	0
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	437,153	1,375,076
A.II.6. Cash and Cash Equivalents	4,135,396	5,320,614
ASSETS	5,528,492	7,969,294
P.I. NON CURRENT LIABILITIES	0	-33,455
P.I.3. Non-Current Financial Liabilities	0	-33,455
P.II. CURRENT LIABILITIES	-4,161,154	-6,842,041
P.II.2. Current Provisions	-49,670	-56,425
P.II.3. Current Financial Liabilities	0	-16,513
P.II.4. Current Payables	-1,502,718	-3,645,443
P.II.5. Current Accrued Charges & Defrd Income	-2,608,766	-3,123,660
LIABILITIES	-4,161,154	-6,875,496
NET ASSETS (ASSETS less LIABILITIES)	1,367,337	1,093,798
P.III.2. Accumulated Surplus/Deficit	-1,093,798	-3,096,901
Non-allocated central (surplus)/deficit*	-273,540	2,003,103
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

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 IEAA

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-41,305,605	-46,946,506
II.1.2. EXCHANGE REVENUES	-41,305,605	-46,946,506
II.1.2.2. OTHER EXCHANGE REVENUE	-41,305,605	-46,946,506
II.2. EXPENSES	41,032,066	48,949,609
II.2. EXPENSES	41,032,066	48,949,609
II.2.10. OTHER EXPENSES	9,797,857	12,398,093
II.2.6. STAFF AND PENSION COSTS	31,232,935	36,550,266
II.2.8. FINANCE COSTS	1,274	1,250
STATEMENT OF FINANCIAL PERFORMANCE	-273,540	2,003,103

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 IEEA

OFF BALANCE	2021	2020
OB.1. Contingent Assets	14,850	39,705
GR for performance	0	0
GR for pre-financing	0	39,705
OB.1.3. CA Other	14,850	0
OB.2. Contingent Liabilities	-99,900	0
OB.2.6. CL Other	-43,400	0
OB.2.7. CL Legal cases OTHER	-56,500	0
OB.3. Other Significant Disclosures	-5,557,837	-6,201,682
OB.3.2. Comm against app. not yet consumed	-1,242,095	-772,200
OB.3.5. Operating lease commitments	-4,315,743	-5,429,483
OB.4. Balancing Accounts	5,642,887	6,161,978
OB.4. Balancing Accounts	5,642,887	6,161,978
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.

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 2021 for IEEA

Legal Times									
Maximum Payment Time (Days)	Total Nbr 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	328	323	98.48 %	13.58	5	1.52 %	103.00	27,407.71	1. %
45	27	24	88.89 %	25.08	3	11.11 %	84.33	4,974.96	1. %
60	19	19	100.00 %	23.11				0.00	0. %
90	16	16	100.00 %	17.25				0.00	0. %

Total Number of Payments	390	382	97.95 %		8	2.05 %		32,382.67	0. %
Average Net Payment Time	16.59			14.93			96		
Average Gross Payment Time	20.29			18.70			96		

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	72	20	5.13 %	390	95,763.47	0.89 %	10,761,662.59

Late Interest paid in 2021			
DG	GL Account	Description	Amount (Eur)
IEEA	65010000	Interest expense on late payment of charges	902.02
			902.02

NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex3 BO User Guide (https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx).

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 2021 for IEEA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	balance
		1	2	3=1+2	4	5	6=4+5	7=3-6
2 0	Subsidy	43,071,370	0	43,071,370	43,071,370	0	43,071,370	0
9 0	Other income	7,551	0	7,551	5,786	0	5,786	1,765
Total IEEA		43,078,921	0	43,078,921	43,077,156	0	43,077,156	1,765

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 for IEEA
(Number of Recovery Contexts and corresponding Transaction Amount)**

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery contex(tincl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Sub-Total						

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery contex(tincl. 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							34	66,951		
Sub-Total							34	66,951		
GRAND TOTAL							34	66,951		

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 12/31/2021 for IEEA

	Number at 1/1/2021 1	Number at 12/31/2021	Evolution	Open Amount (Eur) at 1/1/2021 1	Open Amount (Eur) at 12/31/2021	Evolution
2021		1			1,764.71	
		1			1,764.71	

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 2021 for IEEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG	
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Number of RO waivers	
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Annex 3 Financial Reports - DG IEEA Operational Budget - Financial Year 2021**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**

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG IEEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1,233.73	1,232.04	99.86 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.40	0.40	100.00 %
Total Title 01			1,234.13	1,232.44	99.86 %
Title 02 European Strategic Investments					
02	02 02	Invest EU Fund	0.00	0.00	0.00 %
Total Title 02			0.00	0.00	0.00 %
Title 03 Single Market					
03	03 02	Single Market Programme	149.05	148.77	99.81 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 03			149.05	148.77	99.81 %
Title 05 Regional Development and Cohesion					
05	05 02	European Regional Development Fund (ERDF)	75.80	75.80	100.00 %
Total Title 05			75.80	75.80	100.00 %
Title 08 Agriculture and Maritime Policy					
08	08 04	European Maritime and Fisheries Fund (EMFF)	0.00	0.00	0.00 %
Total Title 08			0.00	0.00	0.00 %
Title 09 Environment and Climate Action					
09	09 02	Programme for the Environment and Climate Action (LIFE)	0.00	0.00	100.00 %
Total Title 09			0.00	0.00	100.00 %
Total Excluding NGEU			1,458.98	1,457.01	99.87 %

Title 01 Research and Innovation					
01	01 02	Horizon Europe	438.34	438.34	100.00 %
Total Title 01			438.34	438.34	100.00 %
Total NGEU Only			438.34	438.34	100.00 %

Total DG IEEA			1,897.32	1,895.35	99.90 %
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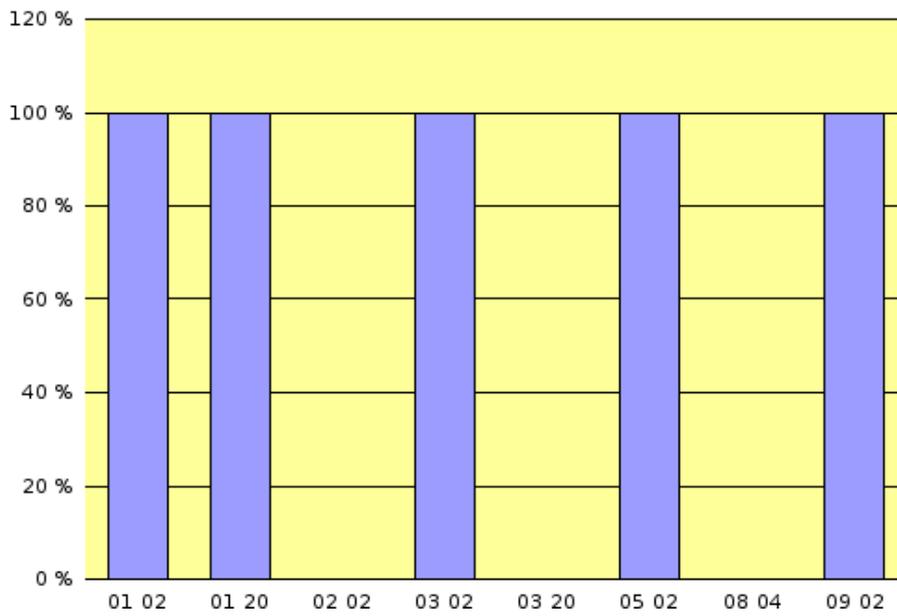
* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

** Annex 3 of the Operational Budget managed by the Executive Agency presents the information regarding the payments authorised during the Year 2021 in the Executive Agency as well as the outstanding committed amount (aka RAL – Reste À Liquider) used to make these payments. However, it also includes payments authorised during the first quarter 2021 by another authorising officer than the Executive Agency itself (i.e. a European Commission's Directorate-General or another

Executive Agency) and their subsequent RAL that both have been transferred to the current Executive Agency as part of the reorganisation of the 1st of April 2021 and the entry into force of the new mandates of the Executive Agencies. Similarly, some of the payments implementation and their subsequent RAL of the current Executive Agency may appear in another Executive Agency. For accounting and transparency reasons, it is not possible to subtract or add manually these payments implemented and their subsequent RAL from the total amount paid by the Executive Agency or by another entity, as this would generate a discrepancy with the consolidated version.

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

% Outturn on Commitment Appropriations in 2021 for DG IEEA



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 2021 (in Mio €) for DG IEEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1,108.83	872.99	78.73 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 01			1,108.83	872.99	78.73%
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.08	0.08	100.00 %
Total Title 02			0.08	0.08	100.00%
Title 03 Single Market					
03	03 02	Single Market Programme	79.50	79.37	99.84 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 03			79.50	79.37	99.84%
Title 05 Regional Development and Cohesion					
05	05 02	European Regional Development Fund (ERDF)	0.00	0.00	0.00 %
Total Title 05			0.00	0.00	0.00%
Title 08 Agriculture and Maritime Policy					
08	08 04	European Maritime and Fisheries Fund (EMFF)	0.00	0.00	0.00 %
Total Title 08			0.00	0.00	0.00%
Title 09 Environment and Climate Action					
09	09 02	Programme for the Environment and Climate Action (LIFE)	0.00	0.00	100.00 %
Total Title 09			0.00	0.00	100.00%
Total Excluding NGEU			1,188.41	952.44	80.14%

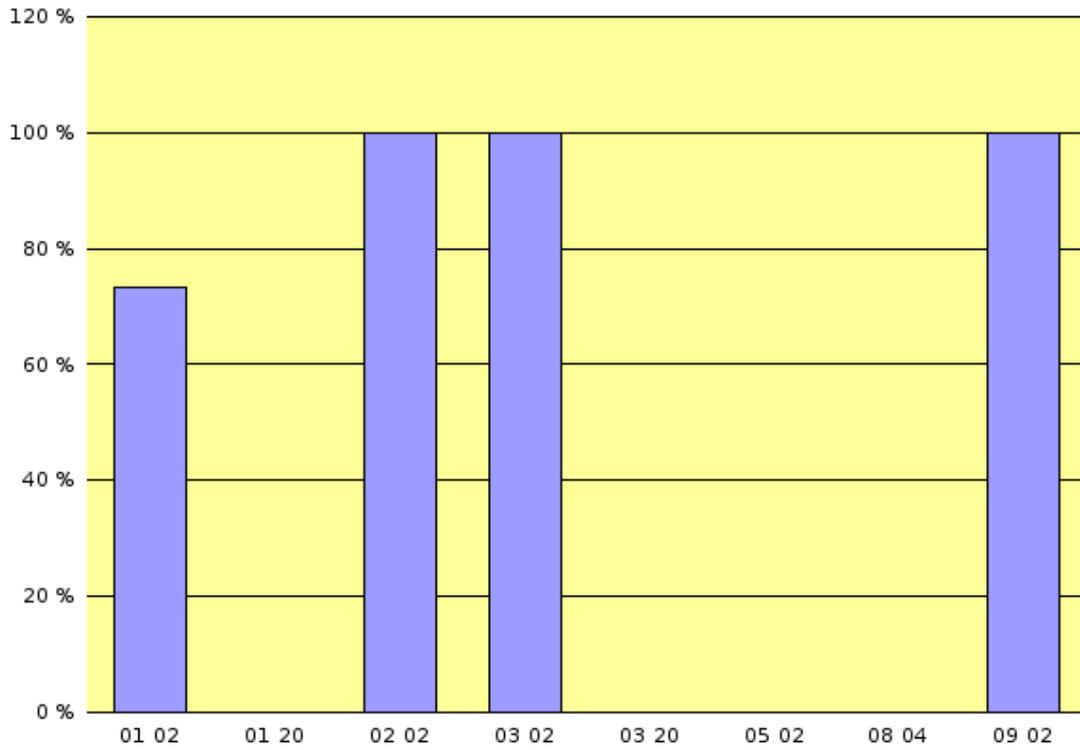
Title 01 Research and Innovation					
01	01 02	Horizon Europe	83.33	0.18	0.22 %
Total Title 01			83.33	0.18	0.22%
Total NGEU Only			83.33	0.18	0.22%
Total DG IEEA			1,271.74	952.62	74.91 %

* 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).

** Annex 3 of the Operational Budget managed by the Executive Agency presents the information regarding the payments authorised during the Year 2021 in the Executive Agency as well as the outstanding committed amount (aka RAL – Reste À Liquider) used to make these payments. However, it also includes payments authorised during the first quarter 2021 by another authorising officer than the Executive Agency itself (i.e. a European Commission's Directorate- General or another Executive Agency) and their subsequent RAL that both have been transferred to the current Executive Agency as part of the reorganisation of the 1st of April 2021 and the entry into force of the new mandates of the Executive Agencies. Similarly, some of the payments implementation and their subsequent RAL of the current Executive Agency may appear in another Executive Agency. For accounting and transparency reasons, it is not possible to subtract or add manually these payments implemented and their subsequent RAL from the total amount paid by the Executive Agency or by another entity, as this would generate a discrepancy with the consolidated version.

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

% Outturn on Payment Appropriations in 2021 for DG IEEA



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

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	1,232.04	5.65	1,226.39	99.54%	896.23	2,122.62	1,764.03
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.40		0.40	100.00%	0.00	0.40	0.00
Total Title 01			1,232.44	5.65	1,226.79	99.54%	896.23	2,123.02	1,764.03
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	0.43	0.43	0.50
Total Title 02			0.00	0.00	0.00	0.00%	0.43	0.43	0.50
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	148.77	13.23	135.54	91.11%	191.68	327.22	258.98
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00		0.00	0.00%	0.00	0.00	0.00
Total Title 03			148.77	13.23	135.54	91.11%	191.68	327.22	258.98
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 02	European Regional Development Fund (ERDF)	75.80		75.80	100.00%	0.00	75.80	0.00
Total Title 05			75.80		75.80	100.00%	0.00	75.80	0.00

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

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 04	European Maritime and Fisheries Fund (EMFF)	0.00		0.00	0.00%	0.00	0.00	2.08
Total Title 08			0.00		0.00	0.00%	0.00	0.00	2.08

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 02	Programme for the Environment and Climate Action (LIFE)	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 09			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Excluding NGEU			1,457.01	18.88	1,438.13	98.70%	1,088.34	2,526.47	2,025.59

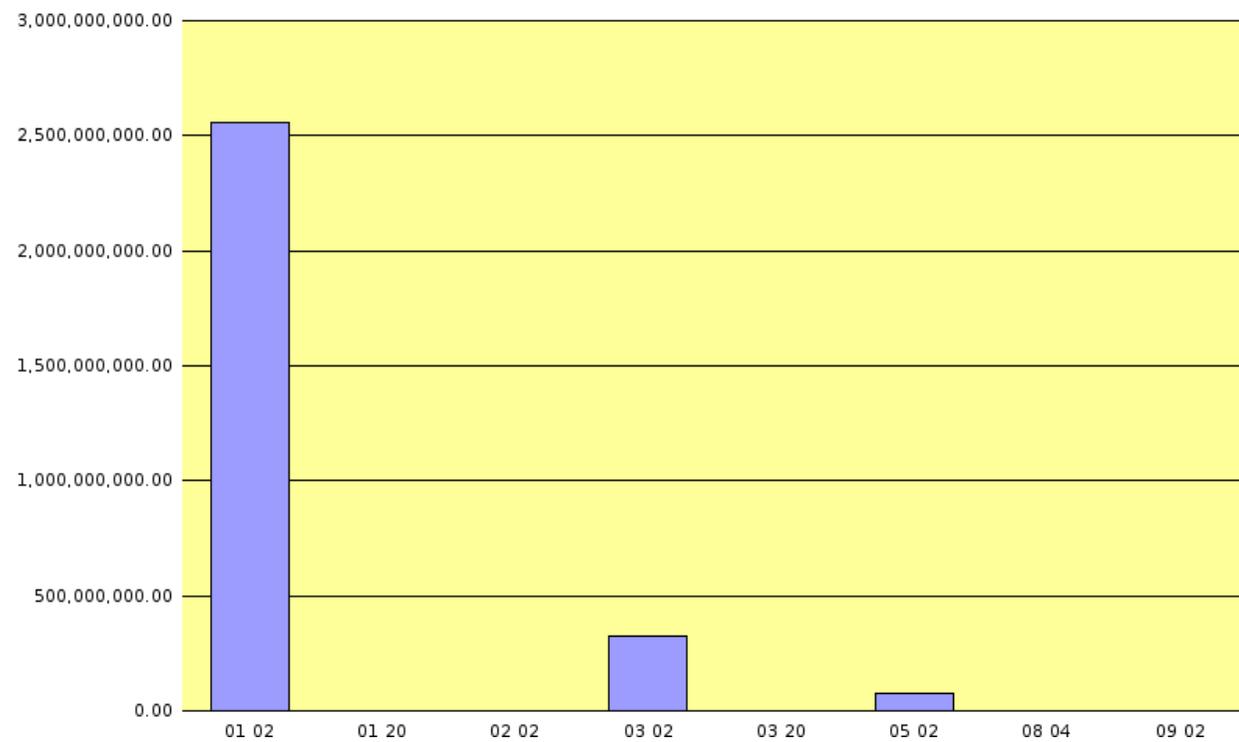
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	438.34	0.18	438.16	99.96%	0.00	438.16	0.00
Total Title 01			438.34	0.18	438.16	99.96%	0.00	438.16	0.00
Total NGEU Only			438.34	0.18	438.16	99.96%	0.00	438.16	0.00

Total for DG IEEA			1,895.35	19.06	1,876.29	98.99 %	1,088.34	2,964.63	2,025.59
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* Annex 3 of the Operational Budget managed by the Executive Agency presents the information regarding the payments authorised during the Year 2021 in the Executive Agency as well as the outstanding committed amount (aka RAL – Reste À Liquider) used to make these payments. However, it also includes payments authorised during the first quarter 2021 by another authorising officer than the Executive Agency itself (i.e. a European Commission's Directorate-General or another Executive Agency) and their subsequent RAL that both have been transferred to the current Executive Agency as part of the reorganisation of the 1st of April 2021 and the entry into force of the new mandates of the Executive Agencies. Similarly, some of the payments implementation and their subsequent RAL of the current Executive Agency may appear in another Executive Agency. For accounting and transparency reasons, it is not possible to subtract or add manually these payments implemented and their subsequent RAL from the total amount paid by the Executive Agency or by another entity, as this would generate a discrepancy with the consolidated version.

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

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2021 IEEA



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	2021	2020
A.I. NON CURRENT ASSETS	270,822,552	267,937,169
A.I.1. Intangible Assets	1,386,075	
A.I.4. Non-Current Financial Assets	172,560,467	
A.I.5. Non-Current Pre-Financing	96,876,011	267,937,169
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	0	
A.II. CURRENT ASSETS	825,208,687	665,169,646
A.II.1. Current Financial Assets	69,276,757	
A.II.2. Current Pre-Financing	461,848,074	645,116,999
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	18,489,674	20,052,647
A.II.6. Cash and Cash Equivalents	275,594,182	
ASSETS	1,096,031,239	933,106,815
P.II. CURRENT LIABILITIES	-130,470,714	-268,353,867
P.II.2. Current Provisions	-3,705,187	
P.II.4. Current Payables	-42,960,182	-46,878,830
P.II.5. Current Accrued Charges & Defrd Income	-83,805,345	-221,475,038
LIABILITIES	-130,470,714	-268,353,867
NET ASSETS (ASSETS less LIABILITIES)	965,560,525	664,752,948

P.III.2. Accumulated Surplus/Deficit	6,321,472,059	5,041,976,591
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Non-allocated central (surplus)/deficit*	-7,287,032,584	-5,706,729,539
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TOTAL DG IEEA	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 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG IEEA

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-731,678	-4,288,935
II.1.1. NON-EXCHANGE REVENUES	284,881	-5,104,645
II.1.1.6. RECOVERY OF EXPENSES	284,881	-5,104,645
II.1.2. EXCHANGE REVENUES	-1,016,559	815,709
II.1.2.1. FINANCIAL INCOME	-118,617	-1,200
II.1.2.2. OTHER EXCHANGE REVENUE	-897,942	816,909
II.2. EXPENSES	-30,991,822	1,283,784,403
II.2. EXPENSES	-30,991,822	1,283,784,403
II.2.10. OTHER EXPENSES	22,217,866	2,152,077
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	-55,734,022	1,281,624,053
II.2.8. FINANCE COSTS	2,524,334	8,273
STATEMENT OF FINANCIAL PERFORMANCE	-31,723,500	1,279,495,468



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	2021	2020
OB.1. Contingent Assets	1,333,151	12,465,235
GR for pre-financing	1,333,151	12,465,235
OB.3. Other Significant Disclosures	-2,855,657,167	-3,676,909,341
OB.3.2. Comm against app. not yet consumed	-2,855,657,167	-3,676,909,341
OB.4. Balancing Accounts	2,854,324,016	3,664,444,106
OB.4. Balancing Accounts	2,854,324,016	3,664,444,106
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.

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 in 2021 for IEEA

Legal Times									
Maximum Payment Time (Days)	Total Nbr 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	2,733	2,663	97.44 %	14.49	70	2.56 %	40.75	3,948,077	1. %
60	310	306	98.71 %	33.33	4	1.29 %	75	2,620,074	2. %
90	792	788	99.49 %	51.68	4	0.51 %	105.50	1,218,143	0. %

Total Number of Payments	3,835	3,757	97.97 %		78	2.03 %		7,786,293	1. %
Average Net Payment Time	24.27			23.82			45.82		
Average Gross Payment Time	49.58			49.59			49.27		

Suspensions							
Average Report Approval Suspension	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	41	777	20.26 %	3835	283,179,377	0.30	931,109,811

Late Interest paid in 2021			
DG	GL Account	Description	Amount (Eur)
EACI	65010100	Interest on late payment of charges New FR	9,622
			9,622

NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex3 BO User Guide (https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx).

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 2021 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	
33	Other administrative revenue	0	6,509	6,509	0	6,509	6,509	0
60	Single market, innovation and digital	13,668,391	0	13,668,391	8,393,855	0	8,393,855	5,274,536
66	Other contributions and refunds	31,455	0	31,455	31,455	0	31,455	0
67	Completion for outstanding recovery orders prior to 2021	-2,508,834	13,565,776	11,056,942	-2,585,935	7,006,932	4,420,997	6,635,945
Total DG IEEA		11,191,012	13,572,285	24,763,296	5,839,375	7,013,440	12,852,816	11,910,481

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 2021 for DG IEEA
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2021 Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery contex(tincl. non- qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2011	2	179,173	2	179,173	2	179,173	100.00%	100.00%
2015	7	424,826	7	424,826	13	643,334	53.85%	66.04%
2016	5	194,663	5	194,663	18	2,464,886	27.78%	7.90%
2017	2	9,349	2	9,349	26	2,830,042	7.69%	0.33%
2018					21	3,556,826		
2019					24	1,877,801		
2020					3	128,214		
2021	3	5,195	3	5,195	4	19,731	75.00%	26.33%
No Link	1	17,077	1	17,077	1	17,077	100.00%	100.00%
Sub-Total	20	830,283	20	830,283	112	11,717,084	17.86%	7.09%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery contex(tincl. non- qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES	5	144,513			5	144,513	5	144,513	100.00%	100.00%
NON ELIGIBLE IN COST CLAIMS	148	13,477,806			148	13,477,806	404	51,599,960	36.63%	26.12%
CREDIT NOTES	6	531,429			6	531,429	14	1,859,878	42.86%	28.57%
Sub-Total	159	14,153,748			159	14,153,748	423	53,604,351	37.59%	26.40%

GRAND TOTAL	179	14,984,031			179	14,984,031	535	65,321,435	33.46%	22.94%
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2021 for DG IEEA

	Number at 1/1/2021 1	Number at 12/31/2021	Evolution	Open Amount (Eur) at 1/1/2021 1	Open Amount (Eur) at 12/31/2021	Evolution
2012	1	1	0.00 %	8,799	8,799	0.00 %
2017	1	1	0.00 %	1,556,454	1,556,454	0.00 %
2018	2	2	0.00 %	122,120	122,120	0.00 %
2019	4	2	-50.00 %	1,229,791	496,943	-59.59 %
2020	48	20	-58.33 %	10,752,844	4,456,501	-58.56 %
2021		23			5,389,265	
	56	49	-12.50 %	13,670,008	12,030,082	-12.00 %

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 2021 for DG IEEA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG IEEA	
---------------	--

Number of RO waivers	
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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 2021 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 2021 for DG IEEA

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	13	160,472,685
Total	13	160,472,685

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 2021 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 2021 for DG IEEA

Legal Base	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

**Annex 3 Financial Reports - DG PHEA - Financial Year 2021
Operational Budget****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**

Additional comments

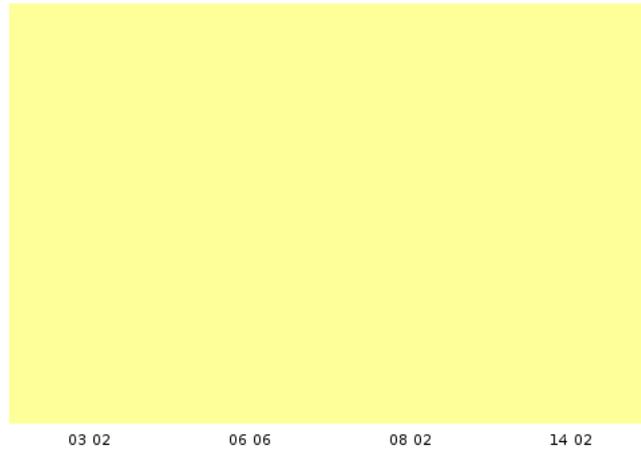
Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG PHEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 03 Single Market					
03	03 02	Single Market Programme	0.00	0.00	0.00 %
Total Title 03			0.00	0.00	0.00 %
Title 06 Recovery and Resilience					
06	06 06	EU4Health Programme	0.00	0.00	0.00 %
Total Title 06			0.00	0.00	0.00 %
Title 08 Agriculture and Maritime Policy					
08	08 02	European Agricultural Guarantee Fund (EAGF)	0.00	0.00	0.00 %
Total Title 08			0.00	0.00	0.00 %
Title 14 External Action					
14	14 02	Neighbourhood, Development and International Cooperation Instrument (NDICI)	0.00	0.00	0.00 %
Total Title 14			0.00	0.00	0.00 %
Total Excluding NGEU			0.00	0.00	0.00 %
Total DG PHEA			0.00	0.00	0.00 %

* 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.

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

% Outturn on Commitment Appropriations in 2021 for DG PHEA



03 02

06 06

08 02

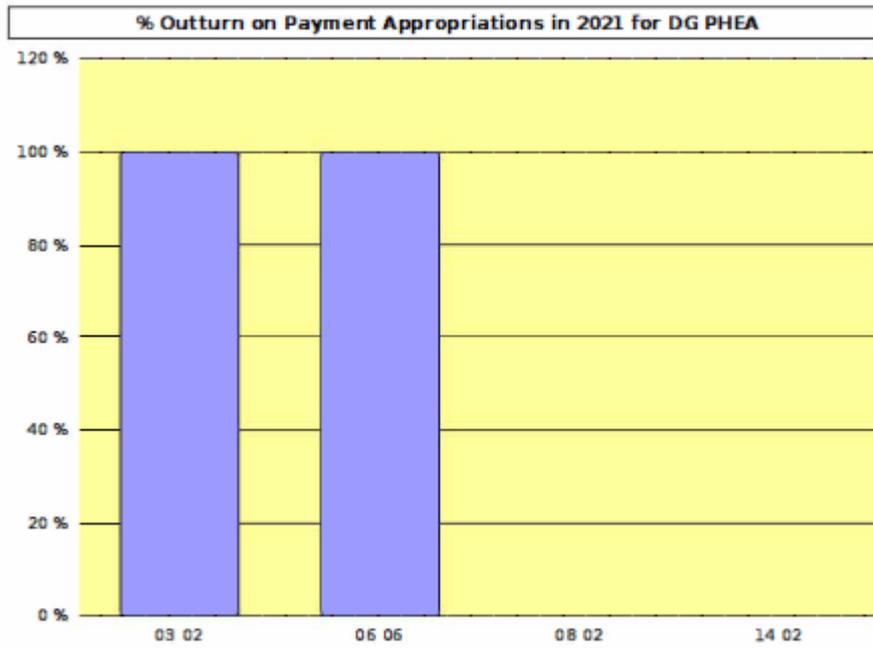
14 02

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 2021 (in Mio €) for DG PHEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 03 Single Market					
03	03 02	Single Market Programme	0.00	0.00	100.00 %
Total Title 03			0.00	0.00	100.00%
Title 06 Recovery and Resilience					
06	06 06	EU4Health Programme	0.11	0.11	100.00 %
Total Title 06			0.11	0.11	100.00%
Title 08 Agriculture and Maritime Policy					
08	08 02	European Agricultural Guarantee Fund (EAGF)	0.00	0.00	0.00 %
Total Title 08			0.00	0.00	0.00%
Title 14 External Action					
14	14 02	Neighbourhood, Development and International Cooperation Instrument (NDICI)	0.00	0.00	0.00 %
Total Title 14			0.00	0.00	0.00%
Total Excluding NGEU			0.11	0.11	100.00%
Total DG PHEA			0.11	0.11	100.00

* 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



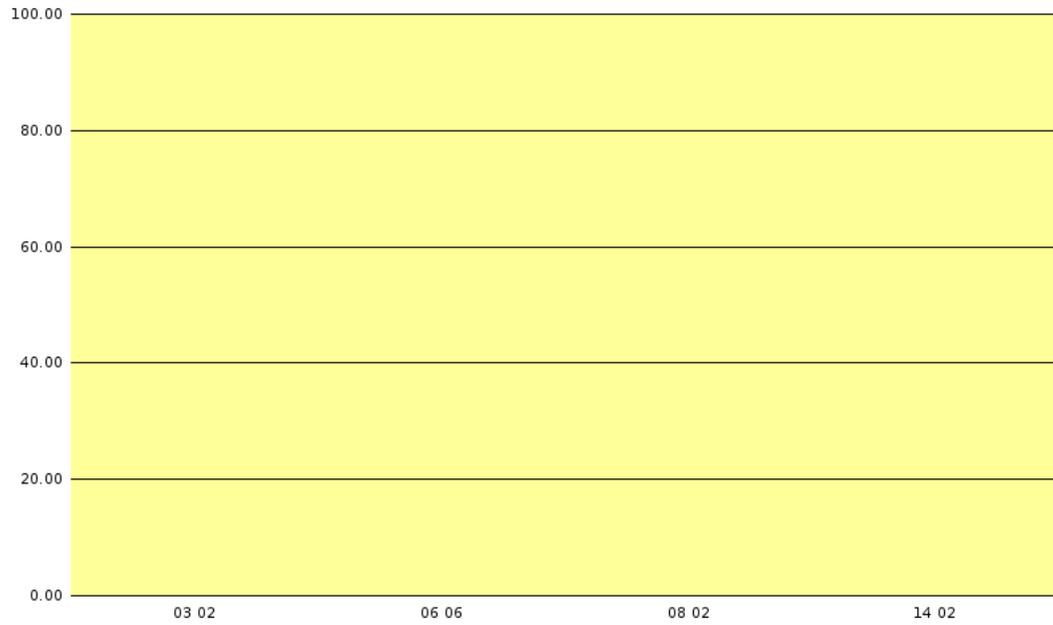
Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

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

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	0.00	0.00	0.00	0.00%	0.00	0.00	0.48
Total Title 03			0.00	0.00	0.00	0.00%	0.00	0.00	0.48
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 06	EU4Health Programme	0.00	0.00	0.00	0.00%	0.00	0.00	3.49
Total Title 06			0.00	0.00	0.00	0.00%	0.00	0.00	3.49
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 02	European Agricultural Guarantee Fund (EAGF)	0.00		0.00	0.00%	0.00	0.00	1.19
Total Title 08			0.00		0.00	0.00%	0.00	0.00	1.19
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 02	Neighbourhood, Development and International Cooperation Instrument (NDICI)	0.00		0.00	0.00%	0.00	0.00	0.01
Total Title 14			0.00		0.00	0.00%	0.00	0.00	0.01
Total Excluding NGEU			0.00	0.00	0.00	0.00%	0.00	0.00	5.18
Total for DG PHEA			0	0.00	0.00	#DIV/0	0.00	0.00	5.18

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

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2021 PHEA



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 PHEA

BALANCE SHEET	2021	2020
A.II. CURRENT ASSETS	6,344	123,173,007
A.II.2. Current Pre-Financing	0	123,007,670
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	6,344	165,337
ASSETS	6,344	123,173,007
P.II. CURRENT LIABILITIES	0	-664,544
P.II.4. Current Payables	0	-664,544
P.II.5. Current Accrued Charges & Defrd Income	0	0
LIABILITIES	0	-664,544
NET ASSETS (ASSETS less LIABILITIES)	6,344	122,508,463
P.III.2. Accumulated Surplus/Deficit	559,265,317	442,945,012
Non-allocated central (surplus)/deficit*	-559,271,661	-565,453,475
TOTAL DG PHEA	0	0

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

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.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG PHEA

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-39,329	-8,995
II.1.1. NON-EXCHANGE REVENUES	-39,329	-229,818
II.1.1.6. RECOVERY OF EXPENSES	-39,329	-229,818
II.1.2. EXCHANGE REVENUES		220,822
II.1.2.2. OTHER EXCHANGE REVENUE		220,822
II.2. EXPENSES	16,713,124	116,329,300
II.2. EXPENSES	16,713,124	116,329,300
II.2.10. OTHER EXPENSES	119,852	222,973
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	16,593,272	116,106,327
STATEMENT OF FINANCIAL PERFORMANCE	16,673,795	116,320,305

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

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.

TABLE 5bis : OFF BALANCE SHEET for DG PHEA

OFF BALANCE	2021	2020
OB.1. Contingent Assets	0	6,154,081
GR for pre-financing	0	6,154,081
OB.4. Balancing Accounts	0	-6,154,081
OB.4. Balancing Accounts	0	-6,154,081
OFF BALANCE	0	0



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

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.

Legal Times						
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
60	2	2	100.00 %	38	0	0. %
90	1	1	100.00 %	22	0	0. %

Total Number of Payments	3	3	100.00 %		0	0. %
Average Net Payment Time	32.67			32.67		
Average Gross Payment Time	37.67			37.67		

Suspensions							
Average Report Approval Suspension	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	15	1	33.33 %	3	69,000	1	112,115

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 2021 for DG PHEA

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	
60	Single market, innovation and digital	1,140	0	1,140	1,140	0	1,140	0
67	Completion for outstanding recovery orders prior to 2021	-117,319	125,612	8,293	-117,319	125,612	8,293	0
Total DG PHEA		-116,179	125,612	9,432	-116,179	125,612	9,432	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 2021 for DG PHEA
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2021	Irregularity		Total undue payments recovered		Total transactions in recovery contex(tincl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Year of Origin (commitment)								
2013					1	14,231		
2015	4	39,800	4	39,800	4	39,800	100.00%	100.00%
2016	1	8,494	1	8,494	1	8,494	100.00%	100.00%
2018					1	26,260		
2019					1	39,600		
2020					1	1,140		
Sub-Total	5	48,293	5	48,293	9	129,524	55.56%	37.29%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery contex(tincl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	4	10,793			4	10,793	9	313,900	44.44%	3.44%
CREDIT NOTES	1	3,230			1	3,230	4	275,937	25.00%	1.17%
Sub-Total	5	14,023			5	14,023	13	589,837	38.46%	2.38%
GRAND TOTAL	10	62,316			10	62,316	22	719,361	45.45%	8.66%

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 31/12/2021 for DG PHEA

	Number at 01/01/2021	Number at 31/12/2021	Evolution	Open Amount (Eur) at 01/01/2021	Open Amount (Eur) at 31/12/2021	Evolution
2016	1		-100.00 %	119,852		-100.00 %
2020	1		-100.00 %	5,759		-100.00 %
	2		-100.00 %	125,612		-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 2021 for DG PHEA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
0	3233210038	3241610787	-119,852	Private Companies		

Total DG PHEA	-
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Number of RO waivers	1
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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 2021 for DG PHEA

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 2021 for DG PHEA

Procedure Legal base	Number of Procedures	Amount (€)
Total		

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 2021 for DG PHEA

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 2021 for DG PHEA

Legal Base	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

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 PHEA

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 2021 for DG PHEA

4: Financial Scorecard

Operational Budget: The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2021, 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes)³:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

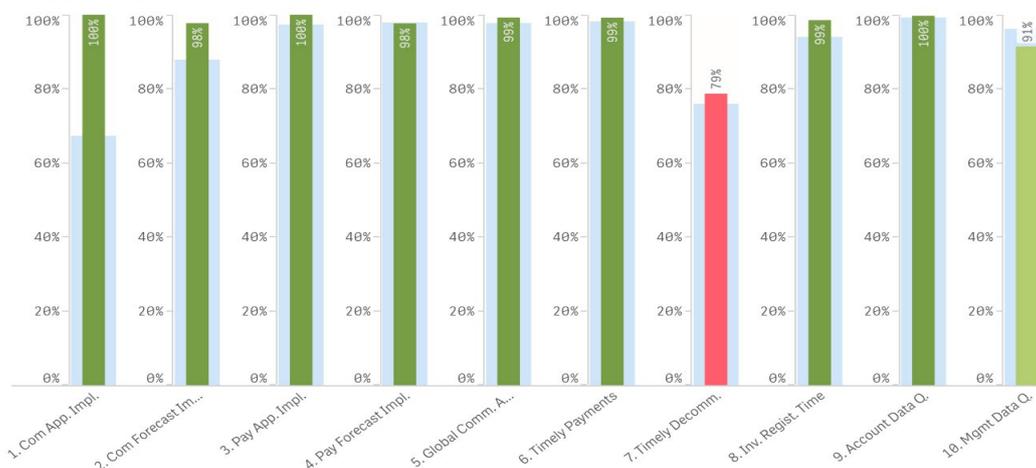
For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 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 for each indicator's result in the dedicated comment section below the indicators scores 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.

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting

IEEA Indicator Scores 2021



For each indicator the light blue bar denotes the EC Score.

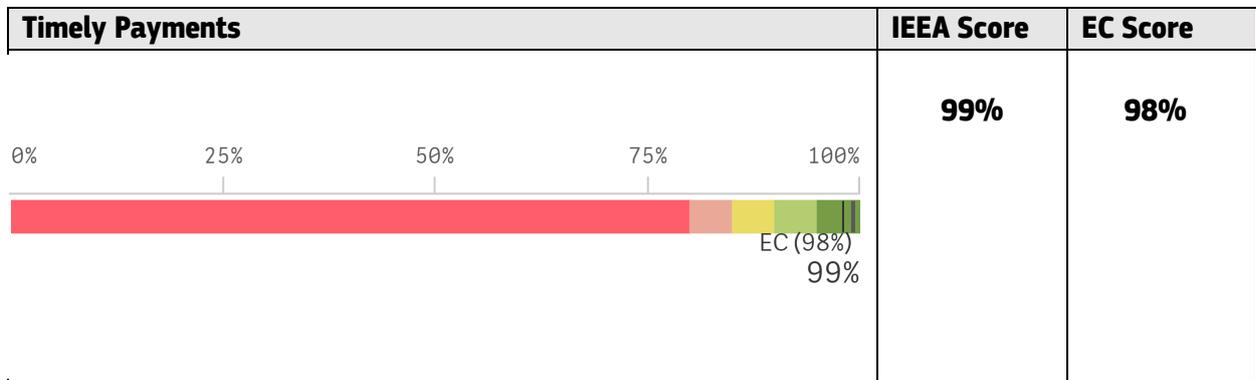
³ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment ⁴	IEEA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	67%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		98%	88%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	97%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		98%	98%
5. Global Commitment Absorption ⁵	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		99%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	In 2021, EISMEA processed some 3835 payments on the operational budget where 99,2% of the total payment accepted amount was done within the legal deadlines.	99%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	With a rate of 79% of decommitments made on time, the objective of 80% was almost achieved. Since there is an enhanced attention for this KPI, the Agency will set up a rigorous monitoring system which will allow to achieve a much better score for the next years.	79%	76%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices		99%	94%

⁴ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

⁵ 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.

	in the central accounting system ABAC			
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		91%	96%



In 2021, EISMEA processed some 3835 payments on the operational budget where 99,2% of the total payment accepted amount was done within the legal deadlines.

Operating/Administrative budget: The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2021, 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes)⁶:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

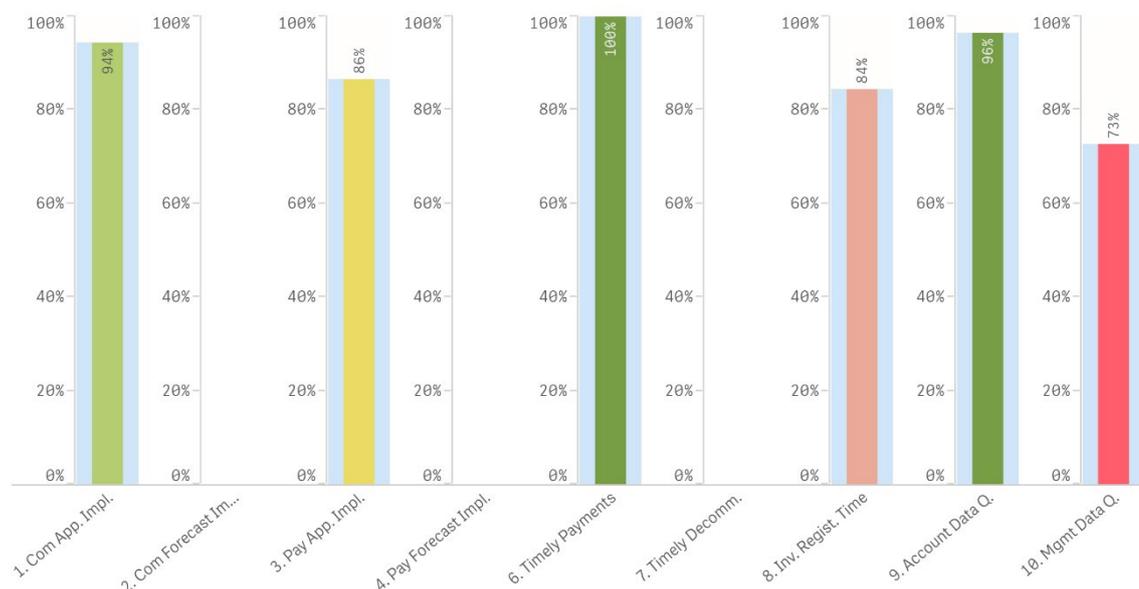
For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 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 for each indicator's result in the dedicated comment section below the indicators scores 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.

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting.

IEEA Indicator Scores 2021



For each indicator the light blue bar denotes the EC Score.

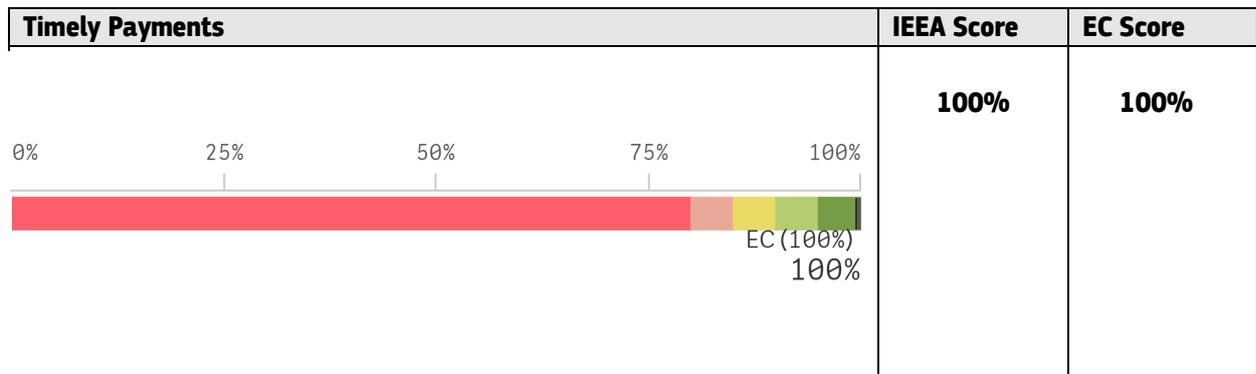
⁶ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment ⁷	IEEA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		94%	94%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The indicator is not applicable for DG IEEA in YEAR due to the lack of underlying transactions recorded by DG IEEA in 2021.	–	–
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		86%	86%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The indicator is not applicable for DG IEEA in YEAR due to the lack of underlying transactions recorded by DG IEEA in 2021.	–	–
5. Global Commitment Absorption ⁸	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable for DG IEEA in YEAR due to the lack of underlying transactions recorded by DG IEEA in 2021.	–	–
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	In 2021, some 476 payments were processed where 99,8% of the total payment accepted amount was done within the legal deadlines	100%	100%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG IEEA in YEAR due to the lack of underlying transactions recorded by DG IEEA in 2021.	–	–

⁷ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

⁸ 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.

8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		84%	84%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		96%	96%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions	The set-up of the new agencies have led to a complete reshuffling of files and services in Agencies such as EISMEA (ex-EASME). There have been decisional delays and a massive reallocation of individual files. Consequently, 2021 is not a good year of reference for EISMEA and other Agencies affected by the reorganisation. The scores will be critically analysed and adequate monitoring mechanisms will be set up now for each of the performance indicators. This will result in higher scores for the years to come.	73%	73%



In 2021, EISMEA processed some 476 payments were processed where 99,8% of the total payment accepted amount was done within the legal deadlines

ANNEX 5: Materiality criteria

Materiality criteria

EISMEA expenditure is composed of (in order of importance), directly managed grants, financial instruments procurement, experts, and other direct spending mostly of an administrative nature. The error rate affecting the payments is estimated yearly, per programme, following a methodology that takes into account the risk associated to the type of expenditure (in terms of probability and final financial impact).

Considering that around 70% of the yearly operational expenditure is related to directly managed grants, the following section focusses on this specific management system.

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.

A. RESEARCH FRAMEWORK PROGRAMMES (Horizon 2020 & Horizon Europe)

For Research Framework Programmes, ex-post controls are under the responsibility of the Common Audit Service (CAS). The CAS undertakes all Horizon 2020 (H2020) and Horizon Europe (HE) audits, for all related stakeholders, including EISMEA, ensuring a harmonised approach and also ensuring that the audit burden on beneficiaries is minimised. The Common Audit Strategy was adopted on 22/02/2016. For HE, there is no Audit Strategy in place yet, as it constitutes part of the overall HE Control Strategy and, thus, dependant on the other elements of the HE Implementation Strategy.

Assessment of the effectiveness of controls

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 adjusted by subtracting:

- Errors detected and 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 as follows:

$$ResER\% = \frac{(Re pER\% * (P - A)) - (Re pERsys\% * E)}{P}$$

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 the Agency 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 of the Horizon 2020 programme. 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.

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies⁹, 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 then be considered by analysing the available information on qualitative grounds and

⁹ 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.

considering evidence from other sources and areas. This should be clearly explained in the AAR.

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

Notwithstanding the multiannual span of their control strategy, the Director of the Agency 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.

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 service, and thus, 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.

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 the Agency 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.

2020 Revised methodology for the calculation of the error rate for Horizon 2020

European Court of Auditors observations

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated due to the fact that 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.

In this respect, an additional 0.37 % (calculated on 1 304 H2020 audit participations by difference with the previous methodology) has been used to top up the cumulative detected error rate for 2020 and 2021.

IAS limited review on the 2020 error rate calculation for H2020

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in year 2020. The 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 IAS recommended that:

1. The CIC should:

- 1.1. Calculate the corporate H2020 residual error rate based on the actual level of implementation of audit results and extension of audit findings stemming from data encoded by the Authorising Officers;
- 1.2. Considering that there is no data on the sampled amounts for audits closed before 2020, estimate the amount actually audited by calculating the ratio of costs actually audited to the total amount of the related accepted cost claims for all the audits closed since 1 January 2020 ('A' parameter in the formula for calculating the residual error rate) and adapt parameter 'E' accordingly;
- 1.3. Formalise the changes in the residual error rate calculation (e.g. in a written CAS procedure).

2. The CAS should:

- 2.1. Change the audit report template to include a line in the table of Annex 1 with the audited amounts (sampled);
- 2.2. Include fields in AUDEX to encode the audited amounts per participation and cost category and any other IT tool used to register the ex post audits' data which feed the Microsoft Access database for the calculation of the representative detected error rate;
- 2.3. Calculate the top-up automatically in the Microsoft Access database. For Horizon Europe, the calculation will be in line with the new methodology and no top up calculation will be required.

Recommendations 1.1 to 2.1 were implemented in 2021. Recommendations 2.2 and 2.3 will be implemented in time within 2022.

Research Framework programmes – specific aspects

The control system of each framework programme is designed to achieve the operational and financial control objectives set in their respective legislative base and legal framework. If the effectiveness of those control systems does not reach the expected level, a reservation must be issued in the annual activity report and corrective measures should be taken.

As each programme has a different control system, the following section details the considerations leading to the establishment of their respective materiality threshold and the conclusions to draw with regard to the declaration of assurance.

Horizon 2020 Framework Programme

The Commission's proposal for the Regulation establishing H2020 framework programme¹⁰ 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 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

¹⁰ 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.

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.

Horizon Europe Framework Programme

For Horizon Europe, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2%¹¹.

De minimis threshold for financial reservation

As from 2019¹², 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 a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

B. Non-H2020 & non-HE programmes

For non-H2020 and non-HE 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 and existence of corrective actions to correct any significant weaknesses.

11 No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023, at the earliest.

¹² Agreement of the Corporate Management Board of 30/4/2019.

The ex-post controls (audits) carried out by EISMEA 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 audits¹³ 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, EISMEA 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 EISMEA is the residual error rate applied to the audited part and the error rate presumed to be affecting the non-audited part¹⁴. In view of the **multi-annual nature of its programmes**, the Agency 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 Agency's 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.

The Agency'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. The Agency's Ex Post Control Strategy covers the following programmes: 3 delegated programmes LIFE, COSME and EMFF¹⁵ covering the programming period 2014-2020¹⁶. For each programme, a sample (covering a range from 5% to 20%¹⁷ 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,

¹³ 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.

¹⁴ 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.

¹⁵ The Strategy is planned to be revised within 2022 to integrate the legacy programmes transferred to the Agency as of April 2021 (namely the Consumer Programme and Internal Market & support to Standardisation activities). Within 2021, there were no audits carried out related to the legacy programmes delegated to EISMEA.

¹⁶ Ex-post audits for H2020 and HE are performed by the Common Support Centre (lead DG is RTD), through a Common Representative audit Sample (CRS). Please see section above.

¹⁷ Depending on the expected detected error rate and on the need for budget 'cleaning' to meet the RER control objective

EISMEA 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 EISMEA'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 level¹⁸) 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.

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 the Agency 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.

¹⁸ 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.

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.

The Agency's Ex-Post Audit Strategy for the delegated programmes of EASME was issued on 22/02/2016. Building on the experience gathered until now on the implementation of the Ex-Post Audit Strategy, the Agency 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 programme**

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 the Agency to calculate error rates.

In response to these findings, the Agency had adopted a new methodology even in the report of 2020 - 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 the Agency.

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

The Agency recalculated the error rates from the beginning of COSME programme 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.

- **'De minimis' threshold for financial reservations:**

“Since 2019¹⁹, a 'de minimis' threshold for financial reservations has been 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 a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.”

¹⁹ Agreement of the Corporate Management Board of 30/4/2019.

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

The Agency uses one Relevant Control System per ongoing research programme for the management of grants (Horizon 2020 and Horizon Europe).

The error rates per programme are presented in Table X of Annex 9.

Stage 1: Programming, evaluation and selection of proposals

Stage 1 aims to ensure that the Agency selects the most promising proposals contributing the best towards the achievement of the programme and operational objectives, and compliant with the eligibility, selection and award criteria.

Key controls include the thorough screening of proposals for eligibility, selection and award criteria, the evaluation of proposals by up to five independent experts and a panel review for the ranking of proposals. The list of approved proposals is checked for legal compliance by the AOSDs; some are submitted for a Commission inter-service consultation. The checks ensure the excellence of the proposals to fund and the legality and regularity of operations.

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 	Coverage/Frequency: 100% <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 	Effectiveness: <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) Economy:

	<ul style="list-style-type: none"> Inter-service consultation, including all relevant DGs <p>Explicit allocation of responsibilities, approval of the call text by the AOD</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>
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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. 	<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 	<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 	<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>

<ul style="list-style-type: none"> • 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"> • 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 ranked list of proposals sent for ISC with parent DGs • 100% of contested decisions are analysed by a redress committee 	<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>External costs: evaluation expert/ jury costs</p> <p>For HE stage 1B is handled by REA.</p>
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Stage 2: Contracting: Transformation of selected proposals into legally binding grant agreements

Stage 2 aims to ensure that the actions and funds allocation is optimal (best value for public money) and that each of the selected proposals is translated into a legally binding grant agreement allowing for sound management. The adjustment process excludes work not directly contributing to the achievement of the programme objectives, substantiates the project costs, and determines the duration of the project and the contribution from the EU budget.

Key controls include: implementation of the evaluators' recommendations; hierarchical validation of proposed adjustments; verification of the operational and financial viability of successful applicants and the signature of the grant agreements by the AOSD.

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 	<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 	<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 HE programmes given the constraints on the time to grant set out in the HE 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 2021 are: For legacy of Horizon 2020: 8 months for Future and Emerging Technologies (FET), Fast Track to Innovation (FTI) and Innovation in SMEs programme (INNOSUP). For EIC: 6 months for EIC Transition, 8 months for EIC Pathfinder, EIC Accelerator, and for European Innovation Ecosystems, For Single Market Programme: 9 months for Consumer, COSME Pillar, Internal Market and support to standardisation). For Interregional Investment Initiative: 9 months.</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>

<p>Projects are overfunded (e.g. breach of co-financing, non-profit, non-cumulative or non-retroactivity principles)</p> <ul style="list-style-type: none"> Procedures do not comply with regulatory framework. 	<ul style="list-style-type: none"> Signature of the grant agreement by the AOSD Implementation of the evaluators' recommendations Hierarchical validation of the proposed adjustments. 		
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Stage 3: Monitoring the execution: This stage covers the monitoring of the operational, financial and reporting aspects related to the project and grant agreement

Key controls include instructive guidelines for beneficiaries, operational and financial ex ante checks, on the spot monitoring visits, suspension of payments when needed and submitting cases to OLAF in case of suspicion of irregularities or fraud.

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 	<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 	<ul style="list-style-type: none"> 100% of the projects are controlled Riskier operations subject to in-depth and/or on-site controls 	<p>Effectiveness: Value of detected errors (rejected costs) % of detected errors vs total value cost claims submitted</p> <p>Efficiency: Time to pay: % of payments within the legal deadlines</p> <p>Economy: Estimation of staff costs involved in the actual management of running projects</p>

<ul style="list-style-type: none"> • 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 properly, in full or on time • Operational performance of beneficiaries is inappropriate 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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>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>
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	<ul style="list-style-type: none"> • 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, 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 		
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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

Non-Horizon 2020 & Non-Horizon Europe programmes

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 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.</p>	<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 etc. In addition a number of risk-based audits (targeted audits) to address specific risks. 	<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 documents and transactions related to the cost claims submitted by the audited beneficiary</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> Multi-annual indicators Number of audits finalised Detected error amount = EC share ineligible costs = EC share Costs accepted ex-ante minus EC Share costs accepted during audit Detected error rate = EC share ineligible costs/EC share costs tested during audit <p>Due to their specific nature, error rates of targeted audits are not included in the detected error rate calculation.</p> <ul style="list-style-type: none"> Residual error rate versus materiality threshold (2%) Audit coverage = % audited part of payments made <p>Efficiency:</p> <p>Implementation rate of the Annual Work Programme in terms of closing audit targets</p> <p>Economy:</p> <p>External costs: cost of the audit firm for the outsourced ex-post controls.</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 selection of the beneficiaries and projects to be audited, the quality review of the audit reports drafted by the external contractor and the follow up of the implementation of audit results. The function is independent from the ex-ante control organisation. • Lessons learned from the audit results are used to reinforce the control systems for example improvement of guidelines for beneficiaries. • Notification to OLAF in cases of suspicions of fraud 		<p>Internal costs: estimation of internal staff costs involved in the coordination and execution of the audit costs are measured for stage 4 strategy, considering two levels of FTEs for staff working directly in 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 year).</p>
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Horizon 2020 and Horizon Europe programmes

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. Lack of consistency in the audit strategy within the family. Lack of efficiency because of 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, implemented by a central service (Common Audit Service, 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 	<p>Coverage:</p> <ul style="list-style-type: none"> Common Representative audit Sample (CRS): 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 Service responsible for the audits of H2020 and HE programmes, the 3 E's are assessed according to the results disclosed by DG RTD.</p> <p>Effectiveness:</p> <p>Representative error rate Residual error rate in comparison to the established targets. Amount of errors and corrections concerned. Number of audited participations & audit coverage (% of expenditure covered)</p> <p>Efficiency:</p> <p>% completion rate of annual audit plan</p>

	<ul style="list-style-type: none"> • 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 • Notification to OLAF in cases of suspicions of fraud 		
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Stage 4: Ex-post controls

B - Implementation of ex post control results²⁰

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).

Non-Horizon 2020 & Non-Horizon Europe programmes

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 	Coverage: 100% of final audit results with a financial impact.	Effectiveness: Multi-annual indicators <ul style="list-style-type: none"> • Errors corrected • Errors not corrected • Uncorrected error rate

²⁰ Please see table X in Annex 9 below

	<ul style="list-style-type: none"> • 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, this could happen only after consultation with EPC team and informing the Head of Dep. accordingly. 	<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>Efficiency:</p> <p>Recovery status (%): Recoveries/detected error (multi-annual cumulative basis)</p> <p>Economy:</p> <p>Embedded in the execution of ex post controls above.</p>
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	<ul style="list-style-type: none"> Regular follow-up of OLAF's recommendations. 		
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Horizon 2020 and Horizon Europe programmes

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	Systematic registration of audit / control results to be implemented and actual implementation. Validation of recovery in accordance with financial circuits. Authorisation by AO. Regular follow-up of OLAF's recommendations.	<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>Effectiveness and efficiency:</p> <p>Amounts being recovered and offset</p> <p>Number/value/% of audit results pending implementation</p> <p>Number/value/% of audit results implemented</p> <p>Economy:</p> <p>Estimation of cost of staff involved in the implementation of the audit results.</p>

The implementation of the substantial amount for the financial instrument was performed for the first time in the Agency in 2021. The procedure included all relevant financial actors, including the AOSD responsible for this operation and the AOD, who has signed the final payment order. This procedure will be documented thoroughly in the financial flow in 2022.

The control strategy for EIC Fund is in the process of being developed and finalised. However, the supervision role of EIC fund is ensured by EIC Board.

The Board of the EIC Fund ensures that controls are carried out on the EIC Fund's implementation of the EIC, in accordance with its rules, policies and procedures, including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the EIC is effectively and correctly implemented by the Company, and in order, inter alia, to prevent and correct irregularities and fraud. Financial transactions must be signed by the Director. The Board monitors that the Company's implementation of

the EIC by means of the reporting and/or the financial statements, the internal and external audits available and any controls carried out by the Company, including an analysis of the nature and extent of errors and weaknesses identified in the systems as well as corrective actions taken or planned. Of particular relevance in 2021 was the introduction of the use of the IT application for the payment management ensuring that payments can be only made by the signature of the Director.

The Court of Auditors and the European Commission (including the Internal Audit Service of the Commission) have the power to audit the Company's implementation of the EIC.

ANNEX 7: Specific annexes related to "Financial Management"

Table Y - Overview of DG's/EA's estimated cost of controls at Commission (EC) level:

NB. The absolute values are presented in EUR.

EISMEA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
H2020 / Horizon Europe	16,738,515.65 €	873,243,809.36 €	1.92%	38,065.35 €	- €	0.00%	16,776,581.00 €	1.92%
Non-H2020/Horizon Europe (SMP/ERDF)	7,491,808.01 €	79,378,569.14 €	9.44%	378,168.91 €	3,680,861.03 €	10.27%	7,869,976.92 €	9.91%
Other - not attributable to a single RCS	10,340,609.91 €	- €	0.00%	- €	- €	0.00%	10,340,609.91 €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	34,570,933.57 €	952,622,378.50 €	3.63%	416,234.26 €	3,680,861.03 €	11.31%	34,987,167.83 €	3.67%

Section 2.1.1. Control results. Additional information.

Reporting requirements relating to the 2018 Financial Regulation

Cases of "confirmation of instructions" (new FR art 92.3)

None

Cases of financing not linked to costs (new FR art 125.3)

For the 'Women TechEU' actions (under Horizon Europe) the amount of financing not linked to costs for each grant is fixed at EUR 75 000^[1].

Financial Framework Partnerships >4 years (new FR art 130.4)

Enterprise Europe Network Framework Partnership Agreements concluded in line with the COSME programme lasted for 7 years in order to cover the full programming period. During this time, four specific grant agreements were concluded with the consortia with which an FPA was concluded, covering the years 2015-16, 2017-2018, 2019, and 2020-2021, respectively. These specific grant agreements were based on consultations (calls for work programmes) that were evaluated individually. This arrangement was chosen in order to provide stability to the Enterprise Europe Network and facilitate the parallel funding of EEN via COSME and Horizon 2020. There was no negative impact on competitiveness since the parties of the FPA were selected under an open, competitive procedure.

One Framework Partnership Agreement with the EIB entitled "Horizon 2020 technical and financial advisory service for risk finance in RDI" (branded InnovFin Advisory) signed in 2014 exceeds 4 years duration with a duration of 7 years. The 2 Specific Grant Agreements under this Framework Partnership Agreement have been extended.

Cases of flat-rates >7% for indirect costs (new FR art 181.6)

Indirect eligible costs of Horizon 2020 and Horizon Europe 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 and Horizon Europe grants.

Like the Horizon Europe and H2020 programmes, the Enterprise Europe Network (funded under COSME / Single market Programme) uses as flat rate of 25%

Cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2)

^[1] See RAO decision from DG RTD of 7 July 2021 available at: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/ls-decision_he-womentecheu_en.pdf.

1. Effectiveness - the control results and benefits

Legality and regularity of the transactions

The programmes managed by EISMEA are implemented under the direct management scheme²¹, 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, EISMEA carries out ex-ante and ex-post controls. The ex-post control strategy contributes 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 EISMEA's programme management processes.

COSME 2014-2020

The Agency'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 revision focused on the update of the audit coverage and closing targets of the programmes managed by the Agency at that time (COSME, LIFE and EMFF²²). 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 EISMEA, once the ex-post control strategy has been fully implemented and errors have been detected and corrected.

It should be noted that some of the audits finalised in 2021 were hindered by travel restrictions or working arrangements related to the Covid-19 pandemic. EISMEA put in place specific mitigating measures to minimise the impact of Covid-19 pandemic on the implementation of the audit plan, while providing a reasonable level of assurance.

²¹ With the exception of the financial instrument under Horizon 2020

²² LIFE and EMFF programmes were transferred to The European Climate, Infrastructure and Environment Executive Agency (CINEA) as from 01 April 2021, according to Commission Implementing Decision (EU) 2021/173

Multi-annual key indicators (ex-post controls 2014-2021)	COSME
Number of ex-post controls including value based and risk based audits	85
Ineligible costs = detected error amount in value based audits	995.504
Cost tested in value based audits	31.161.529
Detected error rate	3,19%
Errors corrected (recovery orders recorded in ABAC before 31.12.2021) in value based audits	982.329
Errors not corrected in value based audits	13.176
Uncorrected error rate	0,04%
% audited including value and risk based audits	9,38%
% not audited	90,62%
Residual error rate = (% audited * uncorrected error rate) + (% non audited * detected error rate)	2,90%

Table 1: Multi-annual Residual Error rate COSME 2014-2020

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 overall. 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 became available leading to the multi annual residual error rate of 2,96%. As the residual error rate was above the materiality threshold of 2%, a reservation was issued.

Following the introduction of the reservation on the COSME programme, an action plan with mitigating measures was put in place already in 2020, which continued to be implemented in 2021 as well.

In particular, the following actions were implemented in 2021:

i. Ex-ante level

The corrective actions undertaken were mainly, but not exclusively, targeted to the beneficiaries who were due to submit the interim or final payment requests.

Specifically, the following measures were undertaken:

1. Financial officers performed a number of ad-hoc on-the-spot visits of beneficiaries identified as 'critical', in order to clarify potential questions related to financial reporting before its submission;

2. Financial Officers participated in the Evaluation of the Proposals submitted to a Call, in order to early identify possible weak points that could lead to errors;

3. At the stage of signature of the Grant Agreements, regular kick-off meetings with the Beneficiaries took place with the participation of Financial Officers, in order to provide guidance on the financial provisions and specificities of the Grant Agreement and on how to avoid the main common errors in the financial management of a Grant;

4. COSME communication campaigns, targeting in particular first time EU beneficiaries and beneficiaries located in third countries, were intensified; Under this action, the related operational unit organised various kick-off meetings and provided a number of webinars in relation to a number of calls;

5. The risk assessment done at the time of ex-ante checks, in order to flag beneficiaries as candidates for targeted audits timely, was improved. In particular, an internal guidance was prepared by the relevant operational unit and was communicated to project advisers and financial officers, in order to enhance the risk assessment of beneficiaries at ex-ante stage.

ii. Ex-post level

1. The target set for the audit coverage, in the ex-post audit strategy was increased, with the aim to maximise the cleaning effect and reduce the residual error rate at the end of its implementation;

2. The implementation of audit results was monitored closely, in order to make leverage on the corrective capacity and reduce the residual error rate for the audited population.

In 2021, the results of the fourth audit campaign, reflecting the distribution at programme level and including both COSME Actions and COSME Network, became available. By the end of 2021, on a cumulative basis, EISMEA issued 85 final audit reports at programme level. The aforementioned mitigating actions had already a slight positive impact on the multi annual residual error rate of the programme at the end of 2021²³, which evolved at 2,90%.

Following guidance from Central Services, as of the AAR 2019, EISMEA 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.

The above-mentioned error rate must be treated with caution as 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.

²³ Comprehensive results in terms of lower error rates are expected as from the 2022 AAR, as some of the measures described above will take time to produce a tangible impact.

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.

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 in the MFF 2014-2020 (hourly rates were calculated based on two-year 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.

As this programme meets the cumulative criteria to fall below the "de minimis rule", EISMEA has lifted the reservation issued in 2020 AAR. Details about the related calculations and the reservation in last year's AAR, that was lifted in 2021, are shown in Annex 9.

Consumer Programme 2014-2020

We note that there are no audits finalised in 2021 for the Consumer Programme, as this programme was transferred to EISMEA as of 1 April 2021 and there were no on-going audits at the time of the transfer. Assurance in this case is provided by the cumulative residual error rate of the programme, as it was reported in the 2020 AAR of the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) i.e. 0,45%.

Standardisation 2014-2020

We note that there are no audits finalised in 2021 for the Internal Market and support to Standardisation activities, as this programme was transferred to EISMEA as of 1 April 2021 and there were no on-going audits at the time of the transfer. Assurance in this case is

provided by the cumulative residual error rate of the programme, as it was reported in the 2020 AAR of DG GROW i.e. 0,35%²⁴.

Horizon 2020 and Horizon Europe

Since 2007, the R&I Family has adopted a common audit strategy intended to ensure the legality and regularity of expenditure on a multi-annual basis, including detection and correction of non-systematic and systematic errors.

For Horizon 2020 (and Horizon Europe) the Common Audit Service of the Common Implementation Centre carries out all audits, including those concerning grants concluded by the Executive Agencies and the Joint Undertakings. This is a major step towards ensuring a harmonised approach, legal certainty, equality of treatment and minimising the audit burden on beneficiaries.

The main indicators and targets on legality and regularity of Horizon 2020 and Horizon Europe are described in detail in Annex 5.

Progress against Horizon 2020 targets 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.

It should be noted, however, that due to its multi-annual nature, the effectiveness of the control strategy of the R&I Family can only be measured and assessed fully in the final stages of the programme, once the ex-post control strategy has been fully implemented and errors, including those of a systematic nature, have been detected and corrected.

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 Reports²⁵. The methodology applied is described in Annex 5 'Materiality criteria'. As of January 2020, DG RTD applied the revised methodology on a sample of 1 304 audit conclusions. This results in the following error rates for Horizon 2020²⁶ on 31 December 2021:

²⁴ Estimated for EISMEA AAR 2021 as follows: Average detected error rate 0,85% - Average recoveries and corrections rate 0,50% (both % available in table X of DG GROW AAR 2020) = 0,35%. DG GROW does not report on residual error rates, despite this has been established as a control objective in their materiality criteria.

²⁵ When calculating the multi-annual error rate, the Commission took into account the results of the audit re-performed by the ECA as part of Module 2 of the DAS 2018-2019.

²⁶ The Horizon 2020 audit campaign started in 2016. At this stage, four Common Representative Samples with a total of 629 expected results have been selected. By the end of 2021, cost claims amounting to EUR 31.8 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Common Risk Samples and Additional

- Representative detected error rate: 2,29%²⁷
- Cumulative residual error rate for the Research and Innovation Family DGs: 1,60%.

In line with the Financial Statement²⁸ accompanying the Commission's proposal for the Horizon 2020 regulation, a reservation is not necessary for the related expenditure if the cumulative residual error rate for the programme falls within the target range of 2-5%. In 2021, the cumulative residual error rate for Horizon 2020, calculated at 1.67%, more than fulfils this condition and is below the materiality threshold. Despite the absence of reservation, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses.

Since Horizon 2020 is a multi-annual programme, the error rates, and the residual error rate in particular, 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.

These error rates are calculated on the basis of the audit results available when drafting the Annual Activity Report. They should be treated with caution as they may change subject to the availability of additional data from audit results.

The decrease of the error rates in year 2021 could be due, among other reasons, to the beneficiaries' increased knowledge of the eligibility rules and its inherent learning curve, as well as to the results of the communication campaigns, targeted webinars and trainings, addressed in particular to newcomers and SMEs.

Given the results of the audit campaign up until 2020, and the observations made by the European Court of Auditors in its Annual Reports, the Common Implementation Centre, in close cooperation with central Commission services, is defining actions aimed at significantly simplifying the rules and paving the way for a significant reduction in the error rate in Horizon Europe. Actions including further simplification, increased use of simplified forms of funding (including lump sums and unit costs), 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 external audit firms performing audits on behalf of the

Samples have also been selected. The audits of 3 424 participations were finalised by 31/12/2021 (out of which 514 in 2021)

²⁷ Based on the 418 representative results out of the 629 expected in the four Common Representative Samples.

²⁸ The legislative financial statement accompanying the Commission's proposal for the Horizon 2020 regulation states: "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 projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

Commission (the last three measures also target H2020 grants and beneficiaries). 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 Common Implementation Centre will revisit the existing tools for ex-ante controls. It will consult the stakeholders in order to collect their views on possible improvements in the grant management risk module.

In conclusion, DG R&I considers that the 2021 cumulative residual error rate for Horizon 2020 falls within the target range (2-5%) established in the Financial Statement, and therefore a reservation is not necessary for the Horizon 2020 expenditure.

As regards Horizon Europe, 2021 was the first year of implementation of the framework programme. The adoption of its Regulation later than initially planned, delayed the starting of its implementation²⁹. By the end of 2021, only a very limited number of payments was executed. Taking into account the immaterial level of the relevant expenditure (EUR 0,27 million), the low-risk nature of the associated transactions and the absence of ex-post audit results for grants, a rate of 0.5 % is a fair estimate of the Horizon Europe detected error rate in 2021.

Control benefits

Stage 1

The benefits of the Stage 1 – programming, evaluation and selection of proposals are difficult to identify in quantitative or monetary terms. Nevertheless, the Agency has estimated the benefits to more than EUR 80 million.

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.

29 End 2021, for the R&I family 64 calls for proposal had been fully evaluated and only 19 grant agreements had been signed.

Control effectiveness ratios - proposals	EIC Pathfinder	E-02 - EIC Transition Activities and BAS	EIC Accelerator (HE)	EIC Prizes	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	COSME	SMP (COSME Pillar)	Support to Standardisation	Market Surveillance	Consumers	TOTAL
Submitted proposals	1342	292	7270	350	31	479	193	93	9	13	81	10153
Inadmissible proposals	0	20	0	19	0	4	12	2	0	0	0	57
Ineligible proposals	39	42	70	47	4	16	9	17	0	0	0	244
Withdrawn/duplicate	1	0	295	1	0	1	0	0	0	0	1	299
Eligible proposals	868	230	6880	284	27	458	172	74	9	13	24	9039
Proposals selected for funding - "main" list	56	42	164	4	1	68	27	59	0	11	24	456
Proposals selected for funding - "reserve" list	0	0	0	0	2	16	13	0	0	1	0	32
Total selected proposals for funding	56	42	164	4	3	84	40	59	0	12	24	488
% success rate : number of selected (funded) vs eligible proposals	6,5%	18,3%	2,4%	1,4%	11,1%	18,3%	23,3%	79,7%	0,0%	92,3%	100,0%	5,4%

Table 2: Control effectiveness ratios – proposals

Control effectiveness ratios - evaluation review requests	EIC Pathfinder	EIC Transition Activities and BAS	EIC Accelerator (HE)	EIC Prizes	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	COSME	SMP (COSME Pillar)	Support to Standardisation	Market Surveillance	Consumers	TOTAL
Proposals evaluated	868	230	6880	284	27	458	172	74	9	13	24	9039
Evaluation review requests received	10	6	0	0	0	0	7	4	0	0	0	27
Evaluation review requests leading to a re-evaluation (target <=1)	0	0	0	0	0	0	2	1	0	0	0	3
% of evaluation review requests vs proposals evaluated (target < 3%)	1,15%	2,61%	0,00%	0,00%	0,00%	0,00%	4,07%	5,41%	0,00%	0,00%	0,00%	0,30%
% of review requests leading to re-evaluation vs proposals evaluated	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	1,16%	1,35%	0,00%	0,00%	0,00%	0,03%

Table 3: Control effectiveness ratios – evaluation review requests

For the newly delegated programmes, the Agency received a number of evaluation review requests ranging from 1,15% to 5,41% of the number of proposals evaluated. The highest numbers were for COSME programme (legacy) and SMP (Cosme pillar): 4.07% and 5.41% respectively. However, only 1.16% and 1.35% led to re-evaluation. The overall low number of review procedures provides a good indication of the robustness of the grant award process and assurance on the effectiveness of the internal control system.

Control effectiveness ratios - calls	Future and Emerging Technologies (FET)	EIC Pathfinder	Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2; EIC Accelerator Pilot	EIC Accelerator (HE)	EIC Prizes	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	COSME	SMP (COSME Pillar)	Support to Standardisation	Market Surveillance	Consumers (legacy)	Consumers (new)
% number of calls successfully launched / number of calls planned in the (revised) AWP	N/A	100.00%	N/A	N/A	100.00%	100.00%	N/A	100.00%	100.00%	N/A	72.7 %	83.00%	100 %	N/A	100 %
% of budget value implemented / budget allocated (for commitments from calls 2020) managed in 2021)	100.00%	N/A	100.00%	97.2 %	N/A	N/A	98.7 %	N/A	N/A	94.2 %	N/A	N/A	N/A	98.6 %	N/A
% of budget value implemented / budget allocated (for commitments from calls 2021) managed in 2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42 %	N/A	4.9 %	N/A	39.9 %

Table 4: Control effectiveness ratios – Stage 1

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	Future and Emerging Technologies (FET)	E-02 - EIC Transition Activities and BAS	Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2; EIC Accelerator Pilot	Innovation in SMEs programme (INNOSUP) (H2020)	COSME	SMP (COSME Pillar)	Consumers (legacy)	Consumers (new)	TOTAL
Number of GA signed	2	5	14	40	48	49	16	24	5	203
EC funding requested in proposals	7499467,25	500000,00	37049245,00	82372511,86	3045487313,00	32402909,50	45639036,90	1807102,85	5317752,51	3258075338,87
EC funding provided in signed GA	7499467,25	500000,00	37049245,00	82372511,86	3045487313,00	32319632,87	44751411,14	1807102,85	5317752,51	3257104436,48
Difference EC funding	0,00	0,00	0,00	0,00	0,00	83276,63	887625,76	0,00	0,00	970902,39
Reduction rate	0,00%	0,00%	0,00%	0,00%	0,00%	0,26%	1,94%	0,00%	0,00%	0,03%

Table 1: Control benefit – Stage 2

For the Cosme legacy programme the adjustment rate varies is 0,26%. For the new SMP (Cosme pillar) the adjustment rate is 1.94%. Within this process applicants are requested, when applicable, to justify and provide more information on some cost items.

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 very limited.

As a consequence of the grant preparation phase, a total of EUR 970,902.4 was reduced from the awarded funding. This can be considered as a quantifiable benefit of the contracting phase in 2021.

Stage 3

Detected errors ex-ante controls	EIC Pathfinder: Future and Emerging Technologies (FET)	EIC Accelerator: Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2; EIC Accelerator Pilot	Innovation in SMEs programme (INNOSUP)	European Innovation Ecosystems (HE)	COSME (legacy)	Support to Standardisation (legacy)	Consumers (legacy)	TOTAL
value of cost claims controlled ex-ante	166.006.067,34	80.992.034,80	357.224.599,49	28.609.659,76	266.666,38	23.228.459,39	6.980.216,95	8.954.738,27	672.262.442,38
value rejected costs	2.876.467,78	3.630.210,79	41.659.726,47	111.132,82	0,00	598.133,64	294.044,28	520.276,23	49.689.992,01
% detected errors ex-ante controls	1,73%	4,48%	11,66%	0,39%	0,00%	2,58%	4,21%	5,81%	7,39%

Table 2: 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 49 million for legacy programmes managed by the Agency. This can be considered as a quantifiable benefit of the monitoring phase in 2021.

The benefits of ex-ante control stages 1, 2 and 3 are quantified by the reduction of funds awarded during the contracting procedure, equal to almost EUR 131 million.

Control benefits (Stage 4)

The benefits of Stage 4 – ex-post controls correspond to the detected errors, which amount to EUR 1,58 million for COSME programme.

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.

Efficiency

Part C:

i. Control efficiency Stage 1 –average time to inform

Control efficiency - Average time to inform (TTI)	Future and Emerging Technologies (FET)	EIC Pathfinder	E-02 - EIC Transition Activities and BAS		Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2	EIC Accelerator or Pilot	EIC Prizes	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	COSME (legacy)	SMP (COSME Pillar)	Internal Market and Support to Standardisation (legacy)	Internal Market and Support to Standardisation (new)	Consumers (legacy)	Consumers (new)
Target TTI	153	153	120	120	N/A	N/A	N/A	153	153	153	183	183	183	183	183	183	183
Result TTI	115	167	106	91	51,5	72,5	136	147	113,7	79	N/A	120	57	N/A	N/A	117,7	51,3

Table 3: Control efficiency Stage 1 – average time to inform

At the end of the year 56 Horizon Europe grants were under preparation, which had been retained for funding under the Pathfinder Open call. For most of these grants, the grant agreement preparation process was significantly delayed due to the need to clarify the specific situation for successful applicants from Switzerland and the UK, as well as due to several IT-related issues and new business requirements introduced under Horizon Europe.

Control efficiency Stage 2 –average time to grant

Control efficiency - Average time to grant (TTG)	Future and Emerging Technologies (FET)	EIC Pathfinder	E-02 - EIC Transition Activities and BAS		Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2	EIC Accelerator or Pilot	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	COSME (legacy)	SMP (COSME Pillar)	Internal Market and Support to Standardisation	Internal Market and Support to Standardisation	Consumers (legacy)	Consumers (new)
Target TTG	245	245	245	183	245	245	245	245	245	274	274	274	274	274	274	274
Result TTG	192	N/A	148	N/A	164	157	230	212	N/A	N/A	232	N/A	N/A	N/A	211	97

Table 4: Control efficiency Stage 1 –average time to grant

Control efficiency Stage 3 –average time to pay

Control efficiency - Average time to pay	Future and Emerging Technologies (FET)	Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2	EIC Prizes	Innovation in SMEs programme (INNOSUP) (H2020)	Interregional Innovation Investments Initiative (ERDF)	COSME (legacy)	Internal Market and Support to Standardisation
Average time to pay : % of payments within the legal deadlines (number)	98,28%	100,00%	96,55%	100,00%	100,00%	99,74%	100,00%	100,00%
Average time to pay: % of payments within the legal deadlines (amount)	99,60%	100,00%	98,78%	100,00%	100,00%	99,97%	100,00%	100,00%

Table 5: 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 01/01/2021	Audit reports launched in 2021	Final audit reports issued by 31/12/2021	Status of the on-going audits as of 31/12/2021			
				Fieldwork planned	Prepare the draft report	Draft report under review	Report under contradictory
Current programmes (2014-2021)							
COSME	8	9	8	9	0	0	0
Consumer programme	0	9	0	9	0	0	0
TOTAL	8	18	8	18	0	0	0

Table 10: Overview of audits³⁰

For COSME, the Agency closed the remaining eight audits contracted in 2019-2020 still open at the beginning of 2021. In addition, the Agency launched a new batch of audits in September 2021. For all nine audits contracted, the fieldwork/desk review is due to take place in early 2022. The related results are expected in 2022.

For Consumer, the Agency launched a new batch of audits in September 2021. For all nine audits contracted, the fieldwork/desk review is due to take place in early 2022. The related results are expected in 2022.

EISMEA implemented all the necessary actions in order to reduce the impact of the Covid-19 pandemic, and related travel limitations and working arrangements, 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.

³⁰ EISMEA performed another three audits within 2021 (two in LIFE programme and one in EMFF programme). However, these audits are not presented in the sections of costs and benefits as the programmes were transferred to the European Climate, Infrastructure and Environment Executive Agency (CINEA) as of 1 April 2021 (Commission Implementing Decision (EU) 2021/173)

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.

Because of the COVID-19 pandemic crisis and related travel limitations during 2021, the Common Audit Service – in line with the instructions of the Commission – had to postpone on-the-spot missions until further notice. To minimise the impact of COVID-19 on the implementation of the audit campaign, the CAS converted traditional audit assignments into desk audits, in line with international best practice and auditing standards.

Despite restrictions and other objective challenges due to the Covid-19 pandemic, the foreseen audit target was achieved. The CAS managed to finalise audits on 514 participations corresponding to the 104,3% of the planned most probable scenario for 2021 target (493 audited participations).

By the end of 2021, CAS audited in total 3 424 participations, covering 55,6% of total H2020 expenditure to date. The percentage of H2020 expenditure covered by the audits (55,6%) refers to the value of the participations of the audited beneficiaries. It includes both the fully audited participations (3,7%), also referred to as the 'direct' coverage, and the non-audited participations which nevertheless, after the full treatment of audit results, are clean from systematic errors (51,9%), also referred to as the 'indirect' coverage.

- **Implementation of audit results**

Efficiency ratio		
Implementation of audit results excluding targeted audits (ex-post controls 2014- 2021)	COSME	CP
% of value-audits results implemented over detected errors	98,68%	100,00%
detected error amount	995.504 €	99.856 €
errors corrected (before 31.12.2021)	982.329 €	99.856 €

Table 11: Implementation of audit results

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, the audits were mainly carried out after the final payments. Corrections are then implemented timely, issuing recovery orders.

For COSME, by the end of 2021, on a cumulative basis from the beginning of the programme, 98,68% of the detected errors in value-based audits is recovered. The remaining 1,32% is mainly linked to final audit reports which were closed near the year-end, or for which the beneficiary submitted additional supporting documents following the reception of pre-

information letter. The implementation of audit results of the cases above is expected to be finalised in 2022.

For Consumer, by the end of 2021, on a cumulative basis from the beginning of the programme, 100% of the detected errors in value-based audits is recovered.

EISMEA - audits overview

EISMEA - IAS audits overview		
IAS audit	Status and results	Responsible Unit
Mangement of experts in Horizon 2020 grants (EASME, RTD, CONNECT, REA, INEA)	<p>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)</p> <p>On 30 June 2021, EISMEA marked the Action Plan as completed, transmitting to IAS the supporting documents via TeamCentral. The follow-up of the Agency's recommendation is currently under review of the IAS and should be finalised for closure in the coming weeks.</p>	<p>Sector C.02.3 – Evaluations is the process owner in EISMEA</p>

<p>Implementation of anti-fraud actions in the research area (EASME, RTD, CONNECT, REA, INEA, ERCEA)</p>	<p>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.</p> <p>Two Notes for the attention of the FAIR members received on 14 December 2021 (Ares(2021)7732606) and (Ares(2021)7731987)</p> <p>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.</p> <p>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</p>	<p>1(i) 2 ACTIONS: a) Preparation by Team Leader C.01 (in charge of Anti-Fraud Team, within EISMEA). Validation by HoD C Finance and Administration1. b)Team Leader C.01 in coordination with C.2.32 (IT & Logistics for the update of websites).</p> <p>1(ii) 3 ACTIONS: a), b), c) As from 01/04/2021 - All operational sectors in the successor Agency EISMEA dealing with H2020 legacy and Horizon Europe: A1 (H2020 Innosup) and A2 (<i>Unit E.03 EIC Accelerator since 1st April 2021</i>). Associated: Finance sectors C.1.3 and C.1.5 (<i>Finance sector C.01.1 since 1st April 2021</i>); Team internal and ex-post control (coordination) OLAF correspondent; FAIR correspondent.</p> <p>2) Centrally handled by RTD/CIC with support of</p>
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		research implementing bodies (ao through FAIR)

<p>Protection of personal data of beneficiaries (Executive Agencies and the Common Implementation Centre)</p>	<p>Announcement letter registered on 14/09/2020 - Ares(2020)4798777</p> <p>Fieldwork was completed (visit to EISMEA's premises took place on 26 October 2021 to verify where and how the audit documentation is stored).</p> <p>Scope of IAS audit on Data protection was extended to all Executive Agencies and CIC; kick off meeting was held on 16 June 2021; fieldwork was completed in November 2021; preliminary findings (general to all auditees and specific to the Agency) are expected in Q1 2022.</p>	<p>DPO</p>
<p>Implementation of audit results in H2020 (RTD/CIC, CNECT, ERCEA, REA, INEA, EISMEA/EASME)</p>	<p>Scoping memorandum - Ares(2021)3770663</p> <p>Audit findings (EISMEA) from 09/11/2021 - Ares(2021)6890699</p> <p>DRAFT audit report issued on 17 December 2021 (Ares(2021)7814035) - recommendations accepted / no comments from EISMEA</p> <p>FINAL audit report issued on 27 January 2022(Ares(2022)643152).</p>	<p>Financial Unit C.01 Ex-post Team C01 and the Legal Team C02.3</p>
<p>Preparedness of the management and control systems for the implementation of the EIC</p>	<p>Announcement letter registered on 17/09/2021 - Ares(2021)5696245</p> <p>Interviews started on 26/11 and continued in January 2022. The kick off meeting is foreseen by the IAS for February 2022.</p>	<p>EIC Units</p>

EISMEA – ECA audits overview

ECA audit	Status and results	Responsible Unit
Audit on 2020 accounts & administrative budget	<ul style="list-style-type: none"> · A positive opinion with clean accounts · 1 observation related to: <ul style="list-style-type: none"> (i) Internal controls -The Agency did not perform internal controls to ascertain wheatear the provider of software licenses used correct prices and charged correct mark-ups according to the FWC. Mitigating arguments have been provided to the ECA and an action plan with corrective measures has been defined: (i) <i>Check on the correctness of price of the product (the original ISV price and the uplift)</i> will be included in the procedure of the launching of the Order Form. 	<p style="text-align: center;">EISMEA/ Sector C.02.2</p>
Audit on reliability of 2020 accounts (operational budget, cut-off)	<p>One finding related to:</p>	<p>LIFE programme – transferred to CINEA</p>

ECA audits on the operational budget

The ECA sampled nine transactions for EASME in the context of the **DAS 2020** with the following results:

- for two audits there were either no findings, or no quantified findings without an error rate.
- for one audit 1,57% error rate mainly due to ineligible personnel costs. For one staff member, the beneficiary did not comply with the double ceiling rule, as foreseen by the grant agreement. In particular, the total number of hours declared in EU or Euratom grants, for a year, was higher than the annual productive hours used for the calculations of the hourly rate. The Agency agreed with the findings and the audit results have already been implemented.

- for one audit a 100,00% error rate stemming from ineligible personnel costs. In particular, to establish the declared staff costs, the beneficiary did not calculate hourly rates, but allocated each staff member to the project in a proportion of 25%, 50%, 75% or 100% for each month and applied the pro-rata to the monthly salary. The Beneficiary did not provide time records, nor alternative evidences, to support the costs claimed. Therefore 100% of costs claimed is rejected. The Agency disagreed partially with the finding, as three staff members were allocated 100% to the project, based on a signed declaration provided by the beneficiary. However, as those declarations were signed after the findings have been communicated to the Beneficiary, the ECA did not revise its initial position. The implementation of the audit results is currently ongoing (the amounts to be recovered are going to be offset at the final payment).

- five audits have been handed over to other Agencies as of 1 April 2021.

As regards the **DAS 2021**, the Court of Auditors sampled eight transactions with the following results:

- for four audits there were either no findings, or no quantified findings without an error rate.

- for one audit 23,72% error rate mainly due to ineligible goods and services. In particular, the beneficiary rented special equipment where the total rental costs charged to the project exceeded the depreciation cost for similar equipment. Furthermore, the beneficiary failed to use the hourly rates calculated based on the last closed financial year data and used an incorrect conversion exchange rate, while there were ineligible elements included in the travel cost claimed too. The Agency agreed with the ECA findings and the implementation of audit results is ongoing.

- three audits have not been finalised yet.

Please see below the detailed list of ECA audits performed on the operational budget (in the context of DAS 2020 and DAS 2021), with a summary of their conclusions and opinions.

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

Results EISMEA DAS 2020 (9 transactions sampled)

Reference (incl. clearing letter n°)	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
LIFE MULTIBOSOL	ENV	10,00%	In contradictory - handed over to INEA - see EASME ECA FMB	B3 / C.1.7	-
H2020 URBANREC	RTD	27,33%	In contradictory - handed over to REA - see EASME ECA FMB	B2 / C.1.3	-
H2020 SMEI COLOFAST CL 12237 (Dec 2020)	RTD	0,00%	No audit findings - see EASME ECA FMB	A2 / C.1.2	N/A
H2020 SMEI FIVE G CL 12243 (April 2021)	RTD	1,57%	The audit of FIVE-G project covered the costs declared for the first reporting period RP1 (1/05/2019 - 29/02/2020). The Grant Agreement states in article 6.2 that: The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. For one staff member, the beneficiary did not comply with the rule above, resulting in ineligible cost of 26 226 EUR. To follow up on implementation.	E.03 / C.01.1	YES (no financial impact thanks to project overspending)
H2020 EIC ENHANCEPLAYER CL 12247 (March 021)	RTD	100,00%	The audit of the project ENHANCEPLAYER (no 831109) covered the costs declared by Artomatix Ltd. for reporting period 1 (01/11/2018 - 31/10/2019) To establish the declared staff costs, the beneficiary did not calculate hourly rates, but allocated each staff member to the project in a proportion of 25%, 50%, 75% or 100% for each month and applied the pro-rata to the monthly salary. The Beneficiary did not provide time records nor alternative evidences to support the costs claimed. Therefore 100% of costs claimed is rejected. EASME disagrees partially as three staff members were allocated 100% to the project based on a signed declaration provided by the beneficiary. However as those declarations were signed after the findings have been communicated to the Beneficiary, the ECA did not revise its position. To follow up on implementation . Error in sampled population: EUR 444.490	E.03 / C.01.1	Offsetting of ineligible costs at final payment
H2020 EDGE CL 12291 (Jan 2021)	RTD	0,00%	Handed over to REA. No quantified error rate. 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	1, 93%	Handed over to INEA - see EASME ECA FMB	B1/ C.1.4	-
H2020 EDICITNET	RTD	-	Handed over to REA	B2 / C.1.3	-
H2020 SMEI MODELS CL 12390 (May 2021)	RTD	0,00%	No finding with financial impact.	A2 / C.1.2	N/A

I. ECA audit results - operational budget - Statement of Assurance 2021 - follow up

Results EISMEA DAS 2021 (8 transactions sampled)

Reference (incl. clearing letter n°)	Transaction number	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
H2020 SMEI IMEC 822134	3108	RTD	0,00%	Closure letter CL-12804 of 01/09/2021. No findings	E03.02/C01.1	N/A
H2020 SMEI PIQL-GO 804477	3111	RTD	23,72%	Closure letter CL-12807 of 14/12/2021 Error rate 23,72% The audit covered the cost declared by the PIQL AS Norway for the second reporting period(01/04/2019-30/09/2020). The beneficiary failed to use the hourly rates calculated based on the last closed financial year data. Ineligible elements were included in the travel cost claimed (such as recoverable VAT for domestic train ticket, private expenditure, cost of hospitality dinners. The beneficiary rented special equipment, invention of the project (piql readers) from one of its shareholders (who manufactured these equipments). The total rental costs charged to the project exceeded the depreciation cost for similar equipment. The beneficiary has used an incorrect conversion rate from NOK to EUR. Total error in the population 272 701 EUR.	E03.01/C01.1	NO
H2020 SMEI BIOHEALX 848631	3113	RTD	0,00%	Closure letter CL-12809 of 04/10/2021. No findings	E03.02/C01.1	N/A
H2020 SMEI LEGO 850014	3122	RTD	10.26%	Clearing letter CL-12907 of 07/12/2021 The audit covered the costs declared by the SME Terabee SAS for the second and final reporting period (01/02/2020 - 31/01/2021) and the costs adjustment reported for period 1 (01/02/2019 to 31/01/2020). Ineligible bonuses (exclusively linked to the performance of personnel working for LEGO project, not part of the beneficiary's usual remuneration practice and is not based on objective criteria. Ineligible salary increase SME owner (rejected as excessive and not being documented) Total error in the population: 281 913 EUR Closure letter has not been received yet.	E03.01/C01.1	-
H2020-FETOPEN-2018-2019-2020-01 /=RP1=IP LIGHT4LUNGS-863102	3128	CNECT	0,00%	Closure letter CL-12936 of 18/11/2021 No finding	E01.02/C.01.1	N/A
H2020-EIC-FTI-2018-2020 /=RP2=FP BD-KNEE-853943	3147	RTD	-	Audit ongoing - no results yet	E03.01/C01.1	-
H2020-INNOSUP-2018-2019-05 /=RP1=FP MEETING-949186	3148	GROW	0,00%	Clearing Letter-12968 of 10/12/2021 No findings	I01.01/C01.1	N/A
H2020-EIC-FTI-2018-2020 /=RP2=FP G-IMAGER - 820591	3161	RTD	-	Audit ongoing - no results yet	E03.01/C01.1	-

ECA performance audits

In the course of 2021 there were also two ongoing **performance audits**, one of them launched in 2020 and the second in 2021, as follows:

II. ECA performance audits - follow up			
Audit	Results	Responsible Unit	Corrective action implemented?
Internationalisation of SMEs (GROW, RTD, EISMEA, EEAS, TRADE, CNECT)	Audit ongoing (started in 2020)*	1.02 SMP/COSME Pillar	N/A
External Consultancy services (BUDG, SG, HR, NEAR, JRC, SRSS, GROW, ENV, EMPL, ESTAT, AGRI, EISMEA)	Audit ongoing (started in 2021)	1.02 SMP/COSME Pillar	N/A

* The audit was at pre-adversarial stage in February 2022. A number of preliminary observations and recommendations concern the Enterprise Europe Network such as improving the Network's visibility, extending its geographical coverage and increasing EEN training outreach on access to finance and free trade agreements.

ANNEX 8: SPECIFIC ANNEXES RELATED TO "ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS"

Main outputs in 2021			
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 (89% of management and 85% of staff answered positively in the survey).</p> <p>The main challenges were identified within the Internal Control components (ICC) 9, 11 and 14.</p> <p>The process owners of each ICC and ICP were provided with the results defining perceived strengths and weaknesses and with their involvement the Action plan for 2022 was prepared, specifying the measures addressing the identified weaknesses.</p> <p>For principle 9, training and information sessions on the new mandate of the Agency are planned to take place in 2022 in order to raise awareness about the topics and related difficulties, as well as a training for managers to improve their feedback skills.</p> <p>For principle 11, relevant pages on EISMESA Intranet will be updated in order to give a comprehensive overview of the key IT roles in the Agency and IT security policies. Trainings</p>

			<p>on Information Security Policy in liaison with DIGIT are also planned for 2022.</p> <p>Regarding principle 14, internal communication flow will be discussed at Management Away day in 2022. To improve the teamwork in the Agency, job shadowing exercise, presentation of different units and programmes managed by EISMEA are also planned.</p> <p>The Agency identified indicators for 2022, defined monitoring criteria and identified key priority areas for improvement and targeted actions following the results of the internal control assessment implemented in October 2021. The assessment showed that controls are in place and are functioning well. The outcome of the assessment and the follow-up actions were presented to EISMEA management and staff in November 2021 and an action plan was validated for 2022. Further information is provided in annex 8.</p>
Report on issues linked to audit, internal control, antifraud activities are part of the mid-year and annual activity report to parent	Report is available(Y/N)	Mid-year Report (30/06/2021) Annual Activity Report (31/3/2022)	The reports included all relevant information were submitted on time and are available.

DGs and Steering Committee			
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EISMEA - audits overview

EISMEA - IAS audits overview		
IAS audit	Status and results	Responsible Unit
Mangement of experts in Horizon 2020 grants (EASME, RTD, CONNECT, REA, INEA)	<p>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)</p> <p>On 30 June 2021, EISMEA marked the Action Plan as completed, transmitting to IAS the supporting documents via TeamCentral. The follow-up of the Agency's recommendation is currently under review of the IAS and should be finalised for closure in the coming weeks.</p>	<p>Sector C.02.3 – Evaluations is the process owner in EISMEA</p>

<p>Implementation of anti-fraud actions in the research area (EASME, RTD, CONNECT, REA, INEA, ERCEA)</p>	<p>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.</p> <p>Two Notes for the attention of the FAIR members received on 14 December 2021 (Ares(2021)7732606) and (Ares(2021)7731987)</p> <p>1) EASME individual audit report: two important recommendations:</p> <p>(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</p> <p>(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.</p> <p>2) Corporate audit report (addressed to RTD/ CIC with the support of the implementing bodies): five important recommendations</p> <p>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:</p> <p>(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;</p> <p>(ii) to identify common indicators to monitor the Research Anti-Fraud Strategy;</p> <p>(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</p>	<p>1(i) 2 ACTIONS:</p> <p>a) Preparation by Team Leader C.01 (in charge of Anti-Fraud Team, within EISMEA). Validation by HoD C Finance and Administration1.</p> <p>b)Team Leader C.01 in coordination with C.2.32 (IT & Logistics for the update of websites).</p> <p>1(ii) 3 ACTIONS:</p> <p>a), b), c) As from 01/04/2021 - All operational sectors in the successor Agency EISMEA dealing with H2020 legacy and Horizon Europe: A1 (H2020 Innosup) and A2 (<i>Unit E.03 EIC Accelerator since 1st April 2021</i>).</p> <p>Associated:</p> <p>Finance sectors C.1.3 and C.1.5 (<i>Finance sector C.01.1 since 1st April 2021</i>); Team internal and ex-post control (coordination) OLAF correspondent; FAIR correspondent.</p> <p>2) Centrally handled by RTD/CIC with support of research implementing bodies (ao through FAIR)</p>
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<p>Protection of personal data of beneficiaries (Executive Agencies and the Common Implementation Centre)</p>	<p>Announcement letter registered on 14/09/2020 - Ares(2020)4798777</p> <p>Fieldwork was completed (visit to EISMEA's premises took place on 26 October 2021 to verify where and how the audit documentation is stored).</p> <p>Scope of IAS audit on Data protection was extended to all Executive Agencies and CIC; kick off meeting was held on 16 June 2021; fieldwork was completed in November 2021; preliminary findings (general to all auditees and specific to the Agency) are expected in Q1 2022.</p>	<p>DPO</p>
<p>Implementation of audit results in H2020 (RTD/CIC, CNECT, ERCEA, REA, INEA, EISMEA/EASME)</p>	<p>Scoping memorandum - Ares(2021)3770663</p> <p>Audit findings (EISMEA) from 09/11/2021 - Ares(2021)6890699</p> <p>DRAFT audit report issued on 17 December 2021 (Ares(2021)7814035) - recommendations accepted / no comments from EISMEA</p> <p>FINAL audit report issued on 27 January 2022(Ares(2022)643152).</p>	<p>Financial Unit C.01 Ex-post Team C01 and the Legal Team C02.3</p>
<p>Preparedness of the management and control systems for the implementation of the EIC</p>	<p>Announcement letter registered on 17/09/2021 - Ares(2021)5696245</p> <p>Interviews started on 26/11 and continued in January 2022. The kick off meeting is foreseen by the IAS for February 2022.</p>	<p>EIC Units</p>

EISMEA - ECA audits overview

ECA audit	Status and results	Responsible Unit
Audit on 2020 accounts & administrative budget	<ul style="list-style-type: none"> · A positive opinion with clean accounts · 1 observation related to: <ul style="list-style-type: none"> (i) Internal controls -The Agency did not perform internal controls to ascertain wheatear the provider of software licenses used correct prices and charged correct mark-ups according to the FWC. Mitigating arguments have been provided to the ECA and an action plan with corrective measures has been defined: (i) <i>Check on the correctness of price of the product (the original ISV price and the uplift)</i> will be included in the procedure of the launching of the Order Form. 	EISMEA/ Sector C.02.2
Audit on reliability of 2020 accounts (operational budget, cut-off)	One finding related to:	LIFE programme – transferred to CINEA

ECA audits on the operational budget

The ECA sampled nine transactions for EASME in the context of the **DAS 2020** with the following results:

- for two audits there were either no findings, or no quantified findings without an error rate.
- for one audit 1,57% error rate mainly due to ineligible personnel costs. For one staff member, the beneficiary did not comply with the double ceiling rule, as foreseen by the grant agreement. In particular, the total number of hours declared in EU or Euratom grants, for a year, was higher than the

annual productive hours used for the calculations of the hourly rate. The Agency agreed with the findings and the audit results have already been implemented.

- for one audit a 100,00% error rate stemming from ineligible personnel costs. In particular, to establish the declared staff costs, the beneficiary did not calculate hourly rates, but allocated each staff member to the project in a proportion of 25%, 50%, 75% or 100% for each month and applied the pro-rata to the monthly salary. The Beneficiary did not provide time records, nor alternative evidences, to support the costs claimed. Therefore 100% of costs claimed is rejected. The Agency disagreed partially with the finding, as three staff members were allocated 100% to the project, based on a signed declaration provided by the beneficiary. However, as those declarations were signed after the findings have been communicated to the Beneficiary, the ECA did not revise its initial position. The implementation of the audit results is currently ongoing (the amounts to be recovered are going to be offset at the final payment).

- five audits have been handed over to other Agencies as of 1 April 2021.

As regards the **DAS 2021**, the Court of Auditors sampled eight transactions with the following results:

- for four audits there were either no findings, or no quantified findings without an error rate.

- for one audit 23,72% error rate mainly due to ineligible goods and services. In particular, the beneficiary rented special equipment where the total rental costs charged to the project exceeded the depreciation cost for similar equipment. Furthermore, the beneficiary failed to use the hourly rates calculated based on the last closed financial year data and used an incorrect conversion exchange rate, while there were ineligible elements included in the travel cost claimed too. The Agency agreed with the ECA findings and the implementation of audit results is ongoing.

- three audits have not been finalised yet.

Please see below the detailed list of ECA audits performed on the operational budget (in the context of DAS 2020 and DAS 2021), with a summary of their conclusions and opinions.

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

Results EISMEA DAS 2020 (9 transactions sampled)

Reference (incl. clearing letter n°)	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
LIFE MULTIBOSOL	ENV	10,00%	In contradictory - handed over to INEA - see EASME ECA FMB	B3 / C.1.7	-
H2020 URBANREC	RTD	27,33%	In contradictory - handed over to REA - see EASME ECA FMB	B2 / C.1.3	-
H2020 SMEI COLOFAST CL 12237 (Dec 2020)	RTD	0,00%	No audit findings - see EASME ECA FMB	A2 / C.1.2	N/A
H2020 SMEI FIVE G CL 12243 (April 2021)	RTD	1,57%	The audit of FIVE-G project covered the costs declared for the first reporting period RP1 (1/05/2019 - 29/02/2020). The Grant Agreement states in article 6.2 that: The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. For one staff member, the beneficiary did not comply with the rule above, resulting in ineligible cost of 26 226 EUR. To follow up on implementation.	E.03 / C.01.1	YES (no financial impact thanks to project overspending)
H2020 EIC ENHANCEPLAYER CL 12247 (March 021)	RTD	100,00%	The audit of the project ENHANCEPLAYER (no 831109) covered the costs declared by Artomatix Ltd. for reporting period 1 (01/11/2018 - 31/10/2019). To establish the declared staff costs, the beneficiary did not calculate hourly rates, but allocated each staff member to the project in a proportion of 25%, 50%, 75% or 100% for each month and applied the pro-rata to the monthly salary. The Beneficiary did not provide time records nor alternative evidences to support the costs claimed. Therefore 100% of costs claimed is rejected. EASME disagrees partially as three staff members were allocated 100% to the project based on a signed declaration provided by the beneficiary. However as those declarations were signed after the findings have been communicated to the Beneficiary, the ECA did not revise its position. To follow up on implementation . Error in sampled population: EUR 444.490	E.03 / C.01.1	Offsetting of ineligible costs at final payment
H2020 EDGE CL 12291 (Jan 2021)	RTD	0,00%	Handed over to REA. No quantified error rate. 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	1, 93%	Handed over to INEA - see EASME ECA FMB	B1/ C.1.4	-
H2020 EDICITNET	RTD	-	Handed over to REA	B2 / C.1.3	-
H2020 SMEI MODELS CL 12390 (May 2021)	RTD	0,00%	No finding with financial impact.	A2 / C.1.2	N/A

I. ECA audit results - operational budget - Statement of Assurance 2021 - follow up

Results EISMEA DAS 2021 (8 transactions sampled)

Reference (incl. clearing letter n°)	Transaction number	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
H2020 SMEI IMEC 822134	3108	RTD	0,00%	Closure letter CL-12804 of 01/09/2021. No findings	E03.02/C01.1	N/A
H2020 SMEI PIQL-GO 804477	3111	RTD	23,72%	Closure letter CL-12807 of 14/12/2021 Error rate 23,72% The audit covered the cost declared by the PIQL AS Norway for the second reporting period(01/04/2019-30/09/2020). The beneficiary failed to use the hourly rates calculated based on the last closed financial year data. Ineligible elements were included in the travel cost claimed (such as recoverable VAT for domestic train ticket, private expenditure, cost of hospitality dinners. The beneficiary rented special equipment, invention of the project (piql readers) from one of its shareholders (who manufactured these equipments). The total rental costs charged to the project exceeded the depreciation cost for similar equipment. The beneficiary has used an incorrect conversion rate from NOK to EUR. Total error in the population 272 701 EUR.	E03.01/C01.1	NO
H2020 SMEI BIOHEALX 848631	3113	RTD	0,00%	Closure letter CL-12809 of 04/10/2021. No findings	E03.02/C01.1	N/A
H2020 SMEI LEGO 850014	3122	RTD	10.26%	Clearing letter CL-12907 of 07/12/2021 The audit covered the costs declared by the SME Terabee SAS for the second and final reporting period (01/02/2020 - 31/01/2021) and the costs adjustment reported for period 1 (01/02/2019 to 31/01/2020). Ineligible bonuses (exclusively linked to the performance of personnel working for LEGO project, not part of the beneficiary's usual remuneration practice and is not based on objective criteria. Ineligible salary increase SME owner (rejected as excessive and not being documented) Total error in the population: 281 913 EUR Closure letter has not been received yet.	E03.01/C01.1	-
H2020-FETOPEN-2018-2019-2020-01 /=RP1=IP LIGHT4LUNGS-863102	3128	CNECT	0,00%	Closure letter CL-12936 of 18/11/2021 No finding	E01.02/C.01.1	N/A
H2020-EIC-FTI-2018-2020 /=RP2=FP BD-KNEE-853943	3147	RTD	-	Audit ongoing - no results yet	E03.01/C01.1	-
H2020-INNOSUP-2018-2019-05 /=RP1=FP MEETING-949186	3148	GROW	0,00%	Clearing Letter-12968 of 10/12/2021 No findings	I01.01/C01.1	N/A
H2020-EIC-FTI-2018-2020 /=RP2=FP G-IMAGER - 820591	3161	RTD	-	Audit ongoing - no results yet	E03.01/C01.1	-

ECA performance audits

In the course of 2021 there were also two ongoing **performance audits**, one of them launched in 2020 and the second in 2021, as follows:

II. ECA performance audits - follow up			
Audit	Results	Responsible Unit	Corrective action implemented?
Internationalisation of SMEs (GROW, RTD, EISMEA, EEAS, TRADE, CNECT)	Audit ongoing (started in 2020)*	1.02 SMP/COSME Pillar	N/A
External Consultancy services (BUDG, SG, HR, NEAR, JRC, SRSS, GROW, ENV, EMPL, ESTAT, AGRI, EISMEA)	Audit ongoing (started in 2021)	1.02 SMP/COSME Pillar	N/A

* The audit was at pre-adversarial stage in February 2022. A number of preliminary observations and recommendations concern the Enterprise Europe Network such as improving the Network's visibility, extending its geographical coverage and increasing EEN training outreach on access to finance and free trade agreements.

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

1) Annex related to "Control results" - Table X: Estimated risk at payment and at closure

EA EISMEA	'payments made' (2021,MEUR)	minus new prefinancing [plus retentions made] (in 2021,MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2021,MEUR)	'relevant expenditure' (for 2021,MEUR)	Detected error rate or equivalent estimates	estimated risk at payment (2021,MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	estimated future corrections [and deductions] (for 2021,MEUR)	estimated risk at Closure (2021,MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Horizon Europe 2021-2027-grants	0.27	0.00	0.00	0.27	0.50% - 0.50%	0.00 - 0.00	0.23% - 0.23%	0.00 - 0.00	0.00 - 0.00
Horizon Europe 2021-2027-others	2.19	0.00	0.00	2.19	0.50% - 0.50%	0.01 - 0.01	0.00% - 0.00%	0.00 - 0.00	0.01 - 0.01
H2020-grants	611.71	- 380.59	373.33	604.45	2.29% - 2.29%	13.84 - 13.84	0.23% - 0.23%	1.39 - 1.39	12.45 - 12.45
H2020-financial instruments	250.00	0.00	0.00	250.00	0.50% - 0.50%	1.25 - 1.25	0.00% - 0.00%	0.00 - 0.00	1.25 - 1.25
H2020-others	9.08	- 2.26	0.00	6.82	0.50% - 0.50%	0.03 - 0.03	0.00% - 0.00%	0.00 - 0.00	0.03 - 0.03
COSME 2014-2020-grants	25.30	- 17.98	6.53	13.85	3.19% - 3.19%	0.44 - 0.44	0.31% - 0.31%	0.04 - 0.04	0.40 - 0.40
COSME 2014-2020-others	23.39	- 0.94	1.37	23.81	0.50% - 0.50%	0.12 - 0.12	0.00% - 0.00%	0.00 - 0.00	0.12 - 0.12
COSME 2021-2027-grants	10.30	- 10.30	0.00	0.00	0.50% - 0.50%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
COSME 2021-2027-others	0.34	0.00	0.00	0.34	0.50% - 0.50%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Consumer 2014-2020-grants	3.53	- 0.78	6.63	9.38	1.12% - 1.12%	0.11 - 0.11	0.31% - 0.31%	0.03 - 0.03	0.08 - 0.08
Consumer 2014-2020-others	8.59	0.00	0.00	8.59	0.50% - 0.50%	0.04 - 0.04	0.00% - 0.00%	0.00 - 0.00	0.04 - 0.04
Consumer 2021-2027-grants	2.58	- 2.58	0.00	0.00	0.50% - 0.50%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Standardisation 2014-2020-grants	5.35	- 1.76	2.64	6.23	0.85% - 0.85%	0.05 - 0.05	0.31% - 0.31%	0.02 - 0.02	0.03 - 0.03
LIFE	0.00	0.00	13.15	13.15	0.72% - 0.72%	0.09 - 0.09	0.00% - 0.00%	0.00 - 0.00	0.09 - 0.09
EMFF	0.00	0.00	0.17	0.17	0.99% - 0.99%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Sub-total	952.62	- 417.19	403.82	939.25		16.00 - 16.00	0.16% - 0.16%	1.48 1.48	14.52 - 14.52
operating budget	41.65	0.00	0.07	41.72	0.50% - 0.50%	0.21 - 0.21	0.00% - 0.00%	0.00 - 0.00	0.21 - 0.21
total EA (operational + operating)	994.27	- 417.19	403.89	980.97		16.21 - 16.21	0.15% - 0.15%	1.48 - 1.48	14.72 - 14.72
					Overall risk at payment in %	1.65% - 1.65% (7) / (5)		Overall risk at closure in %	1.50% 1.50% (10) / (5)

Notes to the table X

- (1) Differentiated per relevant portfolio segments at a level which is lower than the Agency operational budget total
- (2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.
- (3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). "Pre-financing" is covered as in the context of note 2.5.1 to the Commission annual accounts (i.e. excluding "Other advances to Member States" (note 2.5.2) which is covered on a purely payment-made basis).
- (4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological Annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out, and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating subsidies to agencies), EISMEA has used 0,5% following DG BUDG instructions.

(8) The historical average of recoveries and financial corrections (ARC) received from the central services is 2,02%. However, EISMEA has used as an adjusted average of recoveries and financial corrections (ARC), for grant management expenditure, the value of 0,31% for all programmes but Horizon 2020 and Horizon Europe. This estimation of the recovery capacity is based on average of recoveries stemming from implementation of ex-post audit results during the period 2019-2021 divided by average payments for grants for the same period.

For Horizon 2020 and Horizon Europe, in line with the Research and Innovation family, EISMEA adjusted this value for grant management expenditure and used as best estimation the difference between the family expected representative error rate for the full sample (2,29%), and the EISMEA residual error rate (2,06%). For other types of expenditures (procurement, experts, and operating budget), we assumed that the ex-post future corrections would be 0%.

(9) The following amounts, corresponding to CHAFEA's allocation, have been added to table X manually: 117.236,75€ to the Consumer 2014-2020 grant-related cleared prefinancing and 3.114,52€ to the Consumer 2014-2020 procurement-related (others) payments.

(10) Taking into account the non-existing or immaterial level of the relevant expenditure and the absence of ex-post audit results for grants of the programmes of the new MFF (2021-2027), a rate of 0.5 % has been considered a fair estimate as a detected error rate in 2021.

2) Reservations

For COSME, the multi annual residual error rate at the end of 2021 is 2,90%, above the materiality threshold of 2%.

According to the “de minimis” rule, quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial and are no longer needed for segments representing less than 5% of a DG’s total payments and with a financial impact below EUR 5 million.

As this programme meets both criteria of “de minimis rule”, EISMEA has lifted the reservation issued in AAR 2020. The related calculations as regards the accumative conditions of the “de minimis rule” are shown in the table below:

Criteria of de minimis rule			
1.	COSME 2014-2020 grants payments (in m EUR)	Total operational payments EISMEA (in m EUR)	% segment
	25,30	952,62	2,66%
2.	COSME 2014-2020 grants relevant expenditure (in m EUR)	Residual error rate COSME	Financial impact (in m EUR)
	13,85	2,90%	0,40

ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

HR Management performance table

Objective: EISMEA employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the agency's priorities and core business.

Indicator 1: ³¹Number and percentage of first female appointments to middle management positions³²

Source of data: DG HR

Baseline (female representation in middle management positions) N/A: Agency set up in April 2021	Final Target 50% in 2024 ³³	Latest known result (2021) 45% (5 out of 11) in 2021 appointed by Parent DG
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Indicator 2: EISMEA staff engagement index

Source of data: Commission staff survey 2021 ç

Baseline N/A: Agency set up in April 2021	Target (2024) At least 76% and maintain above the Commission average of 72%	Latest known result (2021) 69%
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Indicator 3: Occupation rate of the establishment plan

Source of data: EISMEA/ Establishment Plan

Baseline N/A	Target (2021) > 86%	Latest known result (2021) 88%
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Main outputs in 2021:

Output	Indicator	Target	Latest known result
BUILDING UP AND REACHING OUT			
Revision of recruitment manual	Updated recruitment manual	September 2021	Working Group established and revision of the Recruitment Manual and drafting of new EISMEA Selectin Guide on-going
Recruitment of EIC programme managers	95% EIC programme managers are recruited	December 2021	Reserve list established by 31 December 2021. Pre-recruitment interviews with EISMEA Director and EIC Board Member held in January

³¹ Seconded middle managers are part of the seconding DGs' staff: The responsibility for achieving the targets is at DG level. The Agency is responsible for providing a regular overview to its parent DGs of the gender representation in middle management within the Agency and coordinating between them.

³² Head of Unit and Head of Department are hereby defined as middle management positions.

³³ End of this Commission's mandate.

			2022. Final appointment expected Q1 2022.
Develop on-boarding programme for Agency staff	New on-boarding programme adopted and communicated	June 2021	First draft is ready in December 2021
Creation of the active senior scheme	the active senior scheme is approved by management	June 2021	Active senior scheme (developed pre-EISMEA) not included in EISMEA planning
CREATING A NEW ORGANISATIONAL CULTURE			
Establishment of Sounding Board	Establishment of bottom-up activities structure	December 2021	"EISMEA Initiatives" bottom up groups launched in December 2021
EISMEA will organise initiatives to build up the new corporate culture	8	December 2021	2 Town Hall meetings 5 "coffee with Director" meetings 3 "coffee with HoD" meetings 3 lunchtime seminars 27 editions of Espresso (weekly internal newsletter) 1 edition of internal magazine 1 Idea Box (43 ideas received)
Creation of leadership programme	Outline of the programme is approved by the management	December 2021	Programme (developed pre-EISMEA) not included in EISMEA planning
Guidance on continuous feedback in place:	the best practice guide for managers and guidelines on continuous feedback and underperformance management	December 2021	Guide (developed pre-EISMEA) not included in EISMEA planning
IMPLEMENTING A MODERN HR SERVICE			
Awareness raising on ethical rules	Ethics training for management HR-Awareness raising each quarter via e-mail to staff	2 time / year by December 2021 3 mails by December 2021	1 training held. 2 nd one cancelled as legal team leader in charge left the Agency
Whistleblowing session	Whistleblowing training session for all staff	2 times/ year by December 2021	Reschedule for 2022

Develop the business case for deployment of Human Resources Management (HRM) system	Launch the IT tool in the Agency	December 2021	System (developed pre-EISMEA) not included in EISMEA planning
STAFF ENGAGEMENT			
Harmonise staff job descriptions and update the job holder objectives to the mandate of each unit within the Agency	90% of Agency staff having a job description according to the harmonised approach to be agreed.	July 2021	Postponed to 2022 in order to apply the decision of the WG on harmonised job titles
Participation in joint recruitment procedures	Joint selection procedure with other EAs	At least 3 new procedures run in 2021	EISMEA was involved in 2 joint selection procedures with HADEA and CINEA
PROMOTING GENDER BALANCE			
Performance management: Agency will roll out a full women talent programme	Inter-Agency programme is available for EISMEA staff	November 2021	Launched on 6 November 2021

Selection procedures	N. applications	N. Short-listed candidates	N. Interviews
Internal	12	2	2
Use of Existing Reserve lists	N/A	N/A	102
Inter-agency Job Market	63	17	15
External	994	220	198*
TOT	1069	239	317

*including 57 written tests (only for temporary agents posts).

Digital Transformation and Information Management Performance Table

Objective: EISMEA is using innovative, trusted digital solutions for better information management and administrative processes to become a truly digitally transformed, user-focused and data-driven Agency

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions³⁴

Source of data: EEN and EIC

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known result
31% EEN	68% EEN	90% EEN	60% in 2021
41% EIC	77% EIC	91% EIC	58% in 2021

Indicator 2: Percentage of [the agency's] key data assets³⁵ for which corporate principles for data governance³⁶ have been implemented

Source of data: EISMEA

Baseline	Interim milestone (2022)	Target (2024)	Latest known result
A data inventory will be realised by EISMEA in 2021 on the basis of which a realistic indicator will be set in 2021/22.	50%	80%	Data assets inventory exercise launched Q3 2021

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance

Source of data: DPO and HR

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known result
40% ³⁷	95% of staff in post for 6 months or longer	100% of staff in post for 6 months or longer	73 staff attended DPO training in 2021 (% to be measured in 2022 as agency only

³⁴ The European Commission Digital Strategy (C(2018)7118) (<https://ec.europa.eu/transparency/regdoc/rep/3/2018/EN/C-2018-7118-F1-EN-MAIN-PART-1.PDF>) calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made for the selected solutions. For each of the 3 solutions, a table will reflect – per principle – the progress achieved during the last year.

³⁵ A key data asset is defined as any entity that comprises a source of data based on projects or administrative processes, structured or semi-structured in an information system, a database or a repository of data or corpora of text. A data asset can include multiple datasets or files somehow linked, e.g. by common codes or metadata. Commission key data assets have been documented in the data inventory Ares(2019)2586155.

³⁶ This indicator follows up on the progress of services in implementing corporate data governance and data policies for their key data assets included in the EC data inventory. See [Ares\(2019\)4441343](#) in the context of the [DataStrategy@EC action plan \(Ares\(2018\)5804416\)](#). In summary, this means that for each key data asset, services should assess if the following principles have been respected:

- Identify and designate the data owner and the data steward(s).
- Instruct their data stewards to share the metadata of their data assets in the Commission's data catalogue and to keep them up to date.
- Design and document processes for data collection/creation, acquisition, access, sharing, use, processing preservation, deletion, quality, protection and security. Information concerning these processes should be made available to anyone interested, as long as any confidentiality restrictions are respected.
- Make any necessary changes and updates to IT systems managed or owned by the agency, which are used for storing, managing and disseminating these data assets to implement the aforementioned requirements and processes.

The [Data Advisory service](#) offers a single point of access on the intranet for related guidance and information.

³⁷ Estimated value at the entry into force of the Regulation (EU) 2018/1725 in December 2018.

established in April 2021)

Main outputs in 2021:

Output	Indicator	Target	Latest known result
Development / procurement of AI platform and marketplace for EIC applications and information sharing.	Procurement done in time to ensure business continuity.	Procurement procedure completed by end 2021.	Additional time needed to involve expert group on design of the EIC Marketplace in the process. Tender Specifications being finalised.
Data protection awareness events, training sessions	Number of activities organised per year	four times per year	12 data protection awareness raising events organized by EISMEA in 2021
Review of the Agency's Data protection Action plan	Reporting to Director on the implementation of the Agency's Data protection Action plan	once per year	Done.

Sound Environmental Management performance table

Objective: EISMEA takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

Main results and outputs in 2021:

I. More efficient use of resources (energy, water, paper)

Output	Indicator	Target	Latest known result
Paperless working methods at EA level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in line with the EMAS corporate action on resource efficiency (March) and/or raise awareness about EA's office paper use in collaboration with OIB where appropriate..	No. or % of staff informed	Address all staff	Teleworking resulted in drastic reduction of office paper use. No targeted action to staff required.
	No. actions	1	
	% reduction	Reduce paper consumption (10%) compared with previous year	
	No. new actions introduced	1 action per year	

II. Reducing CO₂, equivalent CO₂ and other atmospheric emissions

Output	Indicator	Target	Latest known result
Gradual increased use (and number) of VC meeting rooms in the EA, in collaboration with DG SCIC.	No. of VC meeting rooms	3	0 realised in 2021 but 9 foreseen in 2022

III. Reducing and managing waste

Output	Indicator	Target	Latest known result
Implement the EC Guidelines for sustainable meetings and events , e.g. reduce/eliminate single-use plastics, gadgets/gifts	No. events	100% of events following guidelines	100%

IV. Promoting green public procurement

Output	Indicator	Target	Latest known result
Staff awareness actions about GPP among EA's staff (" <i>green items</i> " among EC office supplies' catalogue in line with the EMAS corporate action on resource efficiency and/ or staff awareness actions (for example, introduce an EA-specific office supplies' catalogue, including only 100% "green items (if available)	Yes	Address all staff	All staff
	No. actions	100% of "green" items ordered	100% of items
	No. or % of staff informed	100%	100%

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

Not applicable

ANNEX 12: EAMR of the Union Delegations (if applicable)

Not applicable"

ANNEX 13: Decentralised agencies and/or EU Trust Funds (if applicable)

Not applicable

ANNEX 14: Reporting on the Recovery and Resilience Facility

Not applicable