



Annual Activity Report 2022

EUROPEAN INNOVATION COUNCIL AND
SMEs EXECUTIVE AGENCY (EISMEA)

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THE AGENCY IN BRIEF

Executive Agencies are established by the Commission in accordance with Council Regulation (EC) No 58/2003¹ with the purpose of delegating certain tasks relating to the management of Union programmes, including budget implementation. This enables the Commission to focus on its core activities and to dispose of sufficient technical expertise for the management of such programmes with the goal to achieve a more efficient implementation.

The European Innovation Council and Small and Medium-sized Enterprises Executive Agency (EISMEA) was established on 1 April 2021². With a focus on innovation and the single market, it creates strong synergies to support the recovery, strengthening and twin transition of the European economy. The agency has been entrusted with the implementation of the following (parts of) Union programmes:

- Horizon Europe, pillar III: the European Innovation Council (EIC) and European Innovation Ecosystems (EIE);
- European Regional Development Fund: Interregional Innovation Investments (I3);
- Single Market Programme: SME Pillar; Internal market; support to standardisation; and Consumers.

By implementing these programmes and the specific delegated tasks³, the agency contributes to reaching the European Commission's objectives of a European Green Deal and a Europe fit for the digital age, hence contributing to its open strategic autonomy.

EISMEA's mission is to provide high quality support to European innovators, researchers, businesses, regions and consumers. The agency aims to reinforce the European Union's position as a global leader in Research and Innovation, strengthen its Single Market, open up opportunities for SMEs and maintain high standards of protection for its citizens towards a more competitive, digital, green and inclusive EU. Its work is underpinned by six core values: client orientation, excellence, innovation, integrity, respect and transparency.

The Agency has its own administrative budget for which it receives from the EU an annual subsidy. The administrative budget covers the running costs of the Agency, staff expenditure, office related costs, IT and other services. EISMEA's Director is the authorising officer (AO) for this budget.

EISMEA operates under the control of the Commission: it reports to the Directors-General of the parent Directorates-General (DGs) and to the Steering Committee, on the performance of the tasks assigned to the Agency. EISMEA implements delegated tasks in close cooperation with its five parent DGs⁴:

¹ Council Regulation (EC) No 58/2003 of 19 December 2002 (OJ L 11 of 16.01.2003)

² COMMISSION IMPLEMENTING DECISION (EU) 2021/173 of 12 February 2021

³ As outlined in Article 4 and annexes of Commission Decision C(2021)949 final

⁴ DG Research and Innovation (DG RTD), DG Communications Networks Content and Technology (DG CONNECT), DG Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), DG Justice and Consumers (DG JUST), and DG Regional and Urban Policy (DG REGIO)

EISMEA



From ideas to global markets: **Innovation made in Europe**

EISMEA IN NUMBERS



Established

1 April 2021



Mandate

2021-2027

5

Parent DGs

RTD, CNECT, GROW, REGIO, JUST

Implements parts of **3 programmes:**

- **Horizon Europe:** European Innovation Council (EIC) and European Innovation Ecosystems (EIE)
- **Single Market Programme (SMP):** Consumer Objective, SME Pillar and Internal Market & Support to Standardisation
- **European Regional Development (ERDF):** Interregional Innovation Initiatives (i3)

Responsible for managing:

2000 projects

EUR 2 billion of EU funds

Responsible for selecting:

77 companies that will receive

up to EUR 521 million of investments



SUPPORTING UKRAINE VIA



Innovation Support (EIC)

- € 20 million to support 200 Ukrainian tech start-ups
- Access to EIC Pathfinder (Hop On call)
- Access to EIC Accelerator with free coaching



Business support (SMP)

- EU Clusters Support Ukraine Forum (European Cluster Collaboration Platform)
- Supply Chain Resilience Platform (Enterprise Europe Network)
- Hosting Ukrainian entrepreneurs (Erasmus for Young Entrepreneurs)

OUR WORKING ENVIRONMENT



388 staff



41% men



59% women



Average age 46



27 nationalities



INTEGRITY

★ ★ ★ 6 Values ★ ★ ★



EXCELLENCE

RESPECT

- ★ Defined by staff
- ★ Embedded in our Management Charter
- ★ Source of dialogue, discussion, inspiration

INNOVATION



CLIENT ORIENTATION

TRANSPARENCY

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director of EISMEA to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ⁽⁵⁾.

A. Implementation of the Agency's Annual Work Programme – Highlights of the year

In its second year of operation, EISMEA continued to deliver crucial support towards the development and scaling-up of SMEs with breakthrough and disruptive technologies

In 2022 in response to the Russian invasion of Ukraine, EISMEA provided exceptional support to Ukrainian businesses and innovators across its programmes. Actions included a specific call to support Ukrainian deep-tech start-ups under the EIC and the mobilisation of networks to overcome supply chain disruptions under the Single Market Programme. In response to the energy crisis, the Agency began preparing the 2023 edition of the European Social Innovation Competition – Repower EU which will focus on 'Fighting energy poverty'.

The EIC a global reference in innovation support

The end of 2022 saw the completion of the recruitment of the ten [EIC Programme Managers](#). Their pro-active management of EIC portfolios and visions for technological breakthroughs will play an important role in shaping Europe's innovation successes and future policies.

Women innovators took centre stage with the EU Prize for Women Innovators being awarded to the most talented women entrepreneurs from across the EU. In addition, a second cohort of EIC funded women entrepreneurs and researchers benefitted from mentoring, skills enhancement and networking under the EIC Women Leadership programme. Also under Horizon Europe, the Women TechEU call – supporting deep-tech start-ups led by women – saw a record number of applications.

2022 was also marked by significant challenges for the EIC Accelerator: In particular, the delay in the implementation of the Horizon Europe compartment of the EIC Fund caused delays in the signature of the grant component and affected many of the successful applicants from 2021 and early 2022 cut-offs. Following the Commission decisions on the restructuring of the EIC Fund, these delays were quickly eliminated as to the grant component and are now being reduced speedily as regards the equity component.

Single Market Programme – delivering for consumers and business

High profile events in 2022 included the Consumer Summit which enabled stakeholders to play an active role in discussing future priorities under the New Consumer Agenda.

Another landmark was the closing [event](#) of the [Intelligent Cities Challenge](#), which has accompanied [136 cities](#) in their journey towards green, digital and resilient transition. It

⁽⁵⁾ Article 17(1) of the Treaty on European Union

demonstrated concrete achievements in cities across Europe in areas including Local Green Deals and the digital transition.

I3 – off to a promising start

2022 saw the signature of the first grant agreements for this new programme in critical areas such as hydrogen that will support the [European Green Deal](#) and the New European Innovation Agenda by contributing to reaching the target of 50 European hydrogen valleys by 2025.

Embedding innovation at the heart of the agency

EISMEA's approaches to innovation and gender equality that are prominent in its programmes were also mirrored in its efforts to build a strong corporate culture and team spirit within the agency. Notably, EISMEA continued to put innovation at the centre of agency life with TED-style lunchtime talks from top innovators and regular participation from staff in the agency's idea-lab. It also promoted women leadership through its participation in the inter-agency Women Talent Programme.

An agency away day enabled staff – who had all begun working for the agency during a period of COVID-19 restrictions – to meet for the first time together and focus on the agency's six values. These same six values were embedded in a management charter signed by all EISMEA's managers.

B. Key Performance Indicators (KPIs)

INDICATOR 1: EFFICIENT PROGRAMME MANAGEMENT

Source of data: European Innovation Council & SMEs Executive Agency (Unit C.01)

TARGET (2022)

- **Time to grant** 98% of grants signed within deadlines
- 100% of budget execution operational budget: (commitments and payments)

RESULT

- signed within deadlines **66,5%**^[1] out of 98%
- budget execution (commitments & payments) **100%** ✓

INDICATOR 2: SOUND FINANCIAL MANAGEMENT

Source of data: European Innovation Council & SMEs Executive Agency (Unit C.01)

TARGET (2022)

- Timely payments
- **99% of payments** within legal deadlines (administrative and operational budget)

RESULT

- operational budget **99%** ✓
- administrative budget **99%** ✓

INDICATOR 3: POLICY SUPPORT IMPACT

Source of data: European Innovation Council & SMEs Executive Agency (Unit D.01)

BASELINE (2022)

Qualitative KPI on quality of support^[2] to EIC Board (measured in 2022)
94% SATISFIED

MID-TERM (2023)

TARGET (2027)

INDICATOR 4: ROBUST INTERNAL CONTROL

Source of data: European Innovation Council & SMEs Executive Agency (Team C.01)

TARGET (2022)

Overall risk at closure < 2% of relevant expenditure

RESULT

- **1,64%** of relevant expenditure **1,64%** ✓ < 2%

INDICATOR 5: % OF SATISFIED CLIENTS

Source of data: Agency client satisfaction survey^[4]

BASELINE (2020)^[3]

2020 external client satisfaction survey results: (applicants, beneficiaries, tenderers, contractors, expert evaluators).

MID-TERM (2023)

TARGET (2027)

[1] Further information and explanation in Part 1 and Annex 2
 [2] Measured via an annual survey of EIC Board (from 2022)
 [3] EASME client satisfaction survey conducted in 2020
 [4] Survey to be conducted mid-term (2023) and at end of mandate (2027)

C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In line with the Commission's Internal Control Framework EISMEA has assessed its internal control systems during the reporting year and has concluded it is partially effective as internal control principles 3, 10, and 13 need major improvements which could have a significant impact on the assurance. The improvements and remedial measures envisaged are described in the action plan designed following the Internal Control Self-Assessment and also in the Joint Action Plan between EISMEA, DG RTD, and DG CNECT following the recommendations in the final audit report on the design and early implementation of the EIC in EISMEA, DG RTD and DG CNECT, which was communicated to DG IAS on 22 February 2023. Please refer to annual activity report section 2.1.2 for further details.

In addition, EISMEA has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented.

The Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by a reservation on reputational grounds concerning the late implementation and weaknesses affecting the governance and control systems of the investment component of the EIC Accelerator scheme within the EIC Programme.

D. Provision of information to the Commissioners

In the context of the regular meetings during the year between the Director and the parent DGs on management matters, the main elements of this report and assurance declaration, have been brought to the attention of the agency's Steering Committee and to the parent DGs' Directors General.

1. Implementation of the Agency's Annual Work Programme – Highlights of the year.

The Agency's 2022 Annual Work programme (AWP) was adopted by European Commission on 25 August 2022 and by the Agency's Steering Committee on 21 September, 2022. The work programme lists the main activities and outputs of the Agency that contribute to the achievement of the objectives as defined by its parent DGs. Key achievements under the different programmes delegated to the Agency are highlighted below. Exhaustive reporting on the achievement of the targets as planned in the AWP can be found in annex 2.

Horizon Europe

Horizon Europe - the EU's research and innovation framework programme - aims to strengthen the EU's scientific and technological bases and the European Research Area (ERA); boost Europe's innovation capacity, competitiveness and jobs; deliver on citizens' priorities and sustain our socioeconomic model and values. As part of the Horizon Europe programme's pillar 3 (Innovative Europe), the agency implements actions under **European Innovation Council** and **European Innovation Ecosystems**.

By implementing these actions EISMEA supports the development and scaling-up of SMEs with breakthrough and disruptive technologies and helps make sure that Europe's open strategic autonomy is ensured in critical technology areas. In this way, EISMEA is actively contributing to the European Commission's objective of A Europe fit for the Digital Age.

European Innovation Council (EIC)

The EIC aims to support the rapid scale up of innovative technologies and companies (mainly start-ups and SMEs) at EU and international level along the pathway from ideas to market. It is organised into three main funding schemes: the **EIC Pathfinder** for advanced research to develop the scientific basis to underpin breakthrough technologies; the **EIC Transition** to validate technologies and develop business plans for specific applications; and the **EIC Accelerator** – including the **EIC Fund** - to support companies (SMEs, start-ups and in exceptional cases small mid-caps) to bring their innovations to market and scale up. In each case, the direct financial support to innovators is complemented with access to a range of **Business Acceleration Services (BAS)**. In addition, the EIC offers a number of **prizes** and other related actions, providing complementary support to promising innovators.

The recruitment of EIC **Programme Managers** was finalised in 2022. During 2022, the 10 Programme Managers provided input for the Challenges part of the EIC work programme 2023. They also started the pro-active portfolio management of Pathfinder projects originating from the Challenges in the work programme of 2021. This included bringing the projects together to carry out activities of common interest, such as a market analysis, contacts with investors and comparing different solutions. In addition, Programme Managers

were active in the evaluation of projects from the work programme of 2022. In 2023 they will start feedback to policy meetings with the relevant Commission Services to share their learnings on innovation and investment trends with policy makers in the DGs, and to explain the impact they are making towards the EIC beneficiaries.

EIC Board

The EIC Board advises the Commission on the overall strategy for the EIC, the EIC annual work programme, implementation of EIC activities and other issues of importance for EU's innovation policy. It is composed of 20 independent experts acting in a personal capacity and representing the different constituencies of innovation ecosystem.



In 2022, EISMEA supported the EIC Board by providing advice for the overall strategy of the EIC, the EIC work programme, the EIC Fund, the identification of strategic portfolios of projects, the EIC communication strategy and on broader innovation policy issues.

Work included the preparation of statements, background information and reports on KPIs, organisation of meetings with different Commissioners, services and stakeholders. The EIC Board worked in five working groups (WGs) supported

by the agency, for more in-depth discussion of matters within the Board's mandate.

In addition, EISMEA supported EIC Board members' ambassadorial roles through participation in and attendance at several key innovation events and conferences as well as through social media and interviews, providing background materials and information.

EIC Pathfinder

Call management: EISMEA oversaw the evaluation of more than 400 eligible proposals submitted to the 2021 **EIC Pathfinder Challenges** call. For the first time, portfolio considerations were used in the selection of 42 proposals that were funded in the five Challenge areas. The 2022 Challenges call saw 469 proposals submitted to the six novel Challenges (Carbon & Nitrogen management and valorisation; Mid-long term, systems-integrated energy storage; Cardiogenomics; Healthcare Continuum technologies; DNA-based digital data storage; Alternative Quantum Information Processing, Communication, and Sensing). The evaluation process is on schedule to be finalised by March 2023, which will enable the selected projects, through their work, to help to ensure Europe's open strategic autonomy in these critical technology areas.

More than 850 proposals were evaluated under the 2022 **EIC Pathfinder Open** call leading to 57 proposals being selected. The time-to-inform deadline was slightly exceeded by two days due to a delay in the approval process of the evaluation report.

Under the first cut-off of the Horizon Europe **Hop-on Facility** (which aims to add participants from widening countries), five out of six submitted proposals originated from EIC Pathfinder projects. All five proposals were evaluated positively. A further 19 proposals to join Pathfinder projects were submitted to the second cut-off on 10 November (evaluations ongoing).

Programme management: More than 140 Horizon Europe Pathfinder grants were signed in 2022. For most of these grants the time to grant deadline of eight months was exceeded, mainly due to the need to clarify the specific situation of successful applicants from Switzerland and the UK, as well as due to several IT-related issues.

Projects funded under Pathfinder Challenges saw portfolio activities integrated into their plans. This enabled proactive project and portfolio management by EIC Programme Managers and facilitated exchanges and joint road mapping activities between projects.

Legacy activities: At the end of the year, 239 Future and Emerging Technologies (FET)-Open and 67 FET-Proactive projects were still ongoing. During 2022, EISMEA organised 215 meetings with consortia to review their progress as well as processing 214 interim/final payments and 160 amendments.

EIC Transition

Call management: EISMEA oversaw the evaluation of more than 140 proposals for the first cut-off of EIC Transition Open and Challenges 2022, leading to 19 projects being selected. The second cut-off saw the evaluation of 185 proposals, of which 34 projects were selected. The Challenges focused on green devices for the future; process and system integration of clean energy technologies. These 53 selected projects will help, through their work, support the development and scaling up of SMEs with breakthrough and disruptive technologies in these areas.

Programme management: EISMEA met its time to grant target of six months in approximately 75% of cases. Reasons for delays included specific cases where grants required a Commission decision (above EUR 2.5 million or with significant ethics issues), or where the consortia needed modifications following entities located in countries for which the finalisation of the association agreement was pending. These cases are not foreseen in the legal base for the fast track to research and innovation procedure (FTRI procedure, 6 months). Regular monitoring of all EIC Transition grants allowed the agency to follow the progress of the projects, enabling the intervention of Programme Managers, and providing opportunities for Project Offices to propose support services, coaching and other services.

Legacy activities: The year concluded with 23 FET Innovation Launchpad ongoing. Over the year, EISMEA processed 49 interim or final payments.

EIC Accelerator

Call management: 2022 saw one continuously open evaluation for short proposals and three cut-off dates for Open and Challenges full proposals. More than 2 600 start-ups and SMEs submitted short applications, and around 3 150 full applications for funding from 38 different countries were received. The total requested funding was EUR 18 billion, of which

EUR 11.5 billion for equity investment. In total 228 companies were selected for funding and EUR 516 million were allocated for grants and EUR 736 million for equity.

Over 1 000 remote experts evaluated the proposals along with nearly 200 jury members. Both pools of experts were balanced between technical, business and innovation profiles as well as by country and gender.

Programme management: A total of 252 EIC Accelerator grant contracts were signed in 2022 representing EUR 515 million. In addition, EISMEA held 259 progress meetings with EIC Accelerator beneficiaries. The EIC Accelerator Coordinators' Day took place remotely in December 2022, welcoming 216 participants. Most of the CEOs and/or coordinators from recently awarded EIC projects took part in the event.

The Commission decided in December 2021 to bring the governance of the EIC Fund in line with its legal basis, and to gradually move its management to indirect management. In this context, the Commission also requested that the Agency put on hold all blended finance and equity-only cases. Subsequently, the Commission decided to bring all award decisions including an equity component to the College.

A first Commission decision adopted in April 2022, changed the Fund into an alternative investment fund, created the Horizon Europe compartment of the Fund, replaced partially the membership of the EIC Fund Board, allowed the time limited extension of an investment advisory agreement with the EIB, and established an urgent procedure for investment decisions by the EIC Fund. A second Commission decision adopted in September 2022, selected an alternative investment fund manager, adapted the investment advisory agreement with the EIB, and established the basis for replacing the Commission officials sitting on the EIC Fund Board. Finally, a future agreement with the European Investment Bank (EIB) will bring the equity component of the EIC Accelerator blended finance under indirect management. The agreement is expected to be concluded in 2023.

As a result of these developments, delays accumulated on the companies selected for blended finance and equity-only support during the first Accelerator calls of June and October 2021 as well as March 2022. This resulted in a longer time-to-grant than the eight months required under Horizon Europe, and the four to five months established as a KPI for the award decision by the EIC Board. Difficulties in the transfer of data between the EIC evaluation and negotiation IT platform and the corporate platform for contract management as well as the requirement to have all award decisions for blended finance projects selected from the 2021 cut-offs to be preceded by an interservice consultation and to be adopted initially by the College of Commissioners (later delegated to the DG) created additional delays.

Following the two Commission decisions on the restructuring of the EIC Fund and actions taken by the Agency, the delays in the implementation of the EIC Accelerator were quickly eliminated for the grant component, from 329 days for the first Accelerator cut-off (June 2021), to 217 days for the March 2022 cut-off and 198 for the June 2022 cut-off.

As regards the equity component, the EIB resumed its due diligence and the preparation of investment recommendations in May 2022. A first investment decision for a company under Horizon Europe was taken via an urgent procedure in June 2022, while two other Pilot cases were adopted in July 2022. After the second Commission decision in September 2022, the

AIFM Advisory Committee took the place of the Investment Committee and the AIFM Investment Committee took over the decision-making role for the investments from the EIC Fund Board of Directors. Accordingly, in 2022, the AIFM Advisory Committee held 11 meetings, where investment recommendations prepared by the European Investment Bank as investment adviser of the EIC Fund were processed. The AIFM Investment Committee also held 11 meetings, and approved 74 investment recommendations, of which four recommended to reclassify the companies into grant-first.

In total, the EIC Fund approved the provision of patient capital in the form of equity or quasi-equity for six EIC Pilot and 67 Horizon Europe highly innovative companies. These companies were selected by the EIC Accelerator during the pilot phase calls (Horizon 2020) and the Accelerator calls under the fully-fledged EIC, launched in March 2021 (Horizon Europe). A total of EUR 499.6 million of investment was committed (of which 14 million for the six Pilot projects) with an average ticket size of above EUR 6.8 million.

The Fund signed 46 investment agreements (IA) for Pilot companies and eight for HE (54 in total) for an equivalent amount of EUR 77.8 million (Pilot) and EUR 74 million (HE), representing a total of more than EUR 151.8 million. For companies with an IA signed in 2022, the EIC Fund investment has leveraged 2.5 times that amount in private capital co-investments (January 2023).

The restructuring of the EIC Fund led to a late adoption in 2022 of the 2021 financial statements of the EIC Fund. Some reports foreseen in the Private Placement Memorandum (PPM) have not been provided to date, preventing a thorough analysis of the implementation of the EIC Fund in 2021.⁶ However, measures have been taken to obtain the reports of 2022 and the missing elements for 2021, which enables the provision of assurance for both the 2021 and 2022 equity components managed by the EIC Fund.

Legacy Activities: In 2022 there were 380 SME Instrument and EIC Accelerator Pilot ongoing projects and 91 Fast Track to Innovation projects. The average duration of the legacy projects is 34-35 months. In many cases, the duration has been extended due to the consequences of the COVID-19 pandemic and the conflict in Ukraine.

EIC Prizes

EIC Prizes represent an additional and complementary form of support to innovation. They recognise innovators from the different angles of the ecosystems.

The **European Capital of Innovation Awards** recognise the role of cities as catalysers of the local innovation ecosystem. Aix-Marseille Provence Metropole (France) was crowned as iCapital 2022 and rewarded with EUR 1 million, while the cities of Espoo (Finland) and Valencia (Spain) were the runners up and rewarded with EUR 100 000 each. Haarlem (Netherlands) was crowned as Rising Innovative city 2022 and rewarded with EUR 500 000, while the cities of Mainz (Germany) and Aveiro (Portugal) were the runners up and rewarded with EUR 50 000 each. In 2022, the iCapital Alumni network was established with the aim to

⁶ The reports are listed in the final audit report of the IAS on Design and Early Implementation of the EIC, received 30 January 2023, pages 60-61

facilitate sharing knowledge and good practices. Three meetings took place and 15 cities have already joined it.



EU Prize for Women Innovators Photo credit ©European Union

The **EU Prize for Women Innovators** celebrates the most talented women entrepreneurs from across the EU and countries associated to Horizon Europe, who have founded a successful company and brought innovation to market. In 2022, three prizes of EUR 100 000 per winner were awarded in the Women Innovators category as well as three prizes of EUR 50 000 per winner in the Rising Innovators category.

The **European Innovation Procurement Awards** recognise public and private buyers across Europe in their efforts to promote innovation procurement and the innovative ways the solutions are procured. Six prizes were awarded in three categories: each with EUR 75 000 per winner and EUR 25 000 per runner up. Past winners were promoted during EISMEA and external stakeholders' events.

The **European Social Innovation Competition** aims to stimulate social innovation's potential to provide solutions to societal challenges and foster sustainable and inclusive growth in Europe. The Agency invited the finalists to attend the first EIC Social Innovation Academia (23 February 2022) and began preparing the 2023 edition. It will focus on 'Fighting energy poverty' – Repower EU. Three prizes of EUR 50 000 will be awarded and 15 finalists will be invited to attend the Social Innovation Academia.

EIC Community and Business Acceleration Services

The EIC's Business Acceleration Services (BAS) use the pan-European reach of the EIC to connect beneficiaries with tailor-made services to stimulate their development and growth. 2022 was a record year for BAS activity with 72 events organised for more than 1000 beneficiaries.

Access to coaches, mentors, expertise and training: 2022 saw a lower number of coaching contracts than foreseen, as fewer than expected step 2 applicants from the EIC Accelerator requested coaching services. Delays in Accelerator grant signatures also had a knock-on effect on coaching for beneficiaries. However satisfaction remained high, with 96% of coaching beneficiaries stating that they would recommend this service to their peers.

Access to global partners: 10 Corporate and Multicorporate Days were held in 2022 with 25 of the largest European corporations and around 200 EIC beneficiaries. The programme included the opportunity to pitch and meet with corporate decision makers.

Eleven focused pitching events provided access to investors in key thematic areas including: Cleantech and Energy; Health; Fintech, Space and cybersecurity. Nine matching events brought together 100 SMEs and public and private procurers of innovation from which six deals were already initiated.

In the last 3 years, the Corporate Programme has generated 62 deals and 304 follow-up discussions. Successes included a collaboration between EIC beneficiary, Circularise BV and Neste, leading to [Neste](#) joining a EUR 11 Million co-investment round into [Circularise](#).

Events: In 2022, EISMEA brought 120 SMEs to six trade fairs, including CES, BIO and FIME in the USA, Arab Health and Gitex in Dubai and Medica in Dusseldorf. CES Las Vegas showed record results with the 18 participating beneficiaries citing EUR 24,6 million of expected business, 19 jobs created and 71 more expected.



EIC Pavillion at CES 2022

The Greenhouse Gas (GHG) programme was finalised in December 2022. Over 130 EIC beneficiaries committed to a reduction of 550 tonnes of CO₂ or 37% over a five-year period. In total, 174 corporates and regions representatives were involved in designing GHG solutions. It resulted in 37 partnerships with EIC startups, 15 non-disclosure agreements and two proofs-of-concept in the making. The IT tool remains available for SMEs to calculate current and model future reductions of GHG emissions.

The Women Leadership Programme saw a second cohort of EIC funded women entrepreneurs and researchers as well as seven EIT beneficiaries benefitting from mentoring, skills enhancement and networking. Participants reported a 31% increase in key skills.

New projects were launched in 2022 aiming to further promote innovation and encourage diversity. They included [Innobuyer](#) providing co-funding for innovation procurers who pilot activities with SMEs and [EEN2EIC](#) where Enterprise Europe Network offices support SMEs led by women and from widening countries in their application process to the EIC Accelerator.

Legacy activities: The agency continued to provide business acceleration services to the legacy Pathfinder (FET Open and FET Proactive), Transition (FET Innovation Launchpad and Transition to Innovation Activities), Accelerator and FTI projects funded under Horizon 2020.

Other EIC Actions

To support the EIC's core activities and ensure the best possible support for innovative technologies and companies, the agency launched a number of public procurement actions, expert contracts and grants. Highlights included:

EIC data and IT systems integration: 2022 saw the launch of: coaching for beneficiaries and a new '[EIC Community](#)'; new tools to ensure the quality of the evaluation process of the EIC Accelerator and new modules for the Ethics and Security assessment of EIC Accelerator proposals; eLearning modules for the EIC evaluators on the European Commission 'EU Academy' platform.

The **expert group on design of EIC Marketplace and 'Tech to Market' activities** delivered a white paper that will feed into the upcoming EIC Marketplace services tender.

Enhanced cooperation between EIC and EIT: Four pilot projects with selected [KICs](#) (Climate, Energy, Health and Digital) continued in 2022. Cooperation areas included: data transfer between EIC and EIT, communication processes as well as the deployment of additional services for EIC beneficiaries delivered by the KICs. Notably, the [Fast Track scheme to EIC Accelerator](#) was implemented in 2022 with one company fast-tracked by an EIT KIC being selected for Accelerator support.

Ukrainian Tech: This EUR 20 M action aiming to support at least 200 deep tech start-ups and SMEs of Ukraine was adopted following the Russian invasion in Ukraine. The evaluation of the call has been finalised. and the two-year project will be launched in the first quarter of 2023 and implemented by a pan-European network of innovation agencies and stakeholders.

To prepare the launch of the [Pilot Plug In scheme to EIC Accelerator](#) (January 2023), EISMEA oversaw the certification of 50 programmes from 21 Member States and three associated countries. Certified programmes can now submit companies to the EIC Accelerator at any time.

Start-up Europe: In 2022 the Agency signed three grant agreements with projects from the 2021 call. For the 2022 call, EISMEA received 19 eligible proposals, which will be evaluated in early 2023. All these projects will contribute to the cooperation between the EIC and the wider European deep tech Ecosystems.

Pilot European innovation gender and diversity index: The call received 11 eligible applications and the selection will be finalised in early 2023.

The evaluation of the **EIC Scaleup100** call will be finalised at the beginning of 2023. This EUR 7 million action aims to provide scale-up support to 100 deep-tech companies from the EIC portfolio and beyond.

Creating communities, stakeholder engagement and impact from EIC portfolios to raise interaction, visibility and impact. Programme Managers (PMs) have started pro-active management activities with their portfolios including engaging groups of companies to participate in corporate days and trade fairs. PMs also recorded podcasts to disseminate their visions and played a visible role during the EIC Summit. In 2022 a Coordination and Support Action (CSA) has been selected that will reinforce these activities in 2023.

Upskilling for outreach and EIC proactive management An EIC Jury Members Day took place on 6 and 7 December. Over 130 EIC Accelerator and EIC Transition Jury Members and more than 60 EIC Staff shared best practices and brainstormed on ways to further improve the EIC process to support breakthrough innovations.

EIC External Communication

EIC Summit: On 7-8 December, the EIC held its flagship one-and-a-half-day event in Brussels, organised by EISMEA. Combining plenary sessions, [award ceremonies](#) and workshops, the event included 90 speakers and attracted almost 1200 participants. In the EIC exhibition area, 20 EIC-funded projects presented their innovative services and products. The event saw the adoption of the [EIC Work Programme 2023](#), the presentation of the [EIC impact report 2022](#), and the nomination of [new EIC Ambassadors](#).



EIC Summit: Photo Credit ©European Union

[Speakers](#) included Commissioner Mariya Gabriel, chair of the EIC Board Mark Ferguson and other EIC Board members, President of the Italian Innovation National Fund Francesca Bria, and chairman of the European Startup Network Nicolas Brian.

Participation at major international events: The EIC was present at major innovation and deep-tech related events, including VivaTech in Paris (15 June) where EIC sponsored the Next Unicorn Awards; Sifted in London (5-6 October) where the EIC Fund was introduced to the vibrant London deep-tech investor community; Web Summit in Lisbon (1-4 November) and Slush in Helsinki (16-17 November) where EIC partnered with EIB to have a more ambitious presence including a large stand to host workshops.



EIC at Slush (Helsinki) Photo Credit: ©European Union

Thematic communication campaigns in 2022 focused on widening countries and on EIC Pathfinder. In this context, EIC was present at local events in **widening countries – Wolves Summit** in Wroclaw (23-25 May), **How to web** in Bucharest (21-22 September), **Disruptors Summit** in Prague (11 October) as well **Deep-tech Summit** in Warsaw (15-16 November).

Attracting new EIC applicants. The online EIC Applicants' Day (22 February) provided prospective applicants with information about EIC funding instruments and processes. The [Info Day](#) was broadcast live on YouTube and followed by more than 4000 viewers.

Impactful digital communication. The EIC's digital communication channels (website, newsletter and social media) proved to be useful and popular sources of information throughout the year, particularly for information on calls and success stories. On Twitter, the EIC reached over 50 000 followers (a 14% year over year increase) and close to half a million monthly impressions. It also saw a 41% year over year increase on LinkedIn, reaching over 54 000 followers. The EIC also ran a paid campaign on Twitter, LinkedIn and Facebook in widening countries, reaching over 3.7 million impressions and 25 600 link clicks.

European Innovation Ecosystems

European Innovation Ecosystems (EIE) aim to create more connected, inclusive and efficient innovation ecosystems that support the scaling up of companies and spur innovation to address important challenges in a responsible way. In 2022, the Agency was responsible for implementing calls for proposals in three thematic areas, known as “destinations”: **Connect, Scale-Up and InnovSMEs**. In doing so, EISMEA is supporting the development and scaling-up of SMEs with breakthrough and disruptive technologies, actively contributing to the European Commission's objective of “A Europe fit for the Digital Age”.

Call management: Calls across all three destinations were successfully launched on schedule. Of particular interest was the Scale-up destination which included [WomenTech.EU](#). This year's call saw 467 applications from 35 Member States and Horizon Europe Associated Countries, an increase of 20% compared to the 2021 call.

Programme management: This year, the Agency also supported DG RTD in preparing the new work programme 2023-24 which notably establishes a link with the [New European Innovation Agenda's \(NEIA\)](#) and constitutes one of the main vehicles for the implementation of its objectives.. Project partners from 2021 Scale up and Connect destinations calls had an opportunity to learn about the NEIA at two networking events organised by EISMEA in 2022. The events were also an opportunity for them to explore cooperation, complementarities and synergies and get practical information on grants.

Under the **InnovSMEs** destination, the [European Partnership on Innovative SMEs](#) started funding innovative SMEs to increase their research and innovation (R&I) capacity and productivity and successfully embed in global value chains and new markets.

Additional actions included supporting the [EIC Forum](#) and its Commission Expert Group including through analysis of legal and policy initiatives in the intersection of emerging technologies and respective legislation at EU, national and regional level. More specifically

the Agency has focused on the EIC Forum Working Groups on “Plug-in scheme to the EIC accelerator” and “EIC Prizes Alumni network”.

The Agency also continued to implement the [European IP Helpdesk](#) through a contractor to help SMEs better protect their intellectual property. This led to some impressive [results](#).

External Communication: The Agency organised an info day in September focused on EIE Connect and Scale-up calls. It attracted 447 participants with a satisfaction rate of 94%.

Legacy activities: EISMEA continued implementing activities launched under Horizon 2020, notably grants and contracts related to the Innovation in SMEs programme (Innosup). Published results included: a [report on experimentation in innovation agencies](#), a [handbook of service design by and for European innovation agencies](#), a [report on segmentation along lifecycle and sectors](#) and an update [report on supporting cluster facilitated projects to build new industrial value chains](#).



IPR helpdesk in action

Single Market Programme

The Single Market Programme aims to empower and protect consumers and enable Europe's many small and medium-sized enterprises (SMEs) to take full advantage of a well-functioning Single Market. In doing so, it will ensure continuity in the efficient delivery of the Single Market on the ground, while providing better value for money for EU citizens.

The agency implements several complementary strands of the Single Market Programme: the Consumer objective (actions aimed at protecting the rights of consumers in the internal market); the SME pillar (actions to support the competitiveness of SMEs), as well as actions designed to strengthen the internal market and provide support to standardisation.

By implementing these actions, EISMEA helps to: generate more business opportunities in the Single Market, ensure that more European SMEs have access to cross-border business by digital means, ensure that consumers are empowered and better protected and improve sustainable consumption. As such it contributes to achieving the European Commission's objectives of a Europe fit for the Digital Age and a European Green Deal.

Consumer objective

The Consumer activities aim at promoting the interests of consumers and ensuring a high level of consumer protection and product safety by empowering, assisting and educating consumers, businesses and civil society; ensuring a high level of consumer protection, sustainable consumption and product safety notably by supporting competent enforcement authorities and consumer representative organisations and cooperation

actions; ensuring that all consumers have access to redress; and providing adequate information on markets and consumers.

To help achieve these objectives, EISMEA launched three calls/invitations to submit proposals. They attracted 34 proposals from 17 Member States and covered areas including:

- Support to [co-operation](#) between national authorities responsible for the enforcement of consumer protection law;
- Assistance to consumers in Member States in the form of [Alternative Dispute Resolution](#);
- Support for the activities of the consumer organisation at the Union level – [BEUC](#).

In addition, the Agency contracted a Eurobarometer [Consumer Survey](#) to be carried out and extended its contract to support a Consumer Protection Cooperation / General Product Safety Directive (CPC/GPSD) enforcement Academy into its second phase.

The late adoption of SMP Regulation and related biennial Financing Decision - together with related policy reconsiderations - led to delays in the call planning for procurement actions, meaning that some which were originally planned for 2022 will be finalised in 2023.

The Agency nevertheless published a call for tender for a [CASP](#) framework contract to help generate synergies and efficiencies in market surveillance actions. The evaluation is in its final stages. EISMEA also finalised grants for the [European Consumer Centres](#), for the International Consumer Protection and Enforcement Network ([ICPEN](#)) Workshop, High Level Meeting & Conference, and also grants on [Debt Advice](#) and [Alternative Dispute Resolution](#).

The agency also concluded service contracts including - CASP 2022, Consumer Scoreboard, Study on Consumer Education Initiatives in EU member states, two informal ministerial meetings (France and Czechia) and 15 national Consumer Dialogues between European Commission - DG JUST and EU Member States (MS), which are part of DG JUST's outreach activities to support the implementation of the [New Consumer Agenda](#).

EISMEA organised the Consumer Summit in France, an annual high-level policy event, bringing together stakeholders from all European Member States, including policymakers, national consumer enforcement authorities, academia, and representatives of civil society, such as consumer, business and youth organisations. Participants discussed achievements over the last year and topics for future priorities, notably under the [New Consumer Agenda](#).



External communication: In addition to the consumer summit and the informal ministerial meetings, EISMEA also organised four Info Sessions (two online in May and two in presence in June) for prospective applicants. Grants signed under the Debt Advice call generated significant media interest, such as the “Partnership for prevention of over-indebtedness” featuring on the [Croatian national TV channel](#) and in the leading weekly [business journal](#).

SME pillar of the Single Market Programme

The SME pillar of the SMP aims to strengthen the competitiveness and sustainability of European enterprises by supporting SMEs, clusters and other business network organisations, facilitating access to markets, promoting entrepreneurship and a favourable business environment for digital transformation and new opportunities for SMEs, and the modernisation of industry.

Call management: The Agency stayed largely on track in 2022, publishing six calls for tender and five calls for proposals under the 2022 SME Pillar work programme as well as five calls for tender and one call for proposals from the 2021 work programme.

Programme management: The Agency’s work with the Enterprise Europe Network (EEN) progressed well, with 54 grant agreements signed in 2022, reaching the milestone of all 70 EEN grants signed across the EU and EEA Member States. Grant agreement preparation (GAP) started for 18 EEN consortia in future associated countries to the SMP in order to speed up their integration into the Network once the association agreements are ratified. These GAPs are currently pending and awaiting the entry into force of the association agreements.

Support for Ukraine: In the aftermath of the Russian invasion of Ukraine, EISMEA mobilised resources and networks (including the EEN, ECCP and EYE) to help overcome supply chain disruptions and support Ukrainian entrepreneurs. Initiatives included a [Supply Chain Resilience platform](#) and [EU Clusters Support Ukraine Forum](#). The grant agreement for Ukraine’s participation in the EEN was also signed.

The Agency selected 12 new projects with 118 beneficiaries under the **Erasmus for Young Entrepreneurs** (EYE) call. The projects will last until January 2027. In addition, EISMEA organised two successful Network Meetings of EYE beneficiaries.

The [Intelligent Cities Challenge](#), which accompanied [136 cities](#) in their journey towards green, digital and resilient transition, held its milestone event, the [ICC conference](#) and [Mayors Forum](#) in November 2022. Cities proudly showcased their achievements over the last three years in areas including Local Green Deals, digital transition, sustainable actions in the proximity and social economy area.



ECCP Matchmaking in Singapore Photo credit: ECCP

On 26-27 September, the Agency held the **Eighth European Cluster Conference** in Prague attended by more than 500 people from 40 countries. The conference included a matchmaking event, an exhibition and side events. A successful European Cluster Collaboration Platform (**ECCP**) **matchmaking** event took place in Singapore on 18-20

October where a delegation of 24 cluster managers held 176 meetings with Singaporean counterparts. The first **Euroclusters flagship call** awarded 30 strategic partnerships, 171 beneficiaries from 23 different countries.

Legacy: The Agency continues to manage 30 actions from the previous COSME programme. In 2022, it closed 20 actions from the COSME legacy (WPs 2016-2020).

External communication: The 2022 **EEN Annual Conference** in Prague brought together over 500 participants on site (with many more following online) focusing on the theme “New Network, New Realities, New Impact”. With satisfaction rates of over 90%, the conference resulted in 3,899 twitter, 4,331 Facebook and 36,647 LinkedIn engagements. EEN’s visibility was further raised via social media, video campaigns, thematic blogs and via presence at major European events (e.g. EIC Summit, EU Industry Days, WebSummit, New European Bauhaus Festival, etc.). A revamped website refreshed the Network’s online image and improved accessibility to EEN services.

SMP Internal Market and support to standardisation

The Internal Market and Support to Standardisation strand of the Single Market Programme aims to make the internal market more effective by supporting market surveillance throughout the Union and enabling the financing of European standardisation and the participation of all relevant stakeholders in setting up European standards.

The 2022 Single Market Programme Work Programme was adopted on 17 February 2022 and amended on 10 August 2022. It delegated EUR 16,1M of its budget to EISMEA to support standardisation activities and EUR 7,5M to Market Surveillance.

Call management: In 2022, EISMEA published six calls for proposals (four for Support to Standardisation and two for Market Surveillance).

Programme management: In the area of standardisation, EISMEA managed action grants to European standardisation organisations and other bodies. The agency also managed

operating grants to European stakeholder organisations representing consumer, environmental, and social interests in European standardisation. All planned grants were signed on time.

The launch of the call for the selection of the European Union Testing Facility (EUTF) was postponed to 2023 to ensure sufficient time for the necessary legal framework to be put in place.

Good progress was made on the launch of a joint framework contract in the field of Market Surveillance and Product Safety, with a contract signature expected in Q1 2023.

Legacy activities: In 2022, the Agency closed another 18 out of the 45 action grants that were delegated by DG GROW at the start of EISMEA operations in April 2021. On 31 December 2022, 19 of these legacy grants remained open.

External communication: The agency held two on-line info-sessions for the applicants to the Standardisation procedure (30 attendees).

European Regional Development Fund (ERDF)

The ERDF aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. Part of the ERDF, the Interregional Innovation Investments (I3) Instrument aims at supporting interregional innovation projects in shared smart specialisation areas in their commercialisation and scale-up phases. Companies from regions involved in the consortium will receive concrete investments through financial and advisory services. This will help the involved companies to increase the technology readiness level (TRL) of their innovations and/or boost their existing commercialisation. It will also help businesses work with innovation actors in other regions and address societal challenges. This will contribute to the development of European value chains in shared smart specialisation areas supported under Cohesion Policy.

By implementing actions under I3, EISMEA promotes innovative and smart economic transformation across the EU, thus contributing to the European Commission's objective of a Europe fit for the Digital Age.

Interregional Innovation Investments (I3) Instrument

Programme management: The Agency continued to implement the final actions of the Work Programme (WP) 2021/22, focused on **Strand 1** and **2a**. **Strand 1** aims to connect demand and supply to accelerate interregional innovation investments in smart specialisation priority areas. **Strand 2a** supports the development of value chains in less developed regions. This strand has a strong cohesion dimension creating linkages between less developed regions with those in lead regions. In 2022 the Agency introduced another Strand (**Cap 2b** on capacity building). Its purpose is to build capacities in less developed regions for successful participation in Strands 1 and 2a.

The Agency also supported DG REGIO in organising a meeting with the “I3 experts group” of smart specialisation experts. The group advises DG REGIO on the I3 strategy and Work Programmes and gives feedback on past calls for proposals. The Agency also supported DG REGIO in finalising the draft WP 2023/24. The new WP includes technical assistance in capacity building for less developed regions and takes into account the flagship on Regional Innovation Valleys as outlined in the [New European Innovation Agenda](#).

Call management: The Agency implemented two calls of the WP 2021/2022, each featuring three different topics (Digital, Green and Manufacturing), supporting the EU’s twin transition challenges. The Agency opened an extra cut off under Strand 2a to allow further applications and optimise the number of applications from less developed regions. The calls attracted 80 proposals - a solid result given that I3 is brand new in the EU funding landscape.

The Agency also opened the [new call for Strand 2b](#) focusing on capacity building in less developed regions, to be implemented in 2023.

At the end of 2022, the grant agreements of the first 11 projects of the I3 programme were signed. As many projects had a high number of consortium members (up to 40 for some projects), this added a layer of complexity to the grant preparation process.

Amongst the 11 projects are two hydrogen projects (Hy2Market and **H2Value**) that will support the [European Green Deal](#) and the New European Innovation Agenda by contributing to reaching the target of 50 European hydrogen valleys by 2025.

H2Value: Regional authorities of Tartu (Estonia) and Vidzme (Latvia) have teamed up with companies, business associations and an experienced Dutch mentor to set up a regional hydrogen value chain. Green hydrogen from solar energy will be transported to refuelling stations where regional authorities will use it to operate public services including a passenger bus and a waste truck.

InvestEU Programme

Since 2021, EISMEA has contributed to the negotiations of financial products under the Research, Innovation and Digitisation Window (RIDW) and the SMEs Window (SMEW) of the InvestEU Fund. The focus in 2022 included negotiating guarantee and advisory agreements with the selected implementing partners for signature by mid-to-end 2022.

While the EIB and EIF are the main implementing partners (implementing 75% guarantee), international financial institutions active in Europe and national promotional banks will be able to use a share of the guarantee (25% in total) to support investment and projects schemes. In total there are 20 implementing partners (IP) subscribed for 962M EUR under the InvestEU RIDWindow.

EISMEA supports DG RTD’s structured dialogue with EIB through meetings and events such as the EIF-NPI Equity Platform ‘gender smart financing’ event which took place in June 2022.

In 2022, EISMEA provided analysis and comments on key InvestEU documents such as the scoreboard, methodology for KPIs and the eligibility checklist. It also supported DG RTD in preparing its representatives for the meetings of the InvestEU governing bodies (Governing Group and Steering Board).

EISMEA also contributed to the development of the InvestEU framework to implement the 'Green Premium Agreement' between EC & EIB (Top up to InvestEU) and is contributing to DG HERA efforts in establishing HERA Fund under InvestEU.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports / documentation have been considered:

- AOSD reports submitted by the Heads of Sector, Deputy and Heads of Unit and Heads of Department managing budget;
- the contribution of the Risk Management and Internal Control (RMIC) function, including the results of internal control monitoring at the Agency level;
- the reports on recorded exceptions, non-compliance events and cases of 'confirmation of instructions' (Art 92.3 FR);
- the audit reports of the ex post control function;
- opinion, observations and recommendations reported by the Internal Audit Service (IAS);
- observations and recommendations reported by the European Court of Auditors (ECA).

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director of EISMEA.

EISMEA implements the delegated programmes with the Director acting as authorising officer by delegation (AOD). As such, the Agency manages the EU programme budgets by way of direct management and manages its own operating budget. For the equity component of the EIC Accelerator programme, it is foreseen that the EIB will become the implementing partner in the first half of 2023, shifting the equity component under indirect management. As regards the operational budget 2022 (all fund sources except NGEU), commitment appropriations of EUR 1 658 399 984 and payment appropriations of EUR 1 248 059 144 were fully implemented (100%).

Operational Budget 2022 - COMMITMENTS Execution per programme		ALL FUND SOURCES (except NGEU)		BUDGET EXPIRING IN 2022		NGEU	
		(EUR)	%	(EUR)	%	(EUR)	%
Title 01 - Research and Innovation	Horizon Europe	1.391.527.875	83,91%	1.266.865.952	82,60%	875.040.511	100%
	Pilot projects	890.500	0,05%	890.500	0,06%	-	0%
	Legacy H2020	-	0,00%	35.799	0,00%	-	0%
Title 02 - European Strategic Investments	Legacy COSME	-	0,00%	-	0,00%	-	0%
Title 03 - Single Market	Single Market Programme	185.665.026	11,20%	185.665.026	12,11%	-	0%
	Pilot projects	3.000.000	0,18%	3.000.000	0,20%	-	0%
	Legacy COSME	-	0,00%	-	0,00%	-	0%
	Legacy CONSUMERS	-	0,00%	-	0,00%	-	0%
	Legacy - STANDARDISATION	-	0,00%	-	0,00%	-	0%
Title 05 - Regional Development and Cohesion	European Regional Development Fund (ERDF)	77.316.583	4,66%	77.316.583	5,04%	-	0%
TOTAL		1.658.399.984		1.533.773.860		875.040.511	

Operational Budget 2022 - PAYMENTS Execution per programme		ALL FUND SOURCES (except NGEU)		BUDGET EXPIRING IN 2022		NGEU	
		(EUR)	%	(EUR)	%	(EUR)	%
Title 01 - Research and Innovation	Horizon Europe	735.663.279	58,94%	734.413.360	59,69%	294.696.920	100%
	Pilot projects	0	0,00%	0	0,00%	0	0%
	Legacy H2020	306.480.334	24,56%	290.652.247	23,62%	0	0%
Title 02 - European Strategic Investments	Legacy COSME	175.000	0,01%	175.000	0,01%	0	0%
Title 03 - Single Market	Single Market Programme	92.317.283	7,40%	92.317.283	7,50%	0	0%
	Pilot projects	0	0,00%	0	0,00%	0	0%
	Legacy COSME	52.943.349	4,24%	52.463.288	4,26%	0	0%
	Legacy CONSUMERS	7.058.532	0,57%	7.038.222	0,57%	0	0%
	Legacy - STANDARDISATION	4.243.452	0,34%	4.243.452	0,34%	0	0%
Title 05 - Regional Development and Cohesion	European Regional Development Fund (ERDF)	49.177.915	3,94%	49.177.915	4,00%	0	0%
TOTAL		1.248.059.144		1.230.480.767		294.696.920	

The initial operating budget 2022 (EUR 45,335 million) was adopted in December 2021. In 2022, the budget was used to cover the administrative expenses of the Agency. While the maximum available budget amounted to EUR 52,76 million, it was reduced because of the Covid-19 pandemic's impact on the Agency's expenditures, resulting in a final budget of EUR 46,027 million. A total of EUR 45,745 million has been committed, out of which a total of EUR 41,8 million was paid in 2022 (C1 appropriations).

On the operating budget, 801 payments were processed where 99,98% of the total payment accepted amount was done within the legal deadlines.

OPERATING BUDGET 2022		COMMITMENTS (EUR)		PAYMENTS (EUR)	
		Appropriations authorised	MADE	Appropriations authorised	MADE
Title 1	C1 fund source	37.708.537	37.451.101	37.708.537	36.167.736
	C8 fund source	595.375	0	595.375	357.213
Title 2	C1 fund source	6.266.500	6.266.500	6.266.500	4.961.172
	C8 fund source	1.279.379	0	1.279.379	505.942
Title 3	C1 fund source	2.052.336	2.027.192	2.052.336	675.913
	C8 fund source	824.252	0	824.252	654.510
Total		48.726.379	45.744.793	48.726.379	43.322.484

The Agency carries out an Accounting Quality Exercise on an ongoing basis which aims at ensuring the accuracy of the accounting data in the IT financial systems. In 2022, EISMEA tested financial transactions in areas including expenditure, pre-financing, commitments, guarantees, recovery orders, fixed assets and cut-off. The tests concluded that financial transactions were recorded according to Financial Regulation and internal guidelines.

2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO) ⁽⁷⁾. The agency's assurance building, and materiality criteria are outlined in the annual activity report annex 5. The annual activity report annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

The table below represents an overview of EISMEA's expenditure per activity (grants, procurement, and experts) and per programme.

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

Overview table (amounts in EUR million)

Risk-type / Activities	Grants (e.g. actual costs based, or lump sums, or entitlements)	Procurement (e.g. minor or major values)	Delegation / Contribution agreements with EE (EIB, Int-Org, etc)	Other (describe any other expenditure not covered by the previous columns)	Total Expenditure	NEI, e.g. Revenues, Assets, OBS ((in)tangible or financial assets & liabilities)
Horizon Europe 2021-2027	619.30	2.35	400.00	8.71	1,030.36	
H2020	273.09	7.91	25.00	0.48	306.48	
COSME 2014-2020	38.44	14.68			53.12	
SME 2021-2027	66.41	2.51		0.57	69.49	
Consumer 2014-2020	2.63	4.43			7.06	
Consumer 2021-2027	6.32	1.87			8.19	
Standardisation 2014-2020	4.24				4.24	
Standardisation 2021-2027	12.76				12.76	
Market surveillance 2021-2027	1.73	0.14			1.87	
ERDF 2021-2027	49.12			0.06	49.17	
Totals (coverage)	1,074.04	33.89	425.00	9.82	1,542.75	
Links to AAR Annex 3	Overall total (m EUR)					

In line with the 2018 Financial Regulation, EISMEA's assessment for the new reporting requirement is as follows. Further information in Annex 7

1. Cases of "confirmation of instructions" (FR Art. 92.3)

None

2. Cases of financing not linked to costs (FR Art. 125.3)

One case

3. Financial Framework Partnerships >4 years (FR Art. 130.4)

None

4. Cases of flat rates >7% for indirect costs (FR Art. 181.6)

Cases covered by derogations from this rule

5. Cases of "Derogations from the principle of non-retroactivity of grants pursuant to Art. 193 FR" (FR Art. 193.2)

Two cases

1. Effectiveness of controls

a) Legality and regularity of transactions

EISMEA uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, considering the multiannual character of programmes and the nature of the payments concerned.

In addition to the direct grant management, the Agency follows the guidance of an independent EIC board and cooperates with the EIC Fund, an independent entity responsible for the investment component of EIC Accelerator blended finance awarded to breakthrough innovation companies.

EISMEA received a final audit report issued by DG Internal Audit Service (IAS) on the design and early implementation of the European Innovation Council in EISMEA, DG RTD and DG CNECT⁸ on 30 January 2023. The audit report included one critical recommendation addressed to EISMEA on the design of the internal control environment in relation to the EIC. Following its reception, a Joint Action Plan was prepared together by the three services and communicated to DG IAS on 22 February 2023. The plan outlines the corrective actions to ensure adequate follow-up of the recommendations.

⁸ IAS.C1-2021-Y ENT-002

One such action is that the Agency's Control Strategy will be updated in the first semester of 2023 to reflect the specificities of the EIC programme. Work will be supported by DG RTD and supervised by parent DGs.

Control results for grants under direct management

The control system for grant direct management is deployed in four stages: 1) programming, evaluation and selection of proposals, 2) contracting, 3) monitoring and execution and 4) ex post controls. Key indicators have been defined for each stage covering control effectiveness and control efficiency.

Furthermore, these controls are reinforced through a Programme Manager's Office providing expertise in an emerging science-and-technology area regarding the EIC. Fully integrated in all stages of the control processes, the Office is working closely with the ongoing projects and stakeholders to create and accelerate concrete innovation opportunities through a portfolio of actions, potentially spanning the full range of EIC schemes: Pathfinder, Transition and Accelerator. Following the IAS Recommendation 5⁹ and in line with the Joint Action Plan, the Agency will update its Manual of Procedures with clear and formal description of the role and responsibilities and portfolio allocation of PMs (after consulting DG RTD and DG CNECT) in 2023.

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.

For the new delegated programmes, the Agency succeeded to launch all the calls planned in the 2022 Annual Work Programme. For the legacy programmes the Agency concluded all of the legacy calls previously planned.

In line with the final Joint Action Plan communicated to DG IAS on 22 February 2023 following the very important recommendation 9.1¹⁰ of the IAS audit on Design and early implementation of the EIC, the Agency will take the necessary steps to monitor experts' full understanding of the briefing content. This will be done by adopting a control mechanism of a series of questions for EIC Pathfinder and Transition (already developed), which will validate understanding of the experts following their briefing sessions. Furthermore, the same control mechanism will also be adopted for the EIC Accelerator. Work will be supported by DG RTD and supervised by parent DGs.

⁹ Final audit report issued by the DG IAS on the design and early implementation of the European Innovation Council in EISMEA, DG RTD and DG CNECT

¹⁰ This finding relates to the evaluation process for EIC calls. For more information please see annex 7, IAS overview;

The budget allocated for calls published in 2022 has been fully implemented or committed for all programmes in 2022. For further details of cost effectiveness ratios for proposals and evaluation review requests see annex 7. In terms of benefits, the first stage may be quantified to total more than EUR 189 million as detailed in the table below.

Benefits stage 1	EIC Pathfinder	EIC Transition Open EIC Transition Challenges	EIC Accelerator (HE)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	SMP (COSME Pillar)	Support to Standardisation	Market Surveillance	Consumers (legacy)	Consumers (new)	TOTAL
Indicative calls budget	350,000,000.00 €	131,400,000.00 €	1,167,846,081.00 €	39,500,000.00 €	77,000,000.00 €	198,457,662.00 €	15,174,773.00 €	1,787,000.00 €	2,780,000.00 €	4,400,000.00 €	1,948,845,516 €
Total requested funding selected proposals	356,775,875.00 €	124,960,000.00 €	N/A	N/A	N/A	157,806,834.75 €	9,216,901.54 €	1,565,998.85 €	1,813,686.50 €	5,392,680.62 €	657,531,977 €
% success rate : selected (funded) vs eligible proposals	8.16%	16.51%	N/A	14.40%	64.71%	70.22%	62.07%	100.00%	88.89%	96.43%	12.30%
Requested funding ineligible proposals	144,369,129.00 €	796,940,000.00 €	N/A	8,450,000.00 €	18,255,667.47 €	46,137,114.86 €	N/A	N/A	80,202.50 €	363,200.55 €	1,014,595,314 €
Benefit (requested funding ineligible proposals * success rate)	11,778,619.06 €	131,604,770.64 €	N/A	1,216,693.04 €	11,812,490.72 €	32,399,659.31 €	N/A	N/A	71,291.11 €	350,229.10 €	189,233,753 €

Qualitative benefits: a well designed Work Programme and widely-published calls appeal to a larger number of good quality projects, out of which the very best can be chosen. Expert evaluators bring independence, state of the art knowledge and a range of different opinions, which has a positive impact on the whole project cycle. Selection controls ensure that the most merited projects are funded.

Stage 2: contracting

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.

Qualitative benefits: The whole committed budget is checked for appropriateness (exclusion of actions not directly related to the achievement of programme objectives), enhancing the prevention of future errors and leading to a higher assurance on the achievement of the project objectives and results.

Stage 3: monitoring the execution

Stage 3 aims to ensure that the operational and financial results from the projects are of good value, meet the objectives, and comply with regulatory and contractual provisions. In 2022, 16.1 % of non-eligible costs of the amounts claimed were detected in ex ante controls by overall amount of cost claims that were controlled ex ante (around EUR 341.3 million).

Qualitative benefits: Monitoring, processing amendments and scrutinising costs claimed by beneficiaries contribute to the legality and regularity of the transactions. While the benefits of this stage materialise mainly in financial terms, the qualitative benefits generated by these controls are the identification of actions not directly linked to the programme objectives and therefore an overall improvement of the financial efforts carried out by the Agency

Stage 4 Ex post controls and implementing results

Ex post control results for grant management

For non-Horizon 2020 and non-Horizon Europe programmes, the main indicator used to assess the legality and regularity of the transactions under grant management is the residual error rate deriving from the ex post audits. For Horizon 2020 (H2020) and Horizon Europe (HE), apart from the cumulative residual error rate, the representative detected error rate is used as an indicator too.

Ex post controls are under the responsibility of EISMEA for all programmes managed by the Agency except Horizon 2020 and Horizon Europe.

For Horizon 2020 and Horizon Europe, audits are carried out by the Common Audit Service (CAS) of the Common Implementation Centre of DG RTD. This is a major step towards ensuring a harmonised approach, legal certainty, equality of treatment and minimising the audit burden on beneficiaries. For Horizon Europe, the ex post audit campaign is planned to be launched by CAS by the end of 2023 at the earliest.

For COSME, Consumer Programme and “Internal Market and support to Standardisation activities” the control objective is to ensure that the cumulative residual error rate, i.e. the level of errors that remain undetected and uncorrected, does not exceed 2% by the end of the programme cycle. For Horizon 2020, the target of the control system is to obtain a cumulative residual error rate within a range of 2–5% aiming to be as close as possible to 2%. Lastly, for Horizon Europe the target is to obtain a cumulative residual error rate that does not exceed 2%.

Progress against control objectives and targets is assessed annually based on the results of the implementation of the ex post audit strategies¹¹ 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 their multi-annual nature, the effectiveness of the control strategies can only be measured and assessed fully in the final stages of the programmes, once the ex post control strategy has been fully implemented and errors, including those of a systematic nature, have been detected and corrected.

EISMEA considers that, for all programmes except COSME, the cumulative residual error rates fall within the established target range and therefore a reservation is not necessary. The multi-annual residual error rates at the end of 2022 are at 0,26% for Consumer Programme and at 0,35%¹² for “Internal Market and support to Standardisation activities”. For Horizon 2022, the residual error rate, derived from EISMEA participation only, is 2,32%, when taking into account final audit reports¹³. Despite the absence of reservation, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses. It is

¹¹ The ex post audit methodology is explained in Annex 5.

¹² Due to the fact that DG GROW did not report the relevant residual error rate, we estimate the error rate based on the DG GROW AAR 2020 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%.

¹³ The residual error rate for Horizon 2020 for the whole Research and Innovation Family is 1,67%.

noted that the methodology used to calculate Horizon 2020 error rates takes into account European Court of Auditors' observations made in their 2018 and 2019 Annual Reports. The methodology applied as such is described in Annex 5, while the impact of ECA's observations on the error rates is detailed in Annex 7.

For COSME, the multi annual residual error rate at the end of 2022 is 2.69% (down from 2.90% in 2021), above the materiality threshold of 2%. However, as this programme meets the cumulative criteria to fall below the "de minimis rule"¹⁴, EISMEA does not report a reservation. It is noted that the mitigating measures of the action plan that was put in place in 2020, following the introduction of the reservation on the COSME programme in 2020 AAR, continued to be implemented in 2021 and 2022. The actions had already a slight positive impact on the multi annual residual error rate of the programme at the end of 2022, which evolved at 2.69%. Details about the calculations of the "de minimis rule" are shown in Annex 9, while a list of the mitigating measures implemented in 2022 is included in Annex 7.

Qualitative benefits: The ex-post controls have a deterrent and learning effect for beneficiaries, helping to reduce errors in future cost declarations and demonstrating that their probability to be audited is not negligible. Feeding back results and findings from ex post audits contributes to the improvement of ex ante controls and clarification of rules and guidance.

Details of multi-annual residual error rates based on ex post audits, as well as the impact of Covid-19 pandemic on achieving audit targets are shown in Annex 7.

Cost effectiveness: costs and benefits per stage

STAGES	BENEFITS	Staff costs	External /other costs	COSTS
Stage 1: evaluation and selection	189,233,752.98 €	7,264,517.09 €	339,165.05 €	7,603,682.14 €
Stage 2: contracting	29,440,006.37 €	4,706,531.66 €	- €	4,706,531.66 €
Stage 3: monitoring the execution	55,054,466.21 €	21,963,814.43 €	- €	21,963,814.43 €
Stage 4: ex-post controls and recoveries	1,023,686.68 €	355,864.47 €	128,372.75 €	484,237.22 €
TOTAL	274,751,912.24 €	34,290,727.65 €	467,537.80 €	34,758,265.45 €

Table 4: Cost per stage

The above table gives an overview of costs per stage. The staff costs of controls related to the four stages of grant management have been estimated taking into account (i) direct costs, namely the staff of the operational and finance units directly dealing with grant management and (ii) indirect and overhead costs by applying an allocation key. The external costs include expenses paid for evaluation experts, missions, and the external contractor dealing with ex post control audits. As regards Horizon 2020, the audits are performed by the Common Audit Service (CAS).

One important element that contributed to the cost-effectiveness of the processes is the Manual of Procedures that was developed, approved and published on the EISMEA Intranet

¹⁴ Agreement of the Corporate Management Board of 30/4/2019.

in 2022. It serves as a vital resource to help all staff members perform their everyday tasks with efficiency.

In addition, EISMEA has in place an effective mechanism for correcting errors, through ex-ante and ex-post controls, resulting in preventive and corrective measures, respectively

	Preventive Measures (m EUR)	Corrective measures (m EUR)
Implemented by EISMEA	6.88 €	3.80 €

Amount at risk at payment and at closure

EASMEA's portfolio of grants, consists of segments with a relatively low error rate, i.e., Consumer Programme and Standardisation, and a few segments with a relatively high error rate, i.e., COSME and H2020.

For Consumer Programme and Standardisation, this is, respectively, thanks to the performance of the related control systems and the inherent risk profile of beneficiaries (e.g., organisations, educational bodies). For H2020 and COSME, the relatively higher level of error in grants is linked to the applicable funding model (based on actual costs) and to the profile of some beneficiaries of the programme such as: “one-time beneficiaries”, which are not used to EU funding rules, small entities which do not have a robust financial management system in place and - for COSME - also beneficiaries located in third countries with limited knowledge of EU rules.

For those latter segments with control weaknesses, most of the errors relate to incorrect claims for personnel costs that are mainly due to beneficiaries’ lack of thorough understanding of the rules.

Actions aimed at reducing further the multiannual error rate of Horizon 2020, are detailed in Annex 7. It should be noted, however, that irrespective of the immediate launching of mitigating actions, a reduction of the multiannual error rate may take time to materialise.

For COSME, management actions taken to address these weaknesses include clearer communication of eligibility rules to beneficiaries, reinforced risk-based ex ante checks and extension of the use of lump-sum financing. EISMEA continuously aims to reduce the level of errors for the COSME programme. These mitigating measures were launched in the course of 2020.

The **estimated overall risk at payment** for 2022 expenditure amounts to €24,72 million. This is the AOD's best, conservative estimate of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. It represents 1.85% of the DG's total relevant expenditure for

2022, higher than the one for 2021 (€16.21 million, representing 1.65% of the DG's relevant expenditure for 2021). This is mainly due to the increase of the detected error rate in H2020 as well as the increase of the relevant expenditure for this segment by 36.10% (from €504,45 million in 2021 to €686,57 million in 2022) .

This expenditure will subsequently be subject to ex post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively **estimated future corrections** for 2022 expenditure amount to €2,90 million, representing 0,22% of the relevant expenditure.

The difference between those two amounts results in the **estimated overall risk at closure** of €21,82 million, representing 1,64% of the DG's total relevant expenditure for 2022 (€14,72 million, representing 1,50% of the DG's relevant expenditure for 2021). This is an increase of ,9,33% mainly due to the increase of the detected error rate in H2020 programme and a slightly decrease of the recovery capacity for non H2020 due to most audit reports finalised in 2022 have been closed in the last two months of the year, therefore the audit results are not implemented yet.

EISMEA's relevant expenditure, its estimated overall risk at payment, estimated future corrections and risk at closure are set out in Table X: Estimated risk at payment and at closure.

For an overview at Commission level, the DGs' and Agencies' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

Based on all the above, EISMEA presents in the following Table X an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year:

Table X: Estimated risk at payment and at closure (amounts in EUR million)

The full detailed version of the table is provided in annex 9.

PROGRAMME	'payments made' (2022;EUR)		minus new prefinancing (plus retentions made) (in 2022;EUR)		plus cleared prefinancing (minus retentions released and deductions of expenditure made by MS) (in 2022;EUR)		'relevant expenditure' (for 2022;EUR)		2022 Detected error rate		2022 Estimated overall risk at payment		2022 Adjusted average recoveries and corrections		2022 Estimated future corrections		2022 Estimated overall risk at closure			
	-1	--	-2	--	-3	--	-4	--	-5	--	-6	--	-7	--	-8	--	-9	--	-10	--
H2020																				
Financial Instruments		25,00		0,00		0,00		25,00		0,50%		0,13		0,00%		0,00		0,13		
Grants		273,09		46,63		460,11		686,57		2,71%		18,61		0,39%		2,68		15,93		
Others		8,39		0,00		0,94		9,33		0,50%		0,05		0,00%		0,00		0,05		
Horizon Europe																				
Financial Instruments		400,00		0,00		0,00		400,00		0,50%		2,00		0,00%		0,00		2,00		
Grants		619,30		619,03		0,32		0,59		2,00%		0,01		0,00%		0,00		0,01		
Others		11,06		0,00		0,00		11,06		0,50%		0,06		0,00%		0,00		0,06		
COSME 2014-2020																				
Grants		38,44		7,65		85,23		116,02		2,97%		3,45		0,18%		0,21		3,24		
Others		14,68		0,00		0,30		14,98		0,50%		0,07		0,00%		0,00		0,07		
SME 2021-2027																				
Grants		66,41		66,41		0,00		0,00		0,50%		0,00		0,00%		0,00		0,00		
Others		3,08		0,00		0,00		3,08		0,50%		0,02		0,00%		0,00		0,02		
Consumer 2014-2020																				
Grants		2,62		0,00		6,49		9,11		0,28%		0,03		0,18%		0,02		0,01		
Others		4,43		0,00		0,00		4,43		0,50%		0,02		0,00%		0,00		0,02		
Consumer 2021-2027																				
Grants		6,32		6,32		0,00		0,00		0,50%		0,00		0,00%		0,00		0,00		
Others		1,87		0,00		0,00		1,87		0,50%		0,01		0,00%		0,00		0,01		
Market surveillance 2021-2027																				
Grants		1,73		1,73		0,00		0,00		0,50%		0,00		0,00%		0,00		0,00		
Others		0,14		0,00		0,00		0,14		0,50%		0,00		0,00%		0,00		0,00		
Standardisation 2014-2020																				
Grants		4,24		0,00		4,13		8,37		0,80%		0,07		0,00%		0,00		0,07		
Standardisation 2021-2027																				
Grants		12,76		12,76		0,00		0,00		0,50%		0,00		0,00%		0,00		0,00		
ERDF 2021-2027																				
Grants		49,11		49,11		0,00		0,00		0,50%		0,00		0,00%		0,00		0,00		
Others		0,06		0,00		0,00		0,06		0,50%		0,00		0,00%		0,00		0,00		
Sub-total		1.542,76		809,65		557,51		1.290,62		0,50%		24,51		0,00%		2,90		21,60		
Operating budget		43,32		0,00		0,00		43,32		0,50%		0,22		0,00%		0,00		0,22		
TOTAL EA		1.586,08		809,65		557,51		1.333,94				24,72				2,90		21,82		
										Overall risk at payment		1,85%			Overall risk at payment		1,64%			

Control results for the EIC Fund

Since the Commission decision in April 2022, the equity component of the EIC Accelerator has been directly managed through the EIC Fund registered as an alternative investment fund for both Horizon Europe and Horizon 2020 pilot compartments. Following a second Commission Decision in September 2022, an external fund manager (AIFM) was selected and appointed by the Commission. The Commission ensures the policy steer through the EIC Work Programme, the investment guidelines and other legal documents which define the role of the AIFM and the EIB, as investment adviser. The AIFM makes the investment decisions and ensures an efficient management of portfolios of companies with operational liability and regulatory compliance. EISMEA is responsible for the overall implementation of the EIC Accelerator, in particular the coordination between the grant and equity components.

It is foreseen that the EIB will become the implementing partner of the equity component of the EIC Accelerator in the first half of 2023, and therefore the equity component will be under indirect management. In this set up, the Commission will continue to ensure the policy steer through the EIC Work Programme, the investment guidelines and other legal documents which define the role of the AIFM and the EIB, as investment adviser. The AIFM will continue to make the investment decisions and ensure the efficient management of portfolios of companies with operational liability and regulatory compliance. EISMEA will

continue to coordinate the overall implementation of the EIC Accelerator in particular the coordination between grant and equity component.

The EIC Fund provides equity from EUR 0.5 million to EUR 15 million to breakthrough innovation companies selected for EIC Accelerator blended finance support. The European Investment Bank, acting as adviser to the EIC Fund on behalf of the European Commission, is managing the ownership stakes of the European Commission. The EIC Fund has been authorised by Commission decision C(2020)4001 and was incorporated on 22 June 2020. The acts of incorporation and the Private Placement Memorandum (PPM) of the EIC Fund are annexed to the Decision. The Board of the EIC Fund ensures that this fund operates in accordance with the principles of sound financial management, transparency, proportionality, non-discrimination, equal treatment and subsidiarity, and in accordance with the requirements contained in the PPM. The Board's supervision role is described in Annex 6. The control strategy for the EIC Fund's financial instruments will be developed and finalised in 2023.

In 2022, EISMEA transferred a total of EUR 425 million to the EIC Fund (EUR 25 million for the Pilot compartment and EUR 400 million for the Horizon Europe compartment, as per Table X). A total of 68 equity support stemming from the Horizon Europe accelerator cut offs were approved by the Investment Committee entrusted to the external fund manager and eight related equity agreements were signed in 2022. An equity agreement has been signed leading to a payment close to EUR 9 million. The unaudited financial statements of year 2022 were provided by the EIC Fund on 15 February 2023 and the audited financial statements are due by 30 April 2023.

The reports foreseen in the Private Placement Memorandum (PPM) of the EIC Fund have been received by 17 March 2023 and assessed by 20 March with the exception of the audited financial statements that are due on 30 April.

On the basis of our assessment of the received reports/deliverables for the year 2022 to date, and subject to the provisions of the audited documents, our general conclusion is that the EIC Fund has fulfilled its 2022 reporting requirements except with regards the control and monitoring report and the Agreed Upon Procedures report. However, it is our opinion that the ISAE certifications received for fund manager services, depositary services and administrative services covering AlterDomus across all its mandates describe fairly the procedures implemented by the fund, disclose positive testing of these procedures and are validated without any reservation by a well-known external audit firm. The same procedures and controls are implemented by AlterDomus across all their mandates. In particular, EISMEA is of the opinion that procedures implemented for the EIC Fund are not different from those implemented for other mandates. Furthermore, the company's management and control systems and the compliance of the investment decisions with the investment policy adopted for each given Fund managed, in our case for the EIC Fund, are part of the ISAE certification received. In conclusion, EISMEA has elements to conclude that the ISAE certification can replace a specific certification for the sole EIC Fund activities.

Consequently, based on information available, no significant weaknesses affecting the management of the EIC Fund have been identified, and therefore reasonable assurance on its management can be granted.

For further information please see Annex 6

Regarding the 2022 administrative expenditure of the EIC Fund, in particular the maximum ceiling of 10% of the overall operational budget allocated to equity support, an analysis has been carried out on the 2022 unaudited financial statements of the Horizon Europe compartment. It shows that the total amount of the administrative expenditure of the EIC Fund Horizon Europe compartment reached EUR 2.91 million compared to a maximum ceiling of EUR 73.6 million.

Regarding the 2021 administrative expenditure of the EIC Fund, in particular the maximum ceiling of 4% of the overall operational budget allocated, an analysis has been carried out on the 2021 unaudited financial statements of the Horizon Europe compartment. It shows that the total amount of the administrative expenditure of the EIC Fund Horizon Europe compartment reached EUR 2.54 million compared to a maximum ceiling of EUR 25.7 million.

It should be noted that the unspent administrative expenditure for the years 2021 and 2022 will cover subsequent fees of the investment adviser and of the administrative agents and the AIFM in particular during the lifetime of the investments under Horizon Europe for these calls.

Moreover, it should be recalled that during these two years administrative expenditure was incurred in the context of the Pilot under H2020 budget for a total amount of EUR 27.8 million.

b) Fraud prevention, detection and correction

In 2022, EISMEA started the revision of its anti-fraud strategy¹⁵ on the basis of the methodology provided by OLAF. Given the critical finding presented in the IAS audit on Design and early implementation of the EIC¹⁶, special focus will be made on the specificities of the EIC. The revision is expected to be finalised in the first semester of 2023, in line with the final Joint Action Plan communicated to DG IAS on 22 February 2023. Work will be supported by DG RTD and supervised by parent DGs.

EISMEA also took into account the latest updates of the Commission and Research family anti-fraud strategies as well as the latest updates in the delegated programmes and specific changes such as a shift of the management mode of the EIC Accelerator. In addition, the agency conducted a dedicated fraud risk assessment with input from all its units and teams.

¹⁵ Last updated in 2017

¹⁶ Recommendation 6.1: "EISMEA (under the supervision of the parent DGs and with the support of DG RTD) should update its control and anti-fraud strategies to reflect specificities of the EIC programme" (see annex 7 for further details).

The current anti-fraud strategy has been largely implemented. Actions in 2022 included a fraud risk assessment endorsed by management, a fraud prevention and detection awareness session for staff, participation and sharing of experiences in the Fraud Prevention and Detection Network. Its implementation is being monitored and reported to the management twice per year, through the agency's Mid-year Report and Annual Activity Report.

To foster an anti-fraud culture across the agency, EISMEA established a network of Anti-Fraud Correspondents who exchange best practices and disseminate specific information about fraud prevention, detection, on-going OLAF investigations, sanctions and recoveries.

EISMEA also contributed to the monitoring of the implementation of the Commission anti-fraud strategy's action plan and followed up the financial recommendations issued by OLAF for 2018-2022 with the following results. At the end of 2022, the Agency had nine financial recommendations issued by OLAF in its register of which two (22.22%) had been fully implemented. From the seven not yet implemented (77.77%):

- Three recommendations were issued in 2022 and are being implemented
- Two recommendations are under legal analysis
- One recommendation faces implementation difficulties related to bankruptcies and liquidation procedures of the concerned entity. The recovery procedure will stay on hold until the liquidation procedure is concluded and the dividends from the liquidation – if any – have been distributed amongst the creditors
- The implementation of one recommendation has been postponed pending the conclusion of the grant agreement (final report is expected in 2023). In total, OLAF opened 19 cases for preliminary checks in 2022, out of which 10 cases have been dismissed, six led to opening of formal investigations concerning the Agency's beneficiaries and three are still under preliminary checks.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows:

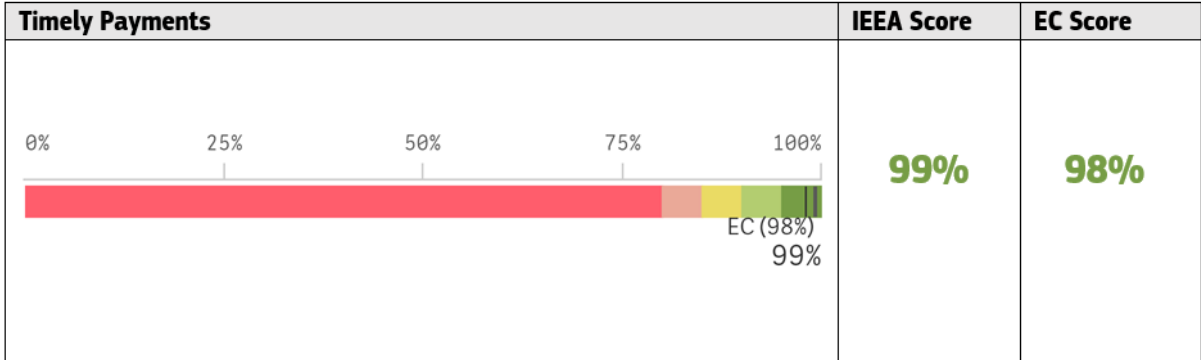
- Timely and successful cooperation with OLAF on ongoing and new selection and investigations cases related to beneficiaries of projects funded by the Agency
- Enhanced reactivity in case of suspicion of fraud by taking timely precautionary measures
- Improved responsiveness with regard to recoveries, penalties and other corrective measures in cases of fraud
- Updating the fraud-related risks in EISMEA's risk register and ensuring that their residual part remains within acceptable level
- Active participation and sharing of best practices in the Fraud Prevention and Detection Network (FPDNet) and the Fraud and Irregularities Committee (FAIR) in the frame of preventive activities
- Organisation of an anti-fraud training for EISMEA staff, to raise anti-fraud awareness and to maintain and promote an anti-fraud culture within the Agency

EISMEA - together with the other EU Executive Agencies - participates in a working group to formalise the working arrangements with the newly established European Public Prosecutor's Office (EPPO). Working arrangements are expected to be finalised in 2023. The Agency is working closely with EPPO on five cases of criminal investigations and prosecutions for crimes against the financial interests of the EU.

On the basis of the available information, EISMEA has reasonable assurance that the anti-fraud measures in place are effective overall. However, the following additional measures will be taken in order to align with the objectives of the Commission's Anti-Fraud Strategy and of the upcoming Common Anti-Fraud Strategy in the Research Family, as well as respond to the critical recommendation of the DG IAS final audit report on the design and early implementation of the EIC related to the shortcomings of the current anti-fraud strategy¹⁷: The upcoming update of the anti-fraud strategy of the Agency will address anti-fraud matters in a customised manner vis-à-vis the structure and programmes of the Agency.

2. Efficiency of controls

After having considered the control efficiency ratios for each of the four stages of controls described above, EISMEA concludes that its activities have been carried out in an efficient manner. Figures for time to inform, time to grant and timely payments were within target for the majority of the programmes¹⁸ as outlined in: (i) Executive Summary B (Key Performance Indicators), (ii) Annex 4 (financial scorecard) and (iii) Annex 7 (efficiency indicators per programme). In 2022, EISMEA processed some 5194 payments on the operational budget where 99,5% of the total payment accepted amount was done within the legal deadlines. On the administrative budget, some 801 payments were processed where 99,98% of the total payment accepted amount was done within the legal deadlines.



In 2022, EISMEA processed a total of 1.415.775.603 EUR of payments where 99.4% of the total payment amounts were made within the legal deadlines.

¹⁷ IAS.C1-2021-Y ENT-002

¹⁸ For more details, please see the Annex 7. As regards TTG, 5 out of 8 programmes were within the statutory deadlines, with another one only 2 days over on average.

3. Economy of controls

The calculation of the cost of controls was done taking into account the number of relevant Full Time Equivalents (FTE) working in each function related to the pertinent control stage and taking into account other costs related to external experts.

Ex-ante controls (operational budget)	Costs of controls	Amounts managed	Ratio costs/amount
	32,665,460.20 €	1,542,756,063.64	2.12%
Total amount of ex-post controls in 2022	496,082.22 €	5,030,222.91 €	9.86%
Overhead costs of the agency	3,203,266.35 €	1,542,756,063.64 €	0.21%
Total cost of controls	36,364,808.77 €	1,542,756,063.64 €	2.36%

Table 6: Cost of Controls

The table above gives an overview of the Agency's ratio of cost of controls over the total amounts managed. Given that the Agency started its mandate on 1 April 2021 and in AAR 2021, all the benefits could not be quantified yet, therefore the total costs of controls were relatively high in 2021. However, as programmes started to be implemented in 2022, the ratio between costs of controls and amounts managed is much lower in 2022 (2,36%).

4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, EISMEA has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for programmes delegated to the Agency albeit qualified by a Reservation on reputational grounds concerning the late implementation and weaknesses affecting the governance and control systems of the investment component of the EIC Accelerator scheme within the EIC Programme¹⁹.

2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

¹⁹ More details are provided in annex 9

The Agency is audited by independent auditors: the Commission Internal Audit Service (IAS) and the European Court of Auditors (ECA).

Internal Audit Service

During 2022 the Agency has finalised the implementation of the action plans following the IAS audits:

- Limited review on the reporting on the corrective capacity (2018);
- Audit on the management of experts in Horizon 2020 grants (2020);
- Audit on the implementation of anti-fraud actions in the research area (2020);

The Agency continues to implement audit recommendations stemming from:

- Audit on Protection of personal data of beneficiaries (EASME/EISMEA, EACEA, INEA);

The agency is implementing six important recommendations based on the action plan that was concluded in September 2022.

- Audit on Implementation of audit results in H2020 (RTD/CIC, CNECT, ERCEA, REA, CINEA, EISMEA).

The Agency has implemented the action plan to address the IAS recommendations.

There are no critical or very important IAS recommendations overdue for more than 6 months from the audit reports issued in 2022.

The final audit report on the Audit on the design and early implementation of the European Innovation Council in EISMEA, DG RTD and DG CNECT (2022) was issued by IAS on 31 January 2023 and contains a total of ten findings to be addressed by the three services audited (two critical, four very important and four important)²⁰:

1. Governance framework of the EIC programme (critical) - RTD Lead
2. Design of the EISMEA's internal control environment in relation to the EIC ²¹ (critical) - EISMEA Lead
3. Road map for the transition to the long-term solution for the EIC fund (very important) - RTD Lead
4. Evaluation process for the EIC calls (very important) - EISMEA Lead
5. EIC fund – assurance building blocks (reporting process and monitoring of the administrative budget) (very important) - EISMEA Lead

²⁰ For recommendations see the annex EISMEA: IAS audits overview 2021-2022

²¹ The Agency will update its control and anti-fraud strategies to reflect specificities of the EIC programme (notably on the EIC Accelerator (blended finance/equity support)), to be duly validated through the established channels; and perform an assessment of the internal control components to check their alignment to the specificities of the EIC programme. For more information see annex 7)

6. EIC Accelerator IT services and tools, and external IT service providers (very important)
- EISMEA Lead

The joint Action Plan to address the 14 recommendations deriving from the ten findings has been agreed between DG RTD, DG CNECT and EISMEA and submitted to the IAS on 22 February 2022.

Within its contribution to the 2022 Annual Activity Report process, the IAS issued limited conclusion of the Internal Auditor on the state of EISMEA's internal control²². The IAS concluded that the internal control systems in place for the audited processes are effective except for the observations giving rise to the 'critical' and 'very important' recommendations as mentioned above, which will be addressed as a matter of priority in 2023. Based on the findings and recommendations issued by the IAS, the Agency issues a reservation on reputational grounds concerning the late implementation and weaknesses affecting the governance and control systems of the investment component of the EIC Accelerator scheme within the EIC Programme²³.

European Court of Auditors

a) Administrative budget

The Court expressed the opinion that the Agency's 2021 annual accounts presented fairly its financial position. The transactions underlying the annual accounts were legal and regular in all material aspects. Two observations were raised relating to (1) overestimation of forecasted costs for an inter-institutional procurement procedure for communication and event organisation services launched by EASME at the time and (2) to Agency's registry of exceptions and non-compliance. These points do not call the Court's positive opinion into question and were properly addressed in the Agency's replies and actions.

b) Operational budget

Details of the sampled transactions of the ECA audits performed on the operational budget, in the context of DAS 2021 and DAS 2022, along with the related results, can be found in Annex 7.

c) Performance audits

During the year, the ECA finalised two performance audits involving EISMEA:

- The Special Report on 'SME Internationalisation instruments' was published on ECA website on 17 May 2022

²² Internal Audit Service contribution to the 2022 Annual Activity Report process, received 14/02/2023

²³ *More details are provided in annex 9*

- The ECA Special Report on 'External consultants at the European Commission' was published on ECA website on 30 June 2022

Recommendations raised will be implemented by the appropriate EC Services. No specific recommendations were raised for EISMEA. For detailed information on the finalised audits please consult Annex 7.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

EISMEA uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

The Agency monitors the performance of its internal control systems to make sure that any weakness in the system is detected, analysed, improved and corrected with cost effective measures if necessary. The reviews are based on the following sources of data: i) results of an internal control survey for staff and managers, ii) monitoring of the Internal Control Monitoring Criteria iii) follow up on the implementation of the actions in the action plan iv) conclusions on the registry of exceptions and non-compliance events recorded during the year, v) results of the risk assessments and related action plan, vi) relevant audit results, vii) results of the monitoring of the anti-fraud action plan and viii) declarations of assurance by Authorising Officers by sub-delegation.

The assessment of the effectiveness is based on these sources of information and professional judgement.

Business Continuity

In 2022, EISMEA updated its Business Continuity Plan (BCP) and annexes. The plan was widely communicated to staff, presented to management and to the Internal Control network^[1].

In addition, EISMEA tested the telephone cascade to ensure that staff members were familiar with it and collected feedback. Units were encouraged to further improve the cascade to strengthen the preparedness of the Agency for a potential crisis. In line with the BCP, EISMEA continuously monitors that all critical staff and their backups are logged into the relevant corporate IT tool. A group of rotating Duty Officers was set up and is fully operational.

Internal Control awareness raising and communication activities

A Manual of Procedures was published on EISMEA's intranet in September 2022. This electronic manual of over 300 pages is a single repository of all EISMEA's working processes and procedures, codified and presented in a concise and clear manner, together with models and templates. It is a vital resource to help all staff members to perform their everyday tasks with clarity, certainty and efficiency. It also serves as useful guidance for newcomers

to the Agency. All the information is updated on a regular basis. The manual and its contents were widely communicated to management and staff. All the information is updated on a regular basis.

The Agency's Internal Control network has been actively raising awareness of ongoing Internal Control matters in their units throughout the year. The work of the internal control team in the Agency also featured in the Agency's internal magazine.

Internal Control Assessment

The assessment of the Internal Control Systems was based on several sources of data, including a staff survey conducted in November 2022, the register of internal control weaknesses, the register of exceptions and non-compliance events, ongoing implementation of control and anti-fraud strategies, and audit conclusions, findings and recommendations. .

Taking into due consideration the recommendations in the final audit report on the design and early implementation of the EIC in EISMEA, DG RTD and DG CNECT received on 31 January 2023, the Agency identified three Internal Control Principles (ICP) to be in need of major improvement: ICP 3 'establishment of structures, authority and responsibility', ICP 10 'selection and development of control activities', and ICP 12 'deployment of control activities through policies and procedures'. However, the Agency also took into account the very positive results for these ICP in its survey of staff and management, where they scored 90.5% (based on 4 questions), 91% (based on 3 questions) and 88% (based on 6 questions) respectively. Furthermore, some improvements were identified the areas of ICP 8 'Assessment of fraud risk', ICP 11 'Selection and development of general control activities over technology', ICP 13 'use of relevant information' and ICP 14 'Internal communication'. EISMEA developed an action plan to improve the state of the Internal Control Framework.

Exceptions, non-compliance events and internal weaknesses

In 2022, EISMEA recorded all the cases of non-compliance reports and exception requests in the register. Fourteen cases were registered throughout the year, (11 non-compliance events and three exceptions requests). Repeated causes of the reported non-compliance event concerned, for example, the lack of a legal commitment during the delivery of services or an expired budgetary commitment. To tackle the tendency, the Agency is implementing action plans and awareness raising activities including presentations at management meetings, the Internal Control network, and via the Intranet. An update of the guidance on reporting of exceptions and non-compliance events, clarifying the process and simplifying the workflow is planned to be published in the first semester of 2023 with training sessions organised for staff.

Risk Assessment

In accordance with the Internal Control Framework, the Agency identifies risks to the achievement of its objectives across the organisation and analyses risks as a basis for determining how the risks should be managed. On this basis, in May and in October 2022, EISMEA conducted risk assessment exercises to identify and assess risks at various levels of the Agency. During the October exercise, two workshops were organised to discuss risks as

well as fraud-related risks in anticipation of the update of the Anti-fraud strategy. The results identified a critical risk concerning the implementation of the EIC in full compliance with the basic act and with the instrument of delegation and three cross cutting risks in common with other Commission services. EISMEA's risk register was presented to its Steering Committee on 13 December 2022. EISMEA developed an action plan to respond to the identified risks which is being implemented and monitored.

Follow-up on reservations and audit recommendations

There are no critical or very important recommendations from IAS, ECA, or other supervisory body overdue for more than 6 months. There were no reservations issued in the Annual Activity Report for 2021.

2.1.4. Conclusions on the assurance

EISMEA has assessed its internal control system during the reporting year and has concluded that it is partially effective as internal control principles 3, 8, 10, 11, 12, 13, 14 need improvements which could have a significant impact on the assurance. The improvements and remedial measures envisaged are described in the action plan designed following the Internal Control self-assessment and also in the Joint Action Plan following the recommendations in the final audit report on the design and early implementation of the EIC in EISMEA, DG RTD and DG CNECT, which was communicated to DG IAS on 22 February 2023.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by a reservation on reputational grounds concerning the late implementation and weaknesses affecting the governance and control systems of the investment component of the EIC Accelerator scheme within the EIC Programme.²⁴

2.1.5. Declaration of Assurance

Declaration of Assurance

I, the undersigned, Jean-David Malo

Executive Director of EISMEA

In my capacity as authorising officer for the operating (administrative) budget and authorising officer by delegation for the operational budget

²⁴ More details are provided in annex 9

Declare that the information contained in this report gives a true and fair view ⁽²⁵⁾.

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

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

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

However the following reservation should be noted: Reservation on reputational grounds concerning the late implementation and weaknesses affecting the governance and control systems of the investment component of the EIC Accelerator scheme within the EIC Programme.

More details are provided in annex 9.

Brussels, 5 April 2023

(signature)

Jean-David Malo

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

Building up and reaching out

EISMEA's Specific Financial Statement and the Cost Benefit Analysis determined that the agency's staffing allocation would increase by eight FTEs between 2021 and 2022 and then decrease by 92 FTEs up to 2027. As such, in 2022 EISMEA started to prepare the way for the future decreases in staff and froze some of its vacant posts to meet the requirement of a reduction by 15 FTE in 2023. . A detailed strategy will be developed and endorsed by EISMEA's Steering Committee in 2023.

⁽²⁵⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the Executive Agency.

On 8 July, EISMEA’s Staff Selection Procedure entered into force. The document was drafted by a working group composed of members representing all Departments and a range of functions in the Agency, as well as the Staff Committee.

The agency decided to postpone its planned follow-up to its 2021 job fair / team building exercise as collaboration within teams – as well as among management - was still at a relatively early stage. As the agency’s initial months of work took place during a period of remote working (during the COVID-19 pandemic), regular face-to-face meetings only began relatively recently.

Shaping the agency and creating a new organisational culture

In 2022, the agency continued its efforts to further nurture a strong internal corporate culture. A particular emphasis was put on events to foster in-person connections, break silos and create a sense of togetherness. The agency’s staff engagement activities continued to be shaped around three goals:

Establishing EISMEA as an outstanding employer through listening to staff and promoting dialogue: informal coffee meetings for staff with the the agency’s senior management continued and the first in-person Town Hall meeting took place in November. The agency’s intranet was integrated under the European Commission Sharepoint platform, allowing easier access to information and enhanced interaction for staff. EISMEA published three editions its internal magazine (‘Backstage’) highlighting personal, professional and team stories from across the agency.

Building up a vibrant and inclusive working environment: EISMEA held its first Agency Away Day gathering more than 370 colleagues for activities with a focus on EISMEA’s six values. The agency continued its support of bottom-up initiatives with the creation of a football team as well as specific groups on cycling, greening and mind & body. Events to commemorate the Czech presidency, EISMEA’s first anniversary and St Nicolas further helped to bring staff together in person.



EISMEA Away Day - June 2022

Establishing EISMEA as a beacon of innovation: EISMEA continued its series of online talks from top innovators, including the former innovation adviser to President Barack Obama. EISMEA staff continued to use the agency’s Idea Lab to propose ideas to improve agency life and develop new ways of working.

In March 2022, EISMEA held its first management away day; the focus was on bringing EISMEA’s values to life. The process led to a self-defined Management Charter that outlines how managers will practice the values in their work. This commitment was embodied by a public signing of the Charter by all Managers during the Agency Away Day.

Implementing a modern HR service: Following the adoption of the new HR Strategy by the Commission in March, the six Executive Agencies worked to develop a common HR strategy for 2023-2027 which focuses on three areas: attractiveness and retention”, “selection and recruitment” and “career prospects”. This underlines the desire of Agencies to deepen synergies and to support the mobility and development of their staff. The strategy is now with management for consultation and adoption. While awaiting their final decision, EISMEA’s learning strategy (part of the action plan to implement the new Inter Executive Agency HR Strategy) has been put on hold.

Work on the 360° evaluation exercise for managers began in 2022 with a view to enabling all managers to participate in the exercise in the first quarter of 2023. This timing will allow managers to review their progress on implementing the commitments of the Management Charter (signed in June 2022).

Facilitating career development and increasing synergies among Executive Agencies: In 2022, the agency continued to work closely with the other agencies to build synergies, share knowledge and make productivity gains. Results included the signature of a Memorandum of Understanding on sharing reserve lists to recruit contractual agents; the Inter Agency HR strategy (see above); and a pilot exchange programme/Management job shadowing between Agencies and the Commission launched in January 2023.

Promoting gender balance: Seconded middle managers are part of the seconding DGs’ staff. As such, the responsibility for achieving the targets of first female appointments to middle-management positions lies with the parent DG. The agency fully supports the target, provides parent DGs with a regular overview of the gender representation and encourages them to keep the target top of mind when making their appointments.

In addition, the agency took initiatives to promote diversity and inclusion in line with the Commission’s initiatives. This includes the inter-agency “Respect & dignity @ work week” organised in October and a

Inter-Agency Women Talent Programme
10-month programme
6 Executive Agencies
36 participants

very successful first inter-agency women talent programme, launched jointly by all Executive Agencies, with the objective of enabling women aspiring to leadership positions.

2.2.2. Digital transformation and information management

The agency operates in line with the Commission Digital Strategy focusing on:

Governance and security

The Agency has started the update of the IT Security Plans of the EIC IT tools, following a plan coordinated with Central Services and in line with the corporate IT Security Risk Management. IT security compliance has been further improved with the onboarding of EISMEA IT tools (namely EEN and EIC) on the Governance, Risk and Compliance tool (GRC) which provides a common horizontal corporate tool to ensure constant monitoring of security compliance. In addition, EISMEA organised several security awareness training sessions both at staff and management level.

The new EEN Community platform went live on 14 January 2022. The platform enables Network members to deliver services to their clients, find new collaboration opportunities, monitor their activities, plan and follow events and training sessions. The platform is built on existing reusable solutions within the institutions and it is continuously being improved to adhere to the digital strategy principles of the Commission.

Data information and knowledge management

EISMEA uses IT collaboration and knowledge management tools, including Microsoft 365 applications, such as Microsoft Teams, Microsoft SharePoint, Microsoft Office Online (documents co-authoring). After migration to the Welcome domain, users are taking advantage of enhanced collaboration and sharing functionalities with increased security and efficiency levels.

EISMEA is participating in DIGIT Digital Workplace user group meetings and initiatives such as the Collaboration Hub community of practice to raise staff awareness on information and knowledge management with Microsoft 365 tools. To prepare for the EC-wide migration to SharePoint online (including communication, knowledge management, and collaboration functionalities), EISMEA set up a taskforce to coordinate the Intranet transition process, map the staff's collaboration needs and ensure wide adoption of Microsoft 365 tools in their daily work.

Data protection

The agency continued to actively monitor compliance with the Data Protection Regulation²⁶ and continued implementing its Data protection action plan, largely based on the Action Plan of the Commission.²⁷ The IAS audit report on data protection led to an action plan that will also be included in the agency's Data protection action plan.

EISMEA updated the relevant internal rules and guidelines available on the agency's Intranet, provided regular awareness and training opportunities for staff and management, activities during European Data Protection week, data protection clinics and specific training for units.

In 2022 the agency promoted cyber security and how to manage data breaches, clarified the obligations on record keeping and adopted a procedure for data subject rights.

²⁶ (EU) N° 2018/1725

²⁷ (C(2018) 7432 final).

2.2.3. Sound environmental management

EISMEA took a number of environmental actions to support the Commission's commitment to implement the objectives of the Green Deal, namely:

- Implementation of both the EC Guidelines for sustainable meetings and events and the Commission's Guidance Note on staff and experts' travel. The principles of both have been integrated into EISMEA's working practices and Mission Guidelines.
- In 2022 nine meeting rooms were equipped with video conference equipment, enabling EISMEA to replace some in-presence meetings with remote meetings and contributing to the reduction of the agency's carbon footprint.
- In 2022 EISMEA took part twice (during the summer and Christmas breaks) in the corporate Building Energy Saving Together (BEST) action. Ventilation and heating/air-conditioning were turned off for several weeks to make energy savings.
- EISMEA participated and contributed actively to the EU Digital Frugality campaign, producing several videos available on the web.
- The agency participated in the corporate initiative "Give. Objects. Another. Life" (GOAL). This action aims to give a second life cycle to surplus office supplies and other items in good condition, which will be donated to charities and/or schools.
- The agency participated to the GREEN Transition Multipliers' Workshop organised by DG HR, aiming to bring together 'green networks' and empower them to act as multipliers for the GREEN transition, to find new ways to make the Greening Communication and action plan a reality.
- Autumn Green Week at Covent Garden (28 November to 02 December) saw a number of inter-agency on-site and remote initiatives and discussions. Topics included food, toys, fashion, waste sorting and digital waste.

2.2.4 Initiatives to improve economy and efficiency of financial and non-financial activities

The agency has fostered the use of various IT collaboration and knowledge management tools, including EC corporate Office 365 / Microsoft 365 applications, such as Microsoft Teams, Microsoft SharePoint, Microsoft Office Online (documents co-authoring). After migration to the Welcome domain, users are taking advantage of additional collaboration and sharing functionalities with increased security and efficiency levels.

EISMEA participates in the Collaboration Hub community of practice to raise staff awareness on information and knowledge management with new IT tools offered in Office 365/Microsoft 365.

Work on increasing the use of digital platforms for HR services to ensure a more efficient and effective use of the administrative budget will start in 2023.